

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, 2018
2. SEC Identification Number ASO92-06441 3. BIR Tax Identification No. 001-945-016
4. Exact name of issuer as specified in its charter SOCResources, Inc.
5. Not Applicable 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. 4th Floor ENZO Bldg. 399 Senator Gil Puyat Avenue
Makati City 1200
Address of principal office Postal Code
8. (632) 804-1977 / 804-1978
Issuer's telephone number, including area code
9. SOUTH CHINA RESOURCES, INC./ ENZO Bldg. Senator Gil Puyat Avenue
Makati City
Former name, former address and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sec. 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding |
|----------------------|--|
| <u>Common Shares</u> | <u>901,920,568</u> |
11. Are any or all of these securities listed on a Stock Exchange?
- Yes [☒] No [☐]
- If yes, state the name of such stock exchange and the class/es of securities listed therein:
- | Name of Stock Exchange | Class of Securities listed |
|----------------------------------|----------------------------|
| <u>Philippine Stock Exchange</u> | <u>U</u> |

12. Check whether the issuer:

(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 the issuer 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 []

PART 1 – FINANCIAL INFORMATION

Item 1: Financial Statements

Financial Report

- a) The accompanying interim financial statements are prepared in accordance with the Philippine Financial Reporting Standards (PFRS).
- b) There were no changes made in the accounting policies and methods of computation as compared with the last annual financial statements.
- c) Quarterly financial statements are prepared for the interim operations for the updated information of the stockholders and basis for the decision making of the management.
- d) For this interim period, the Company has no unusual transactions or had encountered events that affect materially its assets, liabilities, equity, net income or cash flows.
- e) The Company did not report in its financial statements any estimates of amount of a given transactions for this interim period and in prior interim periods.
- f) There were no issuances, repurchases, and repayments of debt securities for this interim period.
- g) There are no changes in the composition of the issuer during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.
- h) The Company has no contingent assets or liabilities since the last annual balance sheet date.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

BUSINESS

The Securities and Exchange Commission (SEC), on October 30, 2003, approved the amendment of the Company's Articles of Incorporation to change the primary purpose thereof to that of a holding company and to include its then primary purpose of oil exploration as among the secondary purposes of the Company.

On April 25, 2014, the Board of Directors approved the amendment in the Articles of Incorporation to change the name of South China Resources, Inc. to SOCResources, Inc. (SOC). The change was approved by the Philippine SEC on September 04, 2014.

SOC was incorporated and registered with the SEC on September 25, 1992 primarily to undertake oil and gas exploration, development and production and became one of the leading exploration companies upon its listing in 1994. Starting in 1995, SOC opted to strengthen its core business by diversifying then into other investments which after two decades the company has now turned out to be one of the strongest holding companies in the market having had investments in real estate, steel fabrication, banking, telecommunications and energy exploration. The company is debt free and has a robust balance sheet

The diversification process brought on by the financial crisis of the 90's, honed through the years, and allowed SOC to invest in technology based and long-term ventures. This gave the company the means to weather the lows of the period. One of the first and significant investments was the acquisition and sale of Bell Telecommunications Philippines, Inc., the acquisition and subsequent sale of Filipinas Plaza along EDSA corner Chino Roces Avenue and minority equity in Premiere Development Bank.

The sale of previous possessions Filipinas Plaza and BellTel gave the company the influx of funds for re-investment and following the proven model of acquisition and sale of significant assets, SOC acquired position in AGP International Inc in December 2010 which in turn gained control of AG&P Manila. AG&P Manila is one of the oldest and largest steel fabrication companies in the country with the unchallenged capability in modular fabrication. AG&P was supposedly a

long-term investment however management was able to identify an opportunity which allowed for a shorter turn-around time in recouping this investment. This allowed for recoup of the investment and make a good return in what would have taken the company more than several years at the very least following the usual course of investment and dividend sharing. On January 31, 2012, the company sold its AGP shares at a good profit.

Premier Bank on the other hand expanded to almost 40 branches after the company acquired its shares. It became one of the most stable small banks that it became an attractive target for acquisition by a much larger bank. The sale of this asset was concluded with the approval of the sale by the Monetary Board.

Following the successful sale of the Filipinas Plaza and in response to the growing need for affordable housing for Filipinos, SOC followed on through the real estate business by acquiring on May 26, 2010 a 2.4-hectare plot in Buli, Muntinlupa strategically located along the South Luzon Expressway.

The Board of Directors, in a special meeting held November 11, 2010, directed Management to cause the registration with the Securities and Exchange Commission of SOC Land Development Corporation (SOC Land) as a wholly-owned subsidiary of the issuer with an authorized capital stock of One Hundred Sixty Million Pesos (PHP 160,000,000.00), a subscribed capital stock of Forty Million Pesos (PHP 40,000,000.00) and a paid-up capital of Ten Million Pesos (PHP 10,000,000.00). The subsidiary will be the property development arm of the company, that will develop a 2.4-hectare community, called Anuva Residences (the Project), situated near Sucat Interchange. It will have four (4) tandem buildings.

The first tandem building of ANUVA RESIDENCES, the "ANALA", projects a Fun Zone image showcasing the Wet and Dry Play Area for children. The building was completed and delivered last May 16, 2015 during the turnover ceremony held on the same day.

At the end of 2016, amenities facing Anala including the wading pool, children's playground, al fresco area, cascading water, pond, Trellis Park as well as the parking slots in the lower ground floor have been finished for the residents' use and enjoyment.

The second tandem building known as AZALEA is currently in a preselling stage focusing on the Green Urban Living image with amenities like the reflecting pool, adult and kiddie pool, cascades, picnic groves, clubhouse, garden party and BBQ area.

SOC Land's latest project is a horizontal residential development, ALTHEA RESIDENCES. It is situated in Brgy. Zapote, Biñan City, Laguna and featuring modern homes with tranquil vibe spread in 4.3 hectares of land. While a number of house and lot units have been completed, additional construction of other house and lot units is ongoing.

SOC has identified other areas for potential investment. To address a growing population, now estimated at 100 million Filipinos and increasing every year, the company looks at food production. The Company believes that a rising population coupled with rising incomes will drive greater food consumption. Opportunities have been identified to get in this value chain to grow a long-term business that will allow expansion laterally and vertically.

The Company entered into an agreement with the Palawan IP group Campong It Mapangarapan It Palawano (CAMPAL) of Rizal, Palawan to undertake agro-industrial development of their ancestral land. The National Commission for Indigenous Peoples (NCIP) handed over to the Company the Certificate of Pre-condition with FPIC (Free Prior Informed Consent) for the agreement last June 2016. The Company has completed project documentation with the LGUs (Local Government Units). SOC and CAMPAL have been conferring with the LGUs and the Palawan Council for Sustainable Development (PCSD) to secure the Strategic Environmental Plan (SEP) Clearance needed for the agro-industrial development. On March 8, 2018 the PCSD issued the SEP Clearance Certificate for the development of 3,212 hectares of the IP area.

The country needs both conventional and renewable energy resources to address its power requirements. SOC is investigating conventional and renewable energy resources, that can provide for base load power that is sustainable for the long term and therefore provide for a steady income stream for the company.

Principal products or services and their distribution; competition in the industry; sourcing of raw materials and principal suppliers; dependence on one or few customers; transactions with and/or related parties; and patents, trademarks, licenses, franchises, concessions, royalty agreement, or labor contracts are not applicable with the registrant at this time.

The Company's subsidiary is SOC Land Development Corporation as of September 30, 2018.

The Company does not expect any significant changes in its number of employees. Presently, the Company has a total of six (6) officers and employees, all working full-time, one (1) Chairman, one (1) Vice-President for Operations, one (1) Vice-President for Finance, one (1) Accounting Manager, one (1) Accounting Assistant and one (1) Messenger. The Company has no Collective Bargaining Agreements (CBA).

CONSOLIDATED RESULTS OF OPERATIONS
Financial Highlights
(In PHP)

FOR THE PERIOD ENDED SEPTEMBER 30, 2018 & SEPTEMBER 30, 2017

ACCOUNTS	September 30, 2018	September 30, 2017	% CHANGE
REVENUES	104,708,105	50,494,509	107.37%
COST AND EXPENSES	85,903,638	61,692,777	39.24%
INCOME (LOSS) BEFORE INCOME TAX	18,804,467	(11,198,268)	267.92%
PROVISION FOR INCOME TAX	-	2,739,920	-100.00%
NET INCOME/(LOSS)	18,804,467	(13,938,188)	234.91%
NET GAINS(LOSSES) ON AFS FINANCIAL ASSETS	(1,960,368)	1,116,689	-275.55%
TOTAL COMPREHENSIVE INCOME/(LOSS)	16,844,099	(12,821,499)	231.37%

2018 VS 2017: RESULTS OF OPERATIONS

SOCland's (subsidiary) projects Anala and Althea recognized sales as of the 3rd quarter of 2018 amounted to P14.48 million and P72.04 million respectively for the first nine months of the year 2018. Most of the sold units in Anala have already been recognized in the previous years. Other income decreased by 0.39% from P11.19 million in 2017 to P11.14 million in 2018. These consist of late payment penalties, forfeited payments, interest earned on in-house financing and interest earned on short term placements. The parent, SOCResources, Inc. earned an interest income of P6.05M from savings account, investment in time deposits and treasury bills. 36.5% of the consolidated general and administrative (CG&A) expense pertains to the personnel cost amounting to P11.02M; 9.14% of CG&A are travel and transportation amounting to P2.8M; 7.92% of CG&A pertains to professional expense amounting to P2.4M; 11.53% of CG&A are research and development cost amounting to P3.5M and 6.9% of the CG&A are rent and utilities amounting to P2.01M. Bulk of the consolidated sales and marketing expenses (CS&M) representing 34.68% pertains to Consultancy Fees - Sales of P6.4M and 28.17% of CS&M are sales commission for Althea Phase 1 amounting to P5.2M.

The subsidiary, SOCland, registered a net income of P 22.88 million and net loss of P13.48 million for the first nine months of 2018 and 2017, respectively. General and administrative expense dropped to 14.22% from P22.25 million in 2017 to P19.90 million in 2018. The selling and marketing expense on the other hand increased by 16.77% from P15.91 million in 2017 to P18.58 million as at end of September 2018 due to the increase in number of sellers for both in-house and international sales group.

FOR THE PERIOD ENDED SEPTEMBER 30, 2017 & SEPTEMBER 30, 2016

ACCOUNTS	September 30, 2017	September 30, 2016	% CHANGE
REVENUES	51,823,980	157,219,568	-67.04%
COST AND EXPENSES	63,022,248	147,543,702	-57.29%
INCOME (LOSS) BEFORE INCOME TAX	(11,198,268)	9,675,866	-215.73%
PROVISION FOR INCOME TAX	2,739,920	6,413,495	-57.28%
NET INCOME/(LOSS)	(13,938,188)	3,262,371	-527.24%
NET GAINS(LOSSES) ON AFS FINANCIAL ASSETS	1,116,689	5,053,106	-77.90%
TOTAL COMPREHENSIVE INCOME/(LOSS)	(12,821,499)	8,315,477	-254.19%

2017 VS 2016: RESULTS OF OPERATIONS

Anala sales recognized for the nine-months period of 2017 amounted to P3.3 million and P120.5 million for 2016. Most of the sold units in Anala have already been recognized in the previous years. Althea sales recognized for the same period of 2017 amounted to P28.6 million and P10.0 million recognized for 2016. Anala parking sales recognized for the same period in 2017 amounted to P0.48 million and P0.90 in 2016. Other income decreased by 52.23% from P23.4 million in 2016 to P11.1 million in 2017. These consist of late payment penalties, forfeited payments, interest earned on in-house financing and interest earned on short term placements. 29% of the general and administrative (G&A) expense pertains to the personnel cost amounting to ₱9M, 15% of G&A are travel and transportation amounting to ₱4.7M and 12% of G&A pertains to taxes and licenses amounting to ₱3.8M. Bulk of the sales and marketing expenses pertains to Sales Commission of ₱3.5M and consultancy fees of ₱4M. The provision for income taxes of ₱2.7M and ₱1.4M pertains to taxes payable by the subsidiary, SOC Land. There was a decrease on the market value of the equity holdings of the parent company as of September 30, 2017.

The subsidiary, SOC Land registered a net loss of P 13.4 million and net income of P10.3 million for the first nine months of 2017 and 2016, respectively. Anala sales recognized for the nine-months period of 2017 amounts to P3.3 million and P120.5 million for 2016. Most of the sold units in Anala have already been recognized in the previous years. Althea sales recognized for the same period of 2017 amounts to P28.6 million and P10.0 million recognized for 2016. Anala parking sales recognized for the same period in 2017 amounts to P0.48 million and P0.90 in 2016. Other income decreased by 52.23% from P23.4 million in 2016 to P11.1 million in 2017. These consist of late payment penalties, forfeited payments, interest earned on in-house financing and interest earned on short term placements. General and administrative expense decreased by 26.25% from P30.1 million in 2016 to P22.2 million in 2017. The selling and marketing expense on the other hand increased by 84.71% from P8.6 million in 2016 to P15.9 million as at end of September 2017 due to the increase in number of sellers for both in-house and international sales group, frequency of international roadshows and advertising campaign through social media.

CONSOLIDATED FINANCIAL POSITION

Financial Highlights

(in PHP)

FOR THE PERIOD ENDED SEPTEMBER 30, 2018 & SEPTEMBER 30, 2017:

ACCOUNTS	September 30, 2018	September 30, 2017	% CHANGE
CURRENT ASSETS	1,636,503,186	1,590,184,560	2.91%
NONCURRENT ASSETS	157,336,575	182,716,587	-13.89%
TOTAL ASSETS	1,793,839,761	1,772,901,147	1.18%
CURRENT LIABILITIES	147,203,191	135,582,164	8.57%
NONCURRENT LIABILITIES	8,818,104	3,602,918	144.75%
TOTAL LIABILITIES	156,021,295	139,185,082	12.10%
EQUITY	1,637,818,466	1,633,716,065	0.25%
TOTAL LIABILITIES AND EQUITY	1,793,839,761	1,772,901,147	1.18%

2018 VS 2017: FINANCIAL CONDITION

Current assets increased by 2.91% due to the maturity of investments in treasury bills by the parent company amounting to ₱256 million, decrease in Receivable of subsidiary by 2.54% brought about by various loan take out for the first nine months of 2018 and increase in other current assets by subsidiary by ₱3.91 million due to the creditable taxes remitted on fully paid units and refundable deposits for office rental.

Accounts payable and other current liabilities increased by P19.94 million due to additional payments made by unit owners on downpayment and processing fee and corresponding output tax. Noncurrent liabilities increased due to the recognition of deferred tax liability amounting to ₱4.02M.

Cash and cash equivalents increased by 239% due to the maturity of short term investments by the company amounting to ₱256M, redemption of investments in UITF of ₱10M and the ₱41M cash generated by the subsidiary from operations as of ending September 30, 2018.

CONSOLIDATED FINANCIAL POSITION

Financial Highlights (in PHP)

FOR THE PERIOD ENDED SEPTEMBER 30, 2017 & SEPTEMBER 30, 2016:

ACCOUNTS	September 30, 2017	September 30, 2016	% CHANGE
CURRENT ASSETS	1,590,184,560	1,616,618,005	-1.64%
NONCURRENT ASSETS	182,716,587	130,305,994	40.22%
TOTAL ASSETS	1,772,901,147	1,746,923,999	1.49%
CURRENT LIABILITIES	135,582,164	122,289,599	10.87%
NONCURRENT LIABILITIES	3,602,918	3,856,790	-6.58%
TOTAL LIABILITIES	139,185,082	126,146,389	10.34%
EQUITY	1,633,716,065	1,620,777,610	0.80%
TOTAL LIABILITIES AND EQUITY	1,772,901,147	1,746,923,999	1.49%

2017 VS 2016: FINANCIAL CONDITION

The increase in noncurrent asset was brought about by the increase in the noncurrent receivable due to the net effect of the collection of account as the units were turned over and the recognition of sales for those units, the collection of down payment of which amounted to 20% of the total contract price. The slight decrease in the current assets were brought about by the decrease in the Receivables-current due to collections and reclassification to noncurrent receivables. Real estate for sale increased by 7.2% or P13.3 million due to the payment of progress billing for Althea. Althea is the first house and lot project of SOC Land. It is located at Brgy. Zapote in Biñan City Laguna and near Biñan City Hall. Other current assets increased due to the investment in treasury bills amounting to P252M and creditable taxes remitted on fully paid units and refundable deposits for office rental. Decrease in the recognized retirement liability has caused the slight decrease in the noncurrent liabilities. The positive bottomline figure as of year ended December 31, 2016 has caused the slight increase in the equity of the group as of the period ending September 30, 2017.

KEY PERFORMANCE INDICATORS

The following are the major financial ratios of the Company for the period ended September 30, 2018 and September 30, 2017.

Key Financial Ratios	September 30, 2018	September 30, 2017
Revenue Growth		
(Total Revenues (current period) - Total Revenues (prior period))/Total Revenues (prior period)	107.37%	-67.88%
Net income Growth/(Decline)		
Net Income (after tax) (current period)/ Net income (prior period, after tax)	234.91%	-527.24%
Solvency Ratio		
(After Tax Net Income+Depreciation)/Total Liabilities	13.37%	-8.74%
EBITDA		
Income from operations plus depreciation and amortization	P 20,858,336	(P12,170,594)
Asset to Equity Ratio		
Total Assets/Total Equity	1.0953 x	1.0852 x
Return on Equity (ROE)		
Net income/ Equity	1.15%	-0.85%
Return on assets (ROA)		
Net income/ Total Assets	1.05%	-0.79%
Current/Liquidity ratio		
Current Assets/ Current Liabilities	11.12 x	11.73 x
Debt to Equity Ratio		
Total Liabilities/ Equity	0.0953 x	0.0852 x

The decrease in real estate inventories and prepayments and other current assets as well as the increase in cash and cash equivalents has caused the current ratio from 11.73x to 11.12x for the period September 30, 2018. The positive bottomline figure of the subsidiary SOC Land as of period ending September 30, 2018 has caused the positive change in the net income growth, EBITDA, return on equity and return on assets. The 12.10% increase in liabilities has caused the increase in debt to equity ratio. Accounts payable and other current liabilities increased by P11.6 million for the period ending Sept. 30, 2018 due to additional payments made by unit owners on downpayment and processing fee and corresponding output tax as against same period year ending 2017.

The Company has NO earnings yet from commercial production. Therefore, there were NO dividends declared for the period ended September 30, 2018.

There are no material trends, events or uncertainties that are reasonably expected to occur in the next interim period that will have a material favorable or unfavorable impact on the results of the Company's liquidity or sales.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or accumulation of an obligation.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

The Company's cash requirement is provided by the management. There is no foreseen increase in funds for the next twelve months however the need should arise, the management will satisfy such cash requirements.

There is no expected purchase or sale of plant and significant equipment in the next twelve months.

For the period ended September 30, 2018, the Company still has no commercial production yet that will enable to support its dividend declaration. It has one wholly owned subsidiary, SOCLand Development Corporation.

The material changes for this year in comparison with the prior year-end based on line items in the comparative financial statements as of September 30, 2018, 2017 and 2016 are summarized as follows:

ACCOUNTS	For the Period September 30			% CHANGE	
<i>In Millions</i>	2018	2017	2016	2018 vs 2017	2017 vs 2016
Statement of Financial Position					
Cash & Cash Equivalents	420.01	123.81	332.88	239.25%	-62.81%
Short-term investments	-	258.59	-	-100.00%	100.00%
Receivables	57.16	38.69	202.44	47.75%	-80.89%
Real estate inventories	1,087.17	1,095.42	1,021.68	-0.75%	7.22%
Due from Related Parties	0.23	0.19	0.18	20.40%	7.03%
Prepayments & Other Current Assets	71.99	332.08	59.44	-78.32%	458.67%
Receivables - net of current portion	61.84	78.85	25.20	-21.57%	212.84%
Available for Sale (AFS) financial assets	41.49	41.92	37.80	-1.03%	10.89%
Property & Equipment	35.34	34.86	35.61	1.37%	-2.09%
Other noncurrent assets	18.67	27.09	31.70	-31.08%	-14.54%
Accounts Payable & other Liabilities	147.20	135.58	75.40	8.57%	79.83%
Retirement benefit obligation	4.80	3.60	3.76	33.10%	-4.12%
Deferred Tax Liabilities	4.02	-	-	100.00%	-100.00%
Retained Earnings - Unappropriated	135.61	129.13	365.57	5.02%	-64.68%
Statement of Comprehensive Income					
REVENUES					
Interest Income	6.05	7.60	1.93	-20.46%	294.06%
Real estate sales	86.53	32.41	131.47	166.95%	-75.34%
Dividend Income	0.29	0.23	0.23	25.93%	0.91%
Gain on redemption of UITF	0.20	-	-	100.00%	-100.00%
Other income-net	11.14	9.86	21.6647	13.04%	-54.49%
Foreign Exchange Gain	0.51	0.14	0.18	274.31%	-23.87%
COST AND EXPENSES					
Cost of real estate sales	37.12	16.17	99.33	129.55%	-83.72%
Sales and marketing expenses	18.58	15.91	8.62	16.77%	84.71%
General and Administrative Expenses	30.20	29.61	37.84	2.00%	-21.76%
Provision for Income Tax	-	2.74	6.41	-100.00%	-57.28%
Net Gains/(Losses) on AFS Financial Assets	(1.96)	1.12	5.05	275.55%	-77.90%

Discussion for January - September 2018 vis-à-vis January - September 2017

Cash & Cash Equivalents

Cash and cash equivalents increased as of 3rd quarter 2018 as compared to the same period last year due maturity of short-term investments by the company amounting to ₱256M, redemption of investments in UITF of ₱10M, Interest received amounting to ₱3M, ₱41M cash generated by the subsidiary from operations as of ending September 30, 2018.

Short-term investments

Pertains to investments in government issued securities.

Receivable

Receivable's increase brought about by the recognition of receivables from those who have completed their 20% down payment and awaiting full payment thru cash or financing.

Prepayments and Other Current Assets

Other current assets decrease due to the classification of input taxes as noncurrent assets.

Available for Sale investments

Increment in market value of equity holdings.

Property and equipment

Increase was due to the acquisition of equipment for the research phase of the parent's current project.

Accounts Payable and other liabilities

Accounts payable and other current liabilities increased due to the recognition of obligation to contractors for the Anuva and Althea amenities.

Retirement Benefit obligation

The group recognized additional amount for the retirement benefit of the employees.

Deferred Tax Liabilities

Pertains to the tax liabilities recognized for the gain in the Parent company's golf shares holdings.

Sale of Real estate

The subsidiary SOCLand's project Anala and Althea recognized sales as of the 3rd quarter of 2018 amounted to P86.5 million and P32.4 million for 2017. Most of the sold units in Anala have already been recognized in the previous years.

Other Income

These are income from forfeited buyers' deposits and late payments penalties.

Sales and marketing expense

Bulk of the consolidated sales and marketing expenses (CS&M) representing 34.68% pertains to Consultancy Fees - Sales of P6.4M and 28.17% of CS&M are sales commission for Althea Phase 1 amounting to P5.2M.

General and Administrative expense

36.5% of the consolidated general and administrative (CG&A) expense pertains to the personnel cost amounting to P11.02M; 9.14% of CG&A are travel and transportation amounting to P2.8M; 7.92% of CG&A pertains to professional expense amounting to P2.4M; 11.53% of CG&A are research and development cost amounting to P3.5M and 6.9% of the CG&A are rent and utilities amounting to P2.01M.

Discussion for January - September 2017 vis-à-vis January - September 2016

Cash & Cash Equivalents

Cash and cash equivalents decreased by 62.81% as of 3rd quarter 2017 as compared to the same period last year due to the acquisition of treasury bills amounting to P252M. The parent company earned interest income amounting to P7.6M.

Receivable

Receivable's decrease brought about by the net effect of the collection of account as the units were already turned over and the recognition of sales for those units which have completed the 20% collection of down payment.

Real Estate for Sale

Increase in Real estate for sale was due to the payment of progress billing for Althea.

Prepayments and Other Current Assets

Other current assets increased due to the creditable taxes remitted on fully paid units and refundable deposits for office rental.

Available for Sale investments

Increment in market value of equity holdings.

Property and equipment

Decrease was due to depreciation.

Accounts Payable and other liabilities

Accounts payable and other current liabilities drop was due to the payment to contractors for Anala Building, payment of accrued commission and offset of unit owners' deposit against receivable upon take up of sale.

Retirement Benefit obligation

The group recognized additional amount for the retirement benefit of the employees.

Sale of Real estate

Anala sales recognized for the nine-months period of 2017 amounts to P3.3 million and P120.5 million for 2016. Most of the sold units in Anala have already been recognized in the previous years. Althea sales recognized for the same period of 2017 amounts to P28.6 million and P10.0 million recognized for 2016. Anala parking sales recognized for the same period in 2017 amounts to P0.48 million and P0.90 in 2016.

Other Income

These are income from forfeited buyers' deposits and late payments penalties.

Sales and marketing expense

Bulk of the sales and marketing expenses pertains to Sales Commission and consultancy fees.

General and Administrative expense

29% of the general and administrative (G&A) expense pertains to the personnel cost amounting to ₱9M, 15% of G&A are travel and transportation amounting to ₱4.7M and 12% of G&A pertains to taxes and licenses amounting to ₱3.8M.

Results and Plans of Operation

Real Estate: SOC Land

SOC Land's vertical residential development project, ANUVA RESIDENCES located at Muntinlupa City has completed its first tandem building project known as ANALA. ANALA the first tandem building of ANUVA RESIDENCES project has sold 415 units as of October 2018 which corresponds to 80% of the total inventory. 304 units have been turned over to end users. Out of this, 103 units are occupied with more than 272 people currently residing in the building.

AZALEA the second tandem building of ANUVA RESIDENCES is still in a pre-selling stage which is focusing on the Green Urban Living image. Azalea has sold 116 units which correspond to 20% of the total inventory.

SOC Land's horizontal residential development project, ALTHEA RESIDENCES located at Biñan City Laguna has sold a total of 188 units, a combination of lots and house & lots which correspond to 82% of the total inventory. Thirty-Five (35) units have already been constructed and turned over to end users. Out of these, sixteen (16) units are occupied and already residing in the subdivision. In addition, there are six (6) more units being constructed and nine (9) more units are to commence construction within the year.

Other Energy, Mineral and Resource Based Opportunities

The Company entered into an agreement with the Palawan IP group Campong It Mapangarapan It Palawano (CAMPAL) of Rizal, Palawan to undertake agro-industrial development of their ancestral land. The National Commission for Indigenous Peoples (NCIP) handed over to the Company the Certificate of Pre-condition with FPIC (Free Prior Informed Consent) for the agreement last June 2016. The Company has completed project documentation with the LGUs (Local Government Units). SOC and CAMPAL have been conferring with the LGUs and the Palawan Council for Sustainable Development (PCSD) to secure the Strategic Environmental Plan (SEP) Clearance needed for the agro-industrial development. On March 8, 2018 the PCSD issued the SEP Clearance Certificate for the development of 3212 hectares of the IP area.

Coffee and coconut are envisioned to be the main crops of the area. Coffee is the second most traded commodity worldwide. The Philippines consumes about 170,000 metric tons of coffee (Phil. Coffee Board) and is a net importer of coffee. It imports almost 70% of its coffee needs at a cost of P7B.

Coconut, also called the "tree of life" is an established commercial plant wherein its derived products are used domestically and internationally.

The global situation in recent years presents opportunities for the Company to seek entry into mineral exploration and exploitation sector.

The Company is in a favorable situation wherein its current cash position allows it to review other businesses wherein it may invest.

Agri-Business	\$3MM
Other Energy, Mineral & Resources Based Opportunities	\$ 200K for Assessment Studies

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.



SOCResources, Inc.

Issuer

A handwritten signature in black ink, appearing to read 'RCDL', is written over the printed name.

Ronna C. De Leon
Accounting Manager

Date : Nov. 19, 2018

A handwritten signature in black ink, appearing to read 'Magilyn T. Loja', is written over the printed name.

Atty. Magilyn T. Loja
Corporate Secretary

Date : Nov. 19, 2018

A handwritten signature in black ink, appearing to read 'Zosimo L. Padro, Jr.', is written over the printed name.

Atty. Zosimo L. Padro, Jr.
Vice President - Finance

Date : Nov. 19, 2018

SOCRESOURCES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
In PHP

	September 30	December 31
	2018	2017
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	420,014,003	115,032,410
Short-term investments	-	255,823,471
Receivables	57,162,353	57,477,913
Real estate inventories	1,087,173,857	904,056,020
Due from a related party	230,703	191,619
Prepayments and other current assets	71,922,270	59,023,903
Total Current Assets	1,636,503,186	1,391,605,336
Noncurrent Assets		
Receivables - net of current portion	61,841,847	61,841,846
Real estate inventories - net of current portion		188,813,004
Available-for-sale (AFS) financial assets	41,485,603	53,445,971
Property and equipment - net	35,341,170	34,866,689
Other noncurrent asset	18,667,955	27,497,408
Total Noncurrent Assets	157,336,575	366,464,918
TOTAL ASSETS	1,793,839,761	1,758,070,254
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and other liabilities	147,203,191	128,277,782
Total Current Liabilities	147,203,191	128,277,782
Noncurrent Liabilities		
Retirement Benefit Obligation	4,795,410	4,795,410
Deferred Tax Liability	4,022,694	4,022,694
Total Noncurrent Liabilities	8,818,104	8,818,104
Total Liabilities	156,021,295	137,095,886
EQUITY		
Common Stock - P1 par value		
Authorized - 1 billion shares		
Issued 600,559,569 shares as of September 30,2018 and December 31,2017	600,559,569	600,559,569
Subscribed 306,000,000 shares as of September 30,2018 and December 31,2017 (net of subscription receivable of P229,500,000 as of September 30,2018 and Year end Dec 31,2017	76,500,000	76,500,000
Additional paid in capital	72,272,140	72,272,140
Retained earnings:		
Appropriated	745,000,000	745,000,000
Unappropriated	135,611,105	116,806,639
Other comprehensive income:		
Unrealized valuation gains on available for sale investments	12,488,681	14,449,049
Actuarial gains on defined benefit plan	348,621	348,621
Treasury stock	(4,961,650)	(4,961,650)
Total Equity	1,637,818,466	1,620,974,368
TOTAL LIABILITIES AND EQUITY	1,793,839,761	1,758,070,254

SOCRESOURCES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(IN PHP)

	As of September 30	
	2018	2017
	(Unaudited)	(Unaudited)
ASSETS		
Current Assets		
Cash and cash equivalents	420,014,003	123,808,325
Short-term investments	-	258,591,000
Receivables	57,162,353	38,688,112
Real estate inventories	1,087,173,857	1,095,416,981
Due from a related party	230,703	191,619
Prepayments and other current assets	71,922,270	73,488,523
Total Current Assets	1,636,503,186	1,590,184,560
Noncurrent Assets		
Receivables - net of current portion	61,841,847	78,848,862
Available-for-sale (AFS) financial assets	41,485,603	41,916,740
Property and equipment - net	35,341,170	34,862,742
Other noncurrent asset	18,667,955	27,088,243
Total Noncurrent Assets	157,336,575	182,716,587
TOTAL ASSETS	1,793,839,761	1,772,901,147
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other liabilities	147,203,191	135,582,164
Total Current Liabilities	147,203,191	135,582,164
Deferred Tax Liability		
Deferred Tax Liability	4,022,694	
Retirement Benefit Obligation	4,795,410	3,602,918
Total Noncurrent Liabilities	8,818,104	3,602,918
Total Liabilities	156,021,295	139,185,082
EQUITY		
Common Stock - P1 par value		
Authorized - 1 billion shares		
Issued 600,559,569 shares as of September 30, 2018 and September 30, 2017	600,559,569	600,559,569
Subscribed 306,000,000 shares as of September 30, 2018 and September 30, 2017 (net of subscription receivable of P229,500,000 as of September 30, 2018 and September 30, 2017	76,500,000	76,500,000
Additional paid in capital	72,272,140	72,272,140
Retained earnings:		
Appropriated	745,000,000	745,000,000
Unappropriated	135,611,105	129,132,924
Other comprehensive income:		
Unrealized valuation gains on available for sale investments	12,488,681	14,829,225
Actuarial gains on defined benefit plan	348,621	383,857
Treasury stock	(4,961,650)	(4,961,650)
Total Equity	1,637,818,466	1,633,716,065
TOTAL LIABILITIES AND EQUITY	1,793,839,761	1,772,901,147

SOCRESOURCES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
IN PHP

	September 30	December 31
	2018	2017
	(Unaudited)	(Audited)
REVENUES		
Real estate sales	86,528,499	64,931,959
Interest income	6,045,581	12,896,876
Dividend Income	286,128	350,056
Gain on redemption of UITF	197,118	257,841
Foreign exchange gains - net	506,299	25,803
Other Income	11,144,480	5,388,164
	104,708,105	83,850,699
COSTS AND EXPENSES		
Cost of real estate sales	37,122,298	33,411,749
Sales and marketing expenses	18,583,398	22,455,660
General and administrative expenses	30,197,942	50,802,952
	85,903,638	106,670,361
INCOME (LOSS) BEFORE INCOME TAX	18,804,467	(22,819,662)
PROVISION FOR INCOME TAX		
Current	-	1,276,648
Deferred		2,168,161
	-	3,444,809
NET INCOME (LOSS)	18,804,467	(26,264,471)
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Other comprehensive income (loss) to be reclassified to profit (loss) in subsequent periods:</i>		
Net gains (losses) on AFS financial assets	(1,960,368)	736,513
<i>Other comprehensive income (loss) not to be reclassified to profit (loss) in subsequent periods:</i>		
Actuarial gains (losses) on defined benefit plan	-	(35,236)
	(1,960,368)	701,277
TOTAL COMPREHENSIVE INCOME (LOSS)	16,844,099	(25,563,194)
Basic/Diluted Income (Loss) Per Share	0.0318	(0.0444)
* Computed as	=	
Net income(loss) for the period	18,804,467	(26,264,471)
Weighted average number of shares	591,281,568	591,281,568

SOCRESOURCES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
IN PHP

	As of September 30	
	2018	2017
	(Unaudited)	(Unaudited)
REVENUES		
Real estate sales	86,528,499	32,413,944
Interest income	6,045,581	7,601,078
Dividend Income	286,128	227,216
Gain on redemption of UITF	197,118	257,841
Foreign exchange gains - net	506,299	135,261
Other Income	11,144,480	9,859,169
	104,708,105	50,494,509
COSTS AND EXPENSES		
Cost of real estate sales	37,122,298	16,171,853
Sales and marketing expenses	18,583,398	15,914,872
General and administrative expenses	30,197,942	29,606,052
	85,903,638	61,692,777
INCOME (LOSS) BEFORE INCOME TAX	18,804,467	(11,198,268)
PROVISION FOR INCOME TAX	-	2,739,920
NET INCOME (LOSS)	18,804,467	(13,938,188)
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Other comprehensive income (loss) to be reclassified to profit (loss) in subsequent periods:</i>		
Net gains (losses) on AFS financial assets	(1,960,368)	1,116,689
	(1,960,368)	1,116,689
TOTAL COMPREHENSIVE INCOME (LOSS)	16,844,099	(12,821,499)
Basic/Diluted Income (Loss) Per Share	0.0318	(0.0236)
* Computed as = $\frac{\text{Net income(loss) for the period}}{\text{Weighted average number of shares}}$	18,804,467	(13,938,188)
	591,281,568	591,281,568

SOCRESOURCES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
IN PHP

	For the quarter ended July 01 - September 30	
	2018	2017
REVENUES		
Sale of real estate	23,070,707	15,618,298
Interest Income	-	2,768,351
Gain on redemption of UITF	-	179,520
Foreign exchange gains - net	84,236	42,643
Other Income	7,166,954	1,864,634
	30,321,897	20,473,446
COST AND EXPENSES		
Cost of real estate sold	10,016,562	7,237,948
General and administrative expenses	11,752,957	10,636,271
Sales and marketing expenses	6,490,421	7,788,321
	28,259,940	25,662,540
INCOME (LOSS) BEFORE INCOME TAX	2,061,957	(5,189,094)
PROVISION FOR INCOME TAX	-	616,930
NET INCOME (LOSS) FOR THE QUARTER	2,061,957	(5,806,024)
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>		
Net gains (losses) on AFS financial assets	(1,055,079)	710,542
	(1,055,079)	710,542
TOTAL COMPREHENSIVE INCOME (LOSS)	1,006,878	(5,095,482)

-

Basic /Diluted Income (Loss) Per Share for the Quarter	0.0035	(0.0098)
---	---------------	-----------------

* Computed as	=	Net income(loss) for the period	2,061,957	(5,806,024)
		Weighted average number of shares	591,281,568	591,281,568

SOCRESOURCES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
IN PHP

	As of September 30		December 31
	2018	2017	2017
	(Unaudited)	(Unaudited)	(Audited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	18,804,467	(13,938,188)	(22,819,662)
Adjustments for:			
Retirement Benefit Expense	-		543,738
Depreciation and amortization	2,053,869	1,767,594	2,422,066
Gain on redemption of UITF	(197,118)		(257,841)
Unrealized foreign exchange losses (gains)	(506,299)	(135,261)	(25,803)
Interest income	(12,111,481)	(1,583,283)	(12,896,876)
Dividend Income	(286,128)	(227,216)	(350,056)
Gain on repossession	-		(4,170,772)
Operating income (loss) before working capital changes	7,757,310	(14,116,354)	(37,555,206)
Decreases (Increases) in:			
Receivables	(602,351)	36,964,597	35,263,823
Due from Related Parties	-		(12,583)
Real estate inventories	5,695,167	(13,295,384)	(6,576,656)
Retirement benefit obligation	-	(619,301)	
Prepayments and other current assets	(12,638,019)	(5,037,586)	13,053,876
Other noncurrent assets	8,569,104		
Increase (decrease) in Accounts Payable & Accrued Expenses	18,925,409	21,376,705	14,072,323
Cash flows generated from (used in) operations	27,706,620	25,272,677	18,245,577
Interest received	10,261,863	1,566,407	9,646,610
Income tax paid	-		(5,373,312)
Net cash flows from (used in) in operating activities	37,968,483	26,839,084	22,518,875
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Short-term investments	-	(258,591,000)	(252,573,205)
AFS financial assets	-		(140,000,000)
Property and equipment	(2,528,351)	(1,947,720)	(2,606,138)
Proceeds from:			
Redemption of UITF	10,197,118		130,257,841
Investment in treasury bills	258,591,000		
Dividend Received	286,128	227,216	251,168
Advances to related party	(39,084)	(12,584)	
Net cash flows from (used in) investing activities	266,506,811	(260,324,088)	(264,670,334)
CASH FLOWS FROM A FINANCING ACTIVITY			
Net cash flows from (used in) Financing activities	-	-	-
EFFECT OF EXCHANGE RATE CHANGES			
ON CASH AND CASH EQUIVALENTS	506,299	135,262	25,803
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	304,981,593	(233,349,742)	(242,125,656)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	115,032,410	357,158,067	357,158,066
CASH AND CASH EQUIVALENTS AT END OF YEAR	420,014,003	123,808,325	115,032,410

SOCRESOURCES, INC. AND SUBSIDIARY
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
IN PHP**

	Common Stock Issued	Common Stock Subscribed - Net	Additional Paid-In Capital	Retained Earnings Appropriated	Retained Earnings Unappropriated	Unrealized Valuation Gains/(Loss) on AFS Financial Assets	Actuarial gains (losses) on defined benefit plan	Treasury Shares	TOTAL
Balances at January 01,2017	600,559,569	76,500,000	72,272,140	745,000,000	143,071,110	13,712,536	383,857	(4,961,650)	1,646,537,562
Collections of Subscription Receivable									-
Issuance of Common Stock									-
Acquisition of Treasury Shares									-
Total Comprehensive Income 3rQ 2017					(13,938,186)	1,116,689			(12,821,497)
Balances at September 30,2017	600,559,569	76,500,000	72,272,140	745,000,000	129,132,924	14,829,225	383,857	(4,961,650)	1,633,716,065
Balances at January 01,2018	600,559,569	76,500,000	72,272,140	745,000,000	116,806,639	14,449,049	348,621	(4,961,650)	1,620,974,368
Collections of Subscription Receivable									-
Issuance of Common Stock									-
Acquisition of Treasury Shares								-	-
Total Comprehensive Income 3rdQ 2018					18,804,466	(1,960,368)			16,844,098
Balances at September 30,2018	600,559,569	76,500,000	72,272,140	745,000,000	135,611,105	12,488,681	348,621	(4,961,650)	1,637,818,466

SOCRESOURCES, INC. AND SUBSIDIARY

Schedule 3: Other long term investments and other Investments

Available for Sale Financial Assets

As of September 30, 2018

In Philippine Peso unless stated

Name of Issuing Entity & Description of Investment	Number of Shares or Principal Amount of Bonds & Notes	Value Based on Market Quotations at the end of Reporting Period	Dividends, Interest Received from Investments not accounted for by the equity Method
Investment in Shares of Stocks			
<i>Listed - Domestic</i>			
Aboitiz Equity Ventures, Inc.	7,800	381,810	
Lepanto Consolidated Mining Company "A"	2,078,000	230,658	
Manila Mining Corporation "A"	26,480,000	185,360	
Manila Water Company, Inc.	265,000	6,466,000	
Petron	1,147,500	9,971,775	
		17,235,603	-
<i>Not Listed - Domestic</i>			
Wackwack Golf & Country Club	1	24,000,000	
Southwest Resources, Inc.		3,333,500	
Mt. Malarayat Golf & Country Club	1	250,000	
		27,583,500	
Allowance for Impairment on AFS - Unlisted		(3,333,500)	
		24,250,000	
TOTAL AVAILABLE FOR SALE FINANCIAL ASSETS		41,485,603	

SOCResources, Inc. and Subsidiary

Schedule 4: Aging of Consolidated Accounts Receivable

As of September 30,2018

Accounts Receivable	CURRENT					PAST DUE			Past due accounts & Items in Litigation
	Total	1 Month	2-3 Mos.	4-6 Mos.	7 Mos. To 1 Year	1-2 Years	3-5 Years	5 Years - Above	
1 Installment Contract Receivable	62,950,853	56,630,339	612,504	758,218	703,431	4,246,360	-	-	
2 Advances to Suppliers & Contractors	5,704,631	163,915	10,000	4,000	13,000	426,364	2,006,326	3,081,026	
3 Officers and employees	20,081,634	225,903	25,934	17,963	811,834	-	15,000,000	4,000,000	
4 IGC Securities, Inc.	90,488	-	-	-	-	18,642	71,846	-	
5 South China Petroleum Int'l.	230,703	-	26,500	12,584	-	25,167	39,955	126,497	
6 Unit Owners	6,129,795	6,129,795	-	-	-	-	-	-	
7 Due from Anuva Condo	20,839,350	1,963,877	2,496,517	3,074,170	3,957,671	9,347,116	-	-	
8 Due from Althea HOA	35,141	-	-	35,141	-	-	-	-	
9 Others	3,172,307	1,313,071	6,807	339,337	755,516	661,218	87,957	8,400	
Subtotal	119,234,903	66,426,901	3,178,262	4,241,413	6,241,451	14,724,867	17,206,085	7,215,923	
Less: Allow. For Impairment losses on receivables	-	-	-	-	-	-	-	-	-
A/R - net	119,234,903	66,426,901	3,178,262	4,241,413	6,241,451	14,724,867	17,206,085	7,215,923	NONE
Net Receivables	119,234,903	66,426,901	3,178,262	4,241,413	6,241,451	14,724,867	17,206,085	7,215,923	NONE

Notes: If the Company's collection period does not match with the above schedule and revision is necessary to make the schedule not misleading, the proposed collection period in this schedule may be changed to appropriately reflect the Company's actual collection period.

Accounts Receivable Description :

Type of A/R :	Nature/Description	Collection Period
		monthly payment of interest & quarterly payment of principal
1) Amount owed by a related party	Receivable from third party IPI Industries, Inc. (Principal & Interest)	quarterly payment of principal
2) Officers and employees	Advances to employees for emergency purpose on a 1 year term payable monthly	monthly
3) Others	Receivable from third party	past due yet collectible
Notes : Indicate a brief description of the nature and collection period of each receivable accounts with major balances or separate receivable captions, both for trade and non-trade accounts.		

SOCRESOURCES, INC. AND SUBSIDIARY

Schedule 5: Amounts Receivable from Related Parties which are eliminated during the consolidation of Financial Statements

As of September 30, 2018

		Beginning Balance	Deductions	Ending Balance
		December 31, 2017		September 30, 2018
SOC Land Development, Corp.		1,110,528,901	(64,562,136)	1,045,966,765

SOCRESOURCES, INC. AND SUBSIDIARY

Schedule 7: Key Performance Indicator

	KEY FINANCIAL RATIOS	September 30, 2018	September 30, 2017
I.	Current/Liquidity Ratios	11.12 x	11.73 x
II.	Solvency Ratio	13.37%	-8.74%
III.	Debt-to-equity ratio (in x)	0.0953 x	0.0852 x
IV.	Asset to Equity Ratio	1.0953 x	1.0852 x
V.	Interest Rate Coverage Ratio	N/A	N/A
VI.	Profitability Ratio		
	Return on Equity (ROE)	1.15%	-0.85%
	Return on Assets (ROA)	1.05%	-0.79%
VII.	Other Relevant Ratios		
	Revenue Growth/ (Decline)	107.37%	-67.88%
	Net Income Growth/ (Decline)	234.91%	-527.24%
	EBITDA	Php 20,858,336	(12,170,594)

SOCRESOURCES, INC. AND SUBSIDIARY

Schedule 8: Map of the Relationships of the Companies within the Group

As of September 30, 2018

