COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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L	A	S		P	I	Ñ	A	S		C	I	T	Y											

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

Frances Rosalie T. Coloma
Contact Person

873-2922
Company Telephone Number

1 2	3 1
Month	*Day*

Calendar Year

17-Q
FORM TYPE

0 7	1 5
Month	*Day*

Annual Meeting

Secondary License Type, If Applicable

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 I.D.

Cashier

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 quarter ended **September 30, 2017**

2. SEC Identification Number **108270**

3. BIR Tax Identification No. **768-991-000**

4. **Golden Haven, Inc.**
   Exact name of the registrant as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of incorporation

6. Industry Classification Code [ ] (SEC Use Only)

7. **San Ezekiel, C5 Extension, Las Piñas City, Philippines** **1746**
   Address of Principal Office Postal Code

8. **(632) 873-2922 / (632) 873-2543**
   Registrant's telephone number, including area code

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

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of Shares of Common Stock Outstanding
Common stock	**494,117,649**

11. Are any of the registrant's securities listed on the Philippine Stock Exchange?

    Yes [**x**] No [ ]

12. Check 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 Section 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period of the registrant was required to file such reports.)

    Yes [**x**] No [ ]

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

    Yes [**x**] No [ ]

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GOLDEN HAVEN, INC.
(Formerly known as Golden Haven Memorial Park, Inc.)
(A Subsidiary of Fine Properties, Inc.)
STATEMENTS OF FINANCIAL POSITION
As of September 30, 2017 and December 31, 2016
(Amount In Thousands)

	Notes	**UNAUDITED 09/30/2017**	AUDITED 12/31/2016
ASSETS			
CURRENT ASSETS			
Cash on-hand and in-banks	4	**153,648**	445,953
Contracts receivable	5	**514,691**	509,479
Due from related parties	16	**57,301**	70,871
Other receivables	5	**110,361**	101,240
Memorial lot inventories – net	6	**454,504**	344,994
Memorial chapel inventories	6	**2,395**	–
Other current assets	9	**17,383**	9,763
Total Current Assets		**1,310,283**	1,482,300
NON-CURRENT ASSETS			
Contracts receivable	5	**1,252,859**	986,290
Property and equipment – net	7	**254,397**	141,973
Investment properties	8	**432,827**	267,307
Retirement Benefit Assets		**47**	47
Total Non-current Assets		**1,940,130**	1,395,617
		3,250,413	2,877,917
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Interest-bearing loans	10	**849**	310
Trade and other payables	11	**337,396**	344,704
Rawland payables	11	**288,687**	192,059
Customers' deposits		**35,256**	11,390
Income tax payable		**7,442**	11,248
Total Current Liabilities		**669,630**	559,711
NON-CURRENT LIABILITIES			
Interest-bearing loans	10	**500,494**	500,000
Deferred tax liabilities – net	15	**354,282**	301,890
Reserve for perpetual care	12	**243,320**	198,260
Total Non-current Liabilities		**1,098,096**	1,000,150
		1,767,726	1,559,861
EQUITY	17		
Capital stock		**494,118**	494,118
Additional paid-in capital		**628,928**	628,928
Revaluation reserves		**(2,405)**	(2,405)
Retained earnings		**362,046**	197,415
Total Equity		**1,482,687**	1,318,056
		3,250,413	2,877,917

GOLDEN HAVEN, INC.
(Formerly known as Golden Haven Memorial Park, Inc.)
(A Subsidiary of Fine Properties, Inc.)
STATEMENT OF COMPREHENSIVE INCOME
For the nine months ended September 30, 2017 and 2016
(Amount In Thousands)

	Notes	**UNAUDITED JUL - SEP Q3-2017**	**UNAUDITED JAN-SEP 2017**	UNAUDITED JUL - SEP Q3-2016	UNAUDITED JAN-SEP 2016
REVENUES	2				
Real estate sales		**231,570**	**672,897**	176,969	570,235
Interment income		**6,813**	**19,429**	6,262	20,178
Interest income on contract receivables	5	**8,205**	**23,131**	5,253	16,925
Income from chapel services		**4,218**	**8,663**	-	-
		250,806	**724,120**	188,484	607,338
COSTS AND EXPENSES	13				
Costs of sales and services		**96,114**	**290,760**	73,922	238,192
Cost of chapel services		**2,560**	**4,828**	-	-
Other operating expenses		**73,516**	**214,049**	45,474	189,834
		172,190	**509,637**	119,396	428,026
OPERATING PROFIT		**78,616**	**214,483**	69,088	179,312
OTHER INCOME – Net	14	**7,435**	**20,704**	4,415	14,202
PROFIT BEFORE TAX		**86,051**	**235,187**	73,503	193,514
TAX EXPENSE	15	**(25,815)**	**(70,556)**	(22,051)	(58,054)
NET PROFIT		**60,236**	**164,631**	51,452	135,460
TOTAL COMPREHENSIVE INCOME		**60,236**	**164,631**	51,452	135,460
Basic and Diluted Earnings Per Share	18	**0.12**	**0.33**	0.11	0.41

GOLDEN HAVEN, INC.
(Formerly known as Golden Haven Memorial Park, Inc.)
(A Subsidiary of Fine Properties, Inc.)
STATEMENTS OF CHANGES IN EQUITY
For the nine months ended September 30, 2017 and 2016
(Amount In Thousands)

	Notes	Capital Stock	Additional Paid-in Capital	Revaluation Reserves	Retained Earnings Appropriated	Retained Earnings Unappropriated	Total Equity
Balance at January 1, 2017		494,118	628,928	(2,405)	–	197,415	1,318,056
Total comprehensive income for the period	15	–	–	–	–	164,631	164,631
Balance at September 30, 2017	**17**	**494,118**	**628,928**	**(2,405)**	**–**	**362,046**	**1,482,687**
Balance at January 1, 2016		20,000	–	(2,536)	400,000	17,192	434,656
Reversal of appropriation of retained earnings		–	–	–	(400,000)	400,000	–
Stock dividends		400,000	–	–	–	(400,000)	–
Issuance of new shares		74,118	632,415	–	–	–	706,533
Total comprehensive income for the year	15	–	–	–	–	135,459	135,459
Balance at September 30, 2016	17	494,118	632,415	(2,536)	–	152,651	1,276,648

GOLDEN HAVEN, INC.
(Formerly known as Golden Haven Memorial Park, Inc.)
(A Subsidiary of Fine Properties, Inc.)
STATEMENTS OF CASH FLOWS
For the nine months ended September 30, 2017 and 2016
(Amount In Thousands)

	UNAUDITED JUL - SEP Q3-2017	**UNAUDITED JAN - SEP 2017**	UNAUDITED JUL - SEP Q3-2016	UNAUDITED JAN - SEP 2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**86,051**	**235,187**	73,504	193,514
Adjustments for:				
Interest income	**(8,292)**	**(23,299)**	(5,639)	(18,057)
Depreciation and amortization	**4,953**	**12,131**	2,061	6,371
Interest expense	**32**	**67**	141	9,261
Operating profit before working capital changes	**82,744**	**224,086**	70,067	191,089
Decrease (increase) in:				
Contracts receivable	**(95,274)**	**(271,781)**	(71,599)	(232,460)
Due from related parties	**273**	**13,570**	(15,075)	(11,071)
Other receivables	**1,502**	**(9,121)**	30,665	(946)
Memorial lot inventories	**(134,358)**	**(109,510)**	(193,509)	(170,027)
Memorial chapel inventories	**47**	**(2,395)**	-	-
Other current assets	**(2,149)**	**(7,620)**	1,172	(4,988)
Increase (decrease) in:				
Trade and other payables	**35,384**	**(7,308)**	(80,494)	132,422
Rawland payables	**7,698**	**96,628**	-	9,505
Customers' deposits	**8,499**	**23,866**	78	509
Other liabilities	**27,837**	**45,060**	12,715	25,511
Cash generated from (used in) operations	**(67,797)**	**(4,525)**	(245,980)	(60,456)
Interest received	**8,292**	**23,299**	5,639	18,057
Interest paid	**(32)**	**(67)**	(141)	(9,261)
Cash paid for income taxes	**(6,404)**	**(21,970)**	(6,824)	(27,532)
Net Cash Provided From (Used In) Operating Activities	**(65,941)**	**(3,263)**	(247,306)	(79,192)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property and equipment	**(13,960)**	**(124,555)**	(65,204)	(71,668)
Transfer of (additions to) investment properties	**52,766**	**(165,520)**	-	(17,527)
Cash Used in Investing Activities	**38,806**	**(290,075)**	(65,204)	(89,195)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net availments (payments) of interest-bearing loans	**(202)**	**1,033**	(4,814)	492,208
Dividends paid	**-**	**-**	-	(650,000)
Issuance of new shares	**-**	**-**	(65,243)	706,532
Net Cash Provided From Operating Activities	**(202)**	**1,033**	(70,057)	548,740
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(27,337)**	**(292,305)**	(382,567)	380,353
CASH AND CASH EQUIVALENTS, BEG	**180,985**	**445,953**	877,564	114,644
CASH AND CASH EQUIVALENTS, END	**153,648**	**153,648**	**494,997**	**494,997**

GOLDEN HAVEN, INC.
(Formerly known as Golden Haven Memorial Park, Inc.)
(A Subsidiary of Fine Properties, Inc.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Golden Haven Memorial Park, Inc. (the Company) was incorporated in the Philippines on November 16, 1982. The Company is presently engaged in the development and sale of memorial lots and providing funeral or memorial services, as well as merchandise and articles necessary or pertinent to the business. The Company is a 98% owned subsidiary of Fine Properties, Inc. (FPI), which is a holding company.

Presently, the Company has only one dominant segment. Accordingly, no segment information or disclosure is presented in the financial statements.

The registered office of the Company, which is also its principal place of business, is located at San Ezekiel, C5 Extension, Las Piñas City.

On September 4, 2017, the Board of Directors (BOD) and stockholders of the Company approved the following amendments to the Company's Articles of Incorporation and By-laws, which amendments were approved by the SEC on same date:

a) the change of the Company's registered name from Golden Haven Memorial Park, Inc. to Golden Haven, Inc.; and,

b) the change of the Company's principal purpose from "to carry on the business of management company in all the elements and details thereof and to develop, organize, sell, funeral plans providing for funeral services and merchandise, pertaining thereto to be delivered in the future plan holders, to buy, develop and sell cemetery plots, funeral niche, urns, markers and all types of merchandise, equipment and services pertaining to the cemetery and mortuary" to "to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, exchange, develop or otherwise dispose of real or personal property of every kind and description including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporations, associations, domestic or foreign, and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned and to assume or undertake or guarantee or secure loans, whether a solidary obligor, surety, guarantor or in any other capacity either on its general credit or on the mortgage, pledge, deed of trust, assignment of any of its direct and indirect subsidiaries or investee companies, without engaging in the business of a financing company or lending investor".

On March 17, 2016, the SEC approved the Company's amendment of articles of incorporation, which includes (a) the change of the Company's registered office from No. 40 Real St. Zapote, Las Pinas City to San Ezekiel, C5 Extension, Las Piñas City, and,

(b) the increase in its authorized capital stock from P20.0 million divided into 200,000 shares to P1,000.0 million divided into 996,000 common shares with P1 par value per share and 400.0 million voting, non-cumulative, non-participating, non-convertible and non-redeemable preferred shares with P0.1 par value per share.

On June 8, 2016, the Philippine Stock Exchange (PSE) and the SEC approved the Company's application for the listing of its common stock. The approval covered the initial public offering (IPO) of 74,117,647 unissued common shares of the Company at P10.50 offer price per share and the listing of those shares in PSE's main board on June 29, 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies in the succeeding pages.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income and expenses and other comprehensive income or loss in a single statement of comprehensive income.

These financial statements were prepared in compliance of the requirements of Securities Regulation Code (SRC) Rule 68, as amended, for statutory filing and in relation to the Company's planned application for listing of its common shares on the Philippine Stock Exchange (PSE).

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 *Adoption of New and Amended PFRS*

(a) Effective in 2016 that are Relevant to the Company

The Company adopted for the first time the following amendment and annual improvements to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2016:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Disclosure Initiative
PAS 16 and 38 (Amendments)	:	Property, Plant and Equipment, and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization
PAS 16 and 41 (Amendments)	:	Property, Plant and Equipment, and Agriculture – Bearer Plants
Annual Improvements	:	Annual Improvements to PFRS (2012-2014 Cycle)

Discussed below and in the succeeding pages are the relevant information about these amendment and improvements.

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Disclosure Initiative*. The amendments encourage entities to apply professional judgment in presenting and disclosing information in the financial statements. Accordingly, they clarify that materiality applies to the whole financial statements and an entity shall not reduce the understandability of the financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. Moreover, the amendments clarify that an entity's share in other comprehensive income of associates and joint ventures accounted for using equity method should be presented based on whether or not such other comprehensive income item will subsequently be reclassified to profit or loss. They further clarify that in determining the order of presenting the notes and disclosures, an entity shall consider the understandability and comparability of the financial statements.

(ii) PAS 16 (Amendments), *Property, Plant and Equipment*, and PAS 38 (Amendments), *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization*. The amendments in PAS 16 clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment. In addition, amendments to PAS 38 introduce a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is not appropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of an intangible asset are highly correlated. The amendments also provide guidance that the expected future reductions in the selling price of an item that was produced using the asset could indicate an expectation of technological or commercial obsolescence of an asset, which may reflect a reduction of the future economic benefits embodied in the asset.

(iii) PAS 16 (Amendments), *Property, Plant and Equipment*, and PAS 41 (Amendments), *Agriculture – Bearer Plants*. The amendments define a bearer plant as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. On this basis, bearer plant is now included within the scope of PAS 16 rather than PAS 41, allowing such assets to be accounted for as property, plant and equipment and to be measured after initial recognition at cost or revaluation basis in accordance with PAS 16. The amendments further clarify that produce growing on bearer plants remains within the scope of PAS 41.

(iv) Annual Improvements to PFRS (2012-2014 Cycle). Among the improvements, the following amendments are relevant to the Company but had no material impact on the Company's financial statements as these amendments merely clarify the existing requirements:

- PFRS 7 (Amendments), *Financial Instruments: Disclosures – Servicing Contracts*. The amendments provide additional guidance to help entities identify the circumstances under which a contract to "service" financial assets is considered to be a continuing involvement in those assets for the purposes of applying the disclosure requirements of PFRS 7. Such circumstances commonly arise when, for example, the servicing is dependent on the amount or timing of cash flows collected from the transferred asset or when a fixed fee is not paid in full due to non-performance of that asset.

- PAS 19 (Amendments), *Employee Benefits – Discount Rate: Regional Market Issue*. The amendments clarify that the currency and term of the high quality corporate bonds which were used to determine the discount rate for post-employment benefit obligations shall be made consistent with the currency and estimated term of the post-employment benefit obligations.

(b) Effective in 2016 that are not Relevant to the Company

The following new PFRS, amendments and annual improvements to existing standards are mandatorily effective for annual periods beginning on or after January 1, 2016 but are not relevant to the Company's financial statements:

PFRS 11 (Amendments)	:	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
PFRS 14	:	Regulatory Deferral Accounts
Annual Improvements to PFRS (2012-2014 Cycle)		
PFRS 5 (Amendments)	:	Non-current Assets Held for Sale and Discontinued Operations – Changes in Methods of Disposal
PFRS 7 (Amendments)	:	Financial Instruments: Disclosures – Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements
PAS 34 (Amendments)	:	Interim Financial Reporting – Disclosure of Information "Elsewhere in the Interim Financial Report"

(c) Effective Subsequent to 2016 but not Adopted Early

There are new PFRS and amendments to existing standards effective for annual periods subsequent to 2016, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Company's financial statements:

(i) PAS 7 (Amendments), *Statement of Cash Flows – Disclosure Initiative* (effective from January 1, 2017). The amendments are designed to improve the quality of information provided to users of financial statements about changes in an entity's debt and related cash flows (and non-cash changes). They require an entity to provide disclosures that enable users to evaluate changes in liabilities arising from financing activities. An entity applies its judgment when determining the exact form and content of the disclosures needed to satisfy this requirement. Moreover, they suggest a number of specific disclosures that may be necessary in order to satisfy the above requirement, including: (a) changes in liabilities arising from financing activities caused by changes in financing cash flows, foreign exchange rates or fair values, or obtaining or losing control of subsidiaries or other businesses; and, (b) a reconciliation of the opening and closing balances of liabilities arising from financing activities in the statement of financial position including those changes identified immediately above.

(ii) PFRS 9 (2014), *Financial Instruments* (effective from January 1, 2018). This new standard on financial instruments will replace PAS 39 and PFRS 9 (2009, 2010 and 2013 versions). This standard contains, among others, the following:

- three principal classification categories for financial assets based on the business model on how an entity is managing its financial instruments;

- an expected loss model in determining impairment of all financial assets that are not measured at fair value through profit or loss (FVTPL), which generally depends on whether there has been a significant increase in credit risk since initial recognition of a financial asset; and,

- a new model on hedge accounting that provides significant improvements principally by aligning hedge accounting more closely with the risk management activities undertaken by entities when hedging their financial and non-financial risk exposures.

In accordance with the financial asset classification principle of PFRS 9 (2014), a financial asset is classified and measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows that represent solely payments of principal and interest (SPPI) on the principal outstanding. Moreover, a financial asset is classified and subsequently measured at fair value through other comprehensive income if it meets the SPPI criterion and is held in a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. All other financial assets are measured at FVTPL.

In addition, PFRS 9 (2014) allows entities to make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income.

The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangements, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The amendment also requires changes in the fair value of an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather than in profit or loss.

Management is currently assessing the impact of PFRS 9 (2014) on the financial statements of the Company and it will conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption date to assess the impact of all changes.

(iii) PFRS 15, *Revenue from Contract with Customers* (effective from January 1, 2018). This standard will replace PAS 18, *Revenue*, and PAS 11, *Construction Contracts*, the related Interpretations on revenue recognition: IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreement for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers* and Standing Interpretations Committee 31, *Revenue – Barter Transactions Involving Advertising Services*, effective January 1, 2018. This new standard establishes a comprehensive framework for determining when to recognize revenue and how much revenue to recognize. The core principle in the said framework is for an entity to recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Relative to the adoption of PFRS 15 in the Philippines, the FRSC also approved the issuance of Philippine Interpretations Committee Question & Answer No. 2016-04, *Application of PFRS 15, "Revenue from Contracts with Customers," on Sale of Residential Properties under Pre-completion Contracts*, which provides that sales of residential properties under pre-completion stage can be recognized over time until completion of construction.

Management is currently assessing the impact of this standard on the Company's financial statements.

(iv) PFRS 16, *Leases* (effective from January 1, 2019). The new standard will eventually replace PAS 17, *Leases*.

For lessees, it requires to account for leases "on-balance sheet" by recognizing a "right of use" asset and a lease liability. The lease liability is initially measured as the present value of future lease payments. For this purpose, lease payments include fixed, non-cancellable payments for lease elements, amounts due under residual value guarantees, certain types of contingent payments and amounts due during optional periods to the extent that extension is reasonably certain. In subsequent periods, the "right-of-use" asset is accounted for similarly to a purchased asset and depreciated or amortized. The lease liability is accounted for similarly to as financial liability using the effective interest method. However, the new standard provides important reliefs or exemptions for short-term leases and leases of low value assets. If these exemptions are used, the accounting is similar to operating lease accounting under PAS 17 where lease payments are recognized as expenses on a straight-line basis over the lease term or another systematic basis (if more representative of the pattern of the lessee's benefit).

For lessors, lease accounting is similar to PAS 17's. In particular, the distinction between finance and operating leases is retained. The definitions of each type of lease, and the supporting indicators of a finance lease, are substantially the same as PAS 17's. The basic accounting mechanics are also similar, but with some different or more explicit guidance in few areas. These include variable payments, sub-leases, lease modifications, the treatment of initial direct costs and lessor disclosures.

Management is currently assessing the impact of this new standard in its financial statements.

2.3 Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories: financial assets at FVTPL, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and transaction costs related to it are recognized in profit or loss.

The Company's financial assets categorized as loans and receivables are presented as Cash and Cash Equivalents, Contracts Receivable, Due from Related Parties, Other Receivables and Security deposits (under Other Current Assets) in the statement of financial position. Cash and cash equivalents include cash on hand, demand deposits and short-term, highly liquid investments with original maturities of nine months or less, readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those with maturities greater than 12 months after the end of each reporting period which are classified as non-current assets.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment losses, if any. Impairment loss is provided when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate or current effective interest rate determined under the contract if the loan has a variable interest rate.

The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in profit or loss.

All income and expenses, including impairment losses, relating to financial assets that are recognized in profit or loss are presented as part of Finance Costs or Finance Income under Other Income – Net in the statement of comprehensive income.

Non-compounding interest and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2.4 Memorial Lot Inventories

Memorial lot inventories are valued at the lower of cost and net realizable value. The cost of memorial lot inventories includes the acquisition cost of the land (including incidental acquisition costs), construction and development costs and other necessary expenses incurred in bringing the memorial lots ready for sale. The construction and development costs were mainly contracted by the Company from various contractors.

Reacquired memorial lots arising from forfeited or back-out sales are recorded at cost.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.5 Other Current Assets

Other current assets pertain to other resources controlled by the Company as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Company beyond one year after the end of the reporting period or in the normal operating cycle of the business, if longer, are classified as non-current assets.

2.6 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation, amortization and any impairment in value.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation and amortization is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Building	15 years
Service vehicle	5 years
Service equipment	3-5 years
Park maintenance tools and equipment	3-5 years
Office furniture, fixtures and equipment	3-5 years
System development cost	3-5 years

Leasehold improvements are amortized over their expected useful lives of five years (determined by reference to comparable assets owned) or the term of lease, whichever is shorter.

Fully depreciated and fully amortized assets are retained in the accounts until these are no longer in use and no further charge for depreciation and amortization is made in respect of those assets.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.13).

The residual values, estimated useful lives and method of depreciation of property and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property and equipment, including the related accumulated depreciation, amortization and impairment losses, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

2.7 Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less any impairment in value (see Note 2.13).

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the disposal of investment property is recognized in profit or loss in the period of disposal.

2.8 Financial Liabilities

Financial liabilities, which include trade and other payables [except output value-added tax (VAT) and other tax-related payables], and reserve for perpetual care, are recognized when the Company becomes a party to the contractual terms of the instrument.

All interest-related charges incurred on a financial liability are recognized as an expense in profit or loss under the Other Income – Net in the statement of comprehensive income.

Reserve for perpetual care is recognized upon sale of memorial lots to customers. It represents a portion of the contract price, as indicated in the price list, which depends upon the type of lot and location.

Trade and other payables, and reserve for perpetual care are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for those with maturities beyond one year, less settlement payments.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

2.9 Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when the Company currently has legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

2.10 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases, where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.11 Revenue and Expense Recognition

Revenue comprises revenue from the real estate sales and the rendering of services measured by reference to the fair value of consideration received or receivable by the Company for real estate sold and services rendered, excluding VAT and discounts.

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that future economic benefits will flow to the Company; and, the costs incurred or to be incurred can be measured reliably. In addition, the following specific recognition criteria must also be met before revenue is recognized:

(a) *Sale of memorial lots* – For financial reporting purposes, the Company recognizes income from sales of memorial lots, which are generally completed and ready for use, using the full accrual method. If the criteria under the full accrual method are not met, the deposit method is applied. Under this method, the cash received from the buyers are shown as Customers' Deposits in the statement of financial position. Revenue and cost related to forfeited or cancelled sales are reversed in the current year as they occur.

For tax reporting purposes, revenue on sale of memorial lots is recognized in full when 25% or more of the contract price is collected within the initial year of sale. Otherwise, revenue is recognized based on the percentage of collection or installment method.

(b) *Rendering of services (presented as Interment Income)* – Revenue is recognized when the performance of contractually-agreed tasks have been substantially rendered.

(c) *Interest income* – This is recognized as the interest accrues taking into account the effective yield on the asset.

Cost and expenses are recognized in profit or loss upon receipt of goods or utilization of services or at the date they are incurred. All finance costs are reported in profit or loss on an accrual basis, except capitalized borrowing costs which is included as part of the cost of the related qualifying assets (see Note 2.15)

2.12 Leases – Company as Lessee

Leases which do not transfer to the Company substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments (net of any incentive received from the lessor) are recognized as expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as repairs and maintenance and insurance, are expensed as incurred.

The Company determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.13 Impairment of Non-financial Assets

The Company's property and equipment, investment properties and other non-financial assets are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, assets are tested for impairment either individually or at the cash-generating unit level.

Impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

2.14 Employee Benefits

The Company provides post-employment benefits to employees through a defined benefit plan, defined contribution plan and other employee benefits which are recognized as follows:

(a) *Post-employment Defined Benefit Plan*

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Company, even if plan assets for funding the defined benefit plan have been acquired. The Company's defined benefit post-employment plan covers all regular full-time employees.

The liability (asset) recognized in the statement of financial position for a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows for expected benefit payments using a discount rate derived from the interest rates of zero-coupon government bonds as published by Philippine Dealing & Exchange Corp., that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the losses on the return on plan assets are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they arise. Net interest is calculated by applying the discount rate at the beginning of the period, taking account of any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest is reported as part of Finance income or Finance costs under Other Income – Net in the statement of comprehensive income.

Past-service costs are recognized immediately in profit or loss in the period of a plan amendment or curtailment.

(b) Post-employment Defined Contribution Plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions into an independent entity (e.g. Social Security System). The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities or assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

(c) Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of each reporting period. They are included in Trade and Other Payables account in the statement of financial position at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

2.15 Borrowing Costs

Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

2.16 Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method, on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

2.17 Equity

Capital stock represents the nominal value of shares that have been issued.

Revaluation reserves comprise gains and losses arising from remeasurements of post-employment defined benefit plan.

Retained earnings represent all current and prior period results of operations as reported in the profit or loss section of the statement of comprehensive income, reduced by the amount of dividends declared.

2.18 Related Party Relationships and Transactions

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual; and, (d) the Company's funded retirement plan.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

2.19 Earnings Per Share

Basic earnings per share (EPS) is determined by dividing the net profit for the period attributable to common shareholders by the weighted average number of common shares issued and outstanding during the period (see Note 18).

Diluted EPS is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of potential dilutive shares.

2.20 Events After the End of the Reporting Period

Any post-year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

(a) Distinction Between Investment Properties and Owner-managed Properties

The Company classifies its acquired properties as Property and Equipment if used in operations, and as Investment Property if the Company intends to hold the properties for capital appreciation.

(b) Distinction Between Operating and Finance Leases

The Company has entered into various lease agreements. Critical judgment was exercised by management to distinguish the lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreement. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

Management has assessed that its existing lease agreements at the end of each reporting period qualifies under operating lease.

(c) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.10 and relevant disclosures are presented in Note 19.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Recognition of Revenue from Sale of Memorial Lots

The Company uses certain percentage benchmark based on collection in determining whether to recognize any revenue from the sale of memorial lots under full accrual method. Management believes that the revenue recognition criteria is appropriate based on the Company's collection history from its customers. Buyer's interest in the property is considered to have been vested when the payment threshold for each type of inventory lot has been received from the buyer and the Company has ascertained the buyer's commitment to complete the payment of the total contract price over the remaining collection period.

(b) Impairment of Contracts and Other Receivables

Adequate amount of allowance for impairment is provided for specific and groups of accounts, where objective evidence of impairment exists. The Company evaluates the amount of allowance for impairment based on available facts and circumstances affecting the collectability of the accounts, including, but not limited to, the length of the Company's relationship with the counterparties (including related party), the counterparties current credit status, average age of accounts, collection experience and historical loss experience. The methodology and assumptions used in estimating future cash flows are reviewed regularly by the Company to reduce any difference between loss estimate and actual loss experience.

The carrying values of contracts receivable and other receivables are shown in Note 5. Based on management's assessment, there were no impairment losses required to be recognized on contracts receivable and other receivables in period ended September 30, 2017 and 2016.

(c) Determination of Net Realizable Value of Memorial Lot Inventories

In determining the net realizable value of memorial lot inventories, management takes into account the most reliable evidence available at the time the estimates are made. Future realization of the carrying amounts of memorial lots, which is affected by future price changes, is considered a source of estimation uncertainty and may cause significant adjustments to the carrying amounts of the Company's memorial lots within the next reporting period. The carrying amounts of the existing memorial lot inventories classified per park creation are disclosed in Note 6.

(d) Estimation of Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of property and equipment are analyzed in Note 7. Based on management's assessment as at September 30, 2017 and December 31, 2016, there is no change in the estimated useful lives of those assets during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(e) Fair Value Measurement of Investment Properties

The Company's investment properties composed of land are carried at cost at the end of the reporting period. In addition, the accounting standards require the disclosure of the fair value of the investment properties. In determining the fair value of these assets, the Company engages the services of professional and independent appraiser applying the relevant valuation methodologies as discussed in Note 22.2.

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

A significant change in the beginning inputs and sources of information of the fair value disclosed for those assets may result in adjustment in the carrying amount of the assets reported in the financial statements if the fair value will indicate improvement.

(f) Determination of Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets (offset against deferred tax liabilities) recognized as at September 30, 2017 and December 31, 2016 will be fully utilized in the coming years (see Note 15).

(g) Impairment of Non-financial Assets

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.13). Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

In period ended September 30, 2017 and 2016, no impairment losses were recognized on property and equipment, investment properties and other non-financial assets (see Notes 7, 8 and 9, respectively).

(h) Valuation of Post-employment Defined Benefit Obligation

The determination of the Company's obligation and cost of post-employment defined benefit plan is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and salary increase rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

4. CASH AND CASH EQUIVALENTS

Cash on-hand and in-bank amounted to P153,648 thousand as of September 30, 2017. Cash in banks generally earn interest based on daily bank deposit rates. The total interest income earned amounted to P168 thousand and P1,132 thousand on September 30, 2017 and 2016, respectively, and is presented as part of Finance income under Other Income – Net in the statements of comprehensive income (see Note 14.1).

5. CONTRACTS AND OTHER RECEIVABLES

5.1 Contracts Receivable

This account is composed of the following:

	(in thousand)
Current	₱514,691
Non-current	1,252,859
	₱ 1,767,550

Contract receivable with maximum term of five years have an annual effective interest rate of 6% to 12%. Interest income related to this account amounted to P23,131 thousand and P16,925 thousand on September 30, 2017 and 2016, respectively, are reported under Revenues in the statements of comprehensive income.

All of the Company's contracts receivable have been reviewed for indicators of impairment. However, no receivables were found to be impaired.

The Company's contracts receivables are effectively collateralized by the memorial lots sold to the buyers considering that the title over the right in the memorial lots will only be transferred upon full payment.

5.2 Other Receivables

Other receivables amounted to P110,361 thousand and P101,240 thousand as of September 30, 2017 and December 31, 2016, respectively. These comprise mostly advances to suppliers for construction and development projects and short-term non-interest-bearing advances to employees which are collected either through salary deduction or cash. All of the Company's other receivables have been reviewed for indicators of impairment. However, no receivables were found to be impaired as of September 30, 2017 and December 31, 2016.

6. MEMORIAL LOT INVENTORIES

Memorial lot inventories consist of acquisition costs of the land, construction and development costs other necessary costs incurred in bringing the memorial lots ready for sale.

6.1 Memorial Lots

The breakdown of the Company's memorial lot inventories per branch are shown below.

	(in thousands)
General Santos	₱ 190,205
San Ezekiel	186,068
Cebu	114,775
Pampanga	55,621
Zamboanga	43,608
Bulacan	40,992
Las Pinas	40,166
Iloilo	32,583
Cagayan De Oro	20,947
Lots for sale and development	₱ 724,965
Reserve for land development cost	(270,461)
	₱ 454,504

Which are composed of:

	(in thousand)
Cost of land	₱ 115,441
Construction and development cost	339,063
	₱ 454,504

As at September 30, 2017, the Company opened additional lots inventory amounting to P190.2 million in General Santos, P55.6 million in Pampanga, P45.9 million in San Ezekiel, P11.7 million in Cebu, P13.0 million in Zamboanga, P3.5 million in Iloilo and P0.7 million in Bulacan. As at December 31, 2016, additional lots inventory were opened amounting to P20.1 million in Cebu, P18.9 million in Zamboanga and P14.3 million in Iloilo.

Reserve for land development cost pertains to estimated costs of developing the memorial lots.

A portion of the interest from the loan obtained in 2016 (See Note 10) amounting to P12.8 million was capitalized by the company as part of memorial lot inventories.

Memorial chapel inventories as of September 30, 2017 amounted to P2.4 million, these include caskets, urns and other items used in chapel services.

6.2 Cost of Memorial Lots Sold

The details of cost of memorial lots sold are shown below.

	(in thousands)
Memorial lot inventories at beginning of year – net	₱ 344,994
Additions and lot improvements	388,990
Memorial lots inventories at end of period - net	(454,504)
	₱ 279,480

7. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment as at end of September 30, 2017 are shown below.

	Leasehold Improvements	Service Vehicle	Service Equipment	Park Maintenance Tool and Equipment	Office Furniture, Fixtures and Equipment	System Development Cost	Chapel Building	Chapel Furniture, Fixtures and Equipment	Construction In Progress	Total
September 30, 2017										
Cost	P13,022	P46,237	P10,267	P22,242	P30,599	P3,372	P198,784	P6,096	P6,598	P337,217
Accumulated depreciation and amortization	(7,156)	(24,670)	(6,477)	(14,856)	(21,395)	(2,275)	(5,240)	(751)	-	(82,820)
Net carrying amount	**P5,866**	**P21,567**	**P3,790**	**P7,386**	**P9,204**	**P1,097**	**P193,544**	**P5,345**	**P6,598**	**P254,397**

Depreciation and amortization expense is included as part of Other Operating Expenses account in the statements of comprehensive income (see Note 13.2).

Certain fully depreciated assets with acquisition costs of P16.7 million and P13.9 million as of September 30, 2017 and December 31, 2016, respectively, are still being used in operations.

8. INVESTMENT PROPERTIES

The changes to the carrying amounts of investment properties as presented in the statements of financial position are as follows:

	(in thousands)
Balance at beginning of year	₱267,307
Additions	165,520
Balance at end of period	**₱432,827**

Management has assessed that there were no significant circumstances during the reporting periods that may indicate impairment loss on the Company's investment properties.

The fair value and other information about the measurement and disclosures related to the investment property are presented in Note 22.2.

9. OTHER CURRENT ASSETS

This account consists of the following as of September 30, 2017:

	(in thousands)
Prepaid expenses	₱7,644
Deferred input VAT	4,330
Security deposits	2,194
Other assets	3,215
	₱17,383

Deferred input VAT pertains to the unamortized portion of input VAT from purchase of capital goods which are subject to amortization.

Prepaid expenses pertain to unamortized portion of business permits, real property tax and advance rental.

10. INTEREST-BEARING LOANS

In 2017, the Company also obtained P1.5 million loan for acquisition of service vehicle payable within 2 years with annual effective interest rate of 8.5%.

On March 2016, the Company obtained interest-bearing loan amounting to P500 million from a local commercial bank for working capital requirements. The loan is payable within 180 days subject to extension and are subject to average annual effective interest rates of 4.5%.

The outstanding balance of these loans as of September 30, 2017 and December 31, 2016 amounted to P501.3 million and P500.3 million, and are presented as current and non-current Interest-bearing Loans account in the September 30, 2017 and December 31, 2016 statement of financial position. Interest pertaining to these loans amounted to P67 thousand, and are shown as part of Finance costs under Other Income – Net account in the September 30, 2017 statement of comprehensive income (see Note 14.1). Portion of the interest from the loan obtained in 2016 amounting to P12.8 million was capitalized by the company as part of memorial lot inventories. There are no outstanding interest payable as of September 30, 2017 related to these loans.

11. TRADE AND OTHER PAYABLES AND RAWLAND PAYABLES

11.1 Trade and other payables

This account consists of:

	(in thousands)
Deferred output tax	₱ 193,451
Accounts payable	110,275
Due to affiliates	17,000
Retention payable	10,922
VAT payable	2,729
Withholding taxes payable	1,929
Other payables	1,090
	₱ 337,396

Deferred output tax is the portion of VAT attributable to outstanding contract receivables. This is reversed upon payment of monthly amortization from customers.

11.2 Rawland payables

The Company purchased various rawlands for expansion and the outstanding balance arising from these transactions amounted to P288.7 million as of September 30, 2017. In March 2017, the Company signed a joint venture agreement for another project.

12. RESERVE FOR PERPERTUAL CARE FUND

Under the terms of the contract between the Company and the purchasers of memorial lots, a portion of the amount paid by the purchasers is set aside as Perpetual Care Fund (Trust Fund). The balance of the reserve for perpetual care for memorial lots as of September 30, 2017 and December 31, 2016 amounting to P243.3 million and P198.3 million, respectively, represents the total amount of perpetual care from all outstanding sales contracts, net of amount already remitted for fully collected memorial lots into the Trust Fund.

As an industry practice, the amount turned over to the Trust Fund is only for fully collected contracts in as much as the outstanding contracts may still be forfeited and/or rescinded. The income earned from the Trust Fund will be used in the perpetual care and maintenance of the memorial lots. Once placed in the Trust Fund, the assets, liabilities, income and expense of the Trust Fund are considered distinct and separate from the assets and liabilities of the Company, and thus, do not form part of the accounts of the Company.

13. COSTS AND EXPENSES

13.1 Costs of Sale and Services

Presented below are the details of costs of sale and services.

	(in thousands)
Cost of land	₱ 56,365
Construction and development cost	223,115
Cost of memorial lot sold	₱ 279,480
Cost of interment	11,280
	₱ 290,760

Cost of chapel services amounted to P4.8 million for the period ended September 30, 2017, this includes cost of casket, direct labor and overhead.

13.2 Other Operating Expenses

The details of other operating expenses are shown below.

	(in thousands)
Commission	₱ 53,587
Salaries and wages	47,908
Ads and promotions	15,404
Outside services	12,898
Depreciation and amortization	12,131
Taxes and licenses	7,902
Prompt payment Discount	7,686
Utilities	6,721
Collection fees	5,951
Transportation and travel	4,888
Representation	4,431
Insurance	4,180
Rentals	3,670
Professional fees	2,824
Office supplies	2,042
Meetings and conferences	1,816
Management fees	1,350
Repairs and maintenance	1,298
Trainings and seminars	1,145
Miscellaneous	16,217
	₱ 214,049

Miscellaneous expense mainly consists of subscription dues and other fees such as registration, transfer and mortgage fees.

14. OTHER INCOME – Net

14.1 Other Income (Charges)

Presented below are the details of other income (charges).

	(in thousands)
Other revenues	₱ 20,603
Finance income	168
Finance costs	(67)
	₱ 20,704

14.2 Other Revenues

This account consists of (see Note 14.1):

	(in thousands)
Forfeited sales	₱ 12,702
Transfer fees	4,234
Interest on past due accounts	2,400
Service tent rentals	448
Others	819
	₱ 20,603

Others include penalties from customers with lapsed payments, restructured accounts, and other fees collected for transactions incidental to the Company's operations such as payment for passbooks, memorial garden construction fee, among others.

15. CURRENT AND DEFERRED TAXES

Provision for income tax consists of:

	(in thousands)
Current (RCIT)	₱18,164
Deferred	52,392
	₱70,556

The Company is subject to the minimum corporate income tax (MCIT) which is computed at 2% of gross income, as defined under the tax regulations, or RCIT, whichever is higher. The Company reported RCIT in September 30, 2017 and 2016, as the RCIT is higher than MCIT in such periods.

In September 30, 2017 and 2016, the Company claimed itemized deductions in computing for its income tax due.

16. RELATED PARTY TRANSACTIONS

16.1 Due from Related Parties

The Company grants unsecured, noninterest-bearing advances to parent company and related parties under common ownership, which are payable in cash on demand.

In 2016, the BOD approved the assignment of the remaining balance of the Company's outstanding due from related parties under common ownership to the parent company.

The outstanding advances arising from these transactions amounting to P57.3 million and P70.9 million as at September 30, 2017 and December 31, 2016, respectively, is presented as Due from Related Parties in the statements of financial position.

The changes in the Due from Related Parties account are shown below.

	(in thousands)
Balance at beginning of period	₱ 70,871
Payment	(13,570)
Balance at end of period	**₱ 57,301**

16.2 Due to Affiliates

In 2016, the Company obtained short-term unsecured, noninterest-bearing advances from related parties for working capital requirements payable on demand amounting to Ph17.0 million. The details of Due to affiliates is presented as part of Trade and Other Payables account (see Note 11) as at September 30, 2017.

17. EQUITY

17.1 Capital Stock

	Sept. 30, 2017	**Dec. 31, 2016**
Common		
Authorized	996,000,000	996,000,000
Par value per share	P 1.00	P 1.00
Issued shares	494,117,649	494,117,649
Value of shares issued	P 494,117,649.00	P 494,117,649.00
Preferred		
Authorized	400,000,000	400,000,000
Par value per share	P 0.01	P 0.01
Issued shares	-	-
Value of shares issued	-	-

Common Shares

On March 21, 2016, the board of the Company approved of the following:

(a) Registration of up to 494,117,647 common shares of the Company representing 420,000,000 issued and outstanding common shares and 74,117,647 unissued common shares to be issued and offered and sold in connection with the initial public offering of the company with the Philippine Securities and Exchange Commission (SEC) and the listing of the 494,117,647 common shares on the main board of the Philippine Stock Exchange (PSE), subject to the registration requirements of the SEC and the listing requirements of the PSE

(b) Increase in the numbers of the Board of Directors of the Company from five to seven, two of whom must be independent directors as required under the Securities Regulation Code and the amendment of the Company's articles of incorporation and by-laws to reflect such change.

(c) Approval and adoption of the lock-up provisions prescribed under the prevailing rules and regulations of the PSE and the amendment of the Company's articles of incorporation to reflect the said lock-up provisions

(d) Creation of the audit, nomination and compensation and remuneration committees in the Board of Directors of the Company and the amendment of the Corporation's by-laws to reflect the creation of the board committees.

(e) The following amendments to the by-laws of the Company:
- Amendment of the closing date of the stock and transfer book of the Company and validation period of proxies, in each case, in accordance with the provisions of the Securities Regulation Code;
- Incorporation of a provision on the transfer procedures for uncertified shares
- Amendments on the notice procedure for stockholders' meetings;
- Incorporation of a provision on the voting requirement for matters presented to the board for approval;
- Incorporation of a provision allowing the holding of board meetings through videoconference or teleconference; and
- Amendment of the section on dividends to be consistent with the provisions of the Corporation Code.

On March 17, 2016, the SEC approved the increase in the authorized capital stock of the company from P20,000,000 divided into 200,000 common shares with par value of P100.00 per share, or an aggregate par value of P20,000,000, to P1,000,000,000 divided into: (i) 996,000,000 common shares with par value of P1.00 per share, or an aggregate par value of P996,000,000; and (ii) 400,000,000 preferred shares with par value of P0.01 per share, or an aggregate par value of P4,000,000.

On March 8, 2016, the Company declared stock dividends in the aggregate amount of P400 million, payable out of the unrestricted retained earnings of the Company as of December 31, 2015. The shares were issued on March 17, 2016.

On June 9, 2016, the Philippine Stock Exchange approved the initial listing of up to 494,117,649 common shares under the Main Board of the Exchange, with the following details:

a) 420,000,0002 common shares, representing the total number of issued and outstanding shares of the Company prior to the Initial Public Offering (IPO) of the Company's shares
b) Up to 74,117,647 common shares, representing the total number of shares to be offered to the public on a primary basis with an Offer Price of up to P10.62 per Offer Share.

Based on the Company's IPO pricing, it was determined that the Offer Price will be at P10.50.

On June 14, 2016, the SEC issued the Order of Registration and Certificate of Permit to Offer Securities for the registration and offer for sale to the public of up to 494,117,649 common shares. The sale of up to 74,117,647 common shares shall be offered and sold by way of a primary offering at an offer price of up to P 10.50.

On June 29, 2016, the Company was officially listed in the Main Board of the Philippine Stock Exchange under the ticker "HVN". The offer shares of 74,117,647 were priced at P10.50/share at the initial public offering.

Preferred Shares

The preferred shares of the company are voting, non-cumulative, non-participating, non-convertible, and non-redeemable.

17.3 Revaluation Reserves

As of September 30, 2017 and December 31, 2016, the Company has accumulated actuarial losses, net of tax, due to remeasurement of post-employment defined benefit plan amounting to P2.4 million.

17.3 Retained Earnings

On January 29, 2016, the BOD approved the reversal of the appropriated retained earnings of P400,000 thousand to unappropriated retained earnings to be made available for stock dividend declaration. The stock dividend of P400 million was declared on March 8, 2016 and was distributed following the SEC approval of the capital increase on March 17, 2016 (See Note 17.1).

18. EARNINGS PER SHARE

The basic and diluted earnings per share were computed as follows:

Net profit (in thousands)	₱ 164,631
Divided by the weighted number of outstanding common shares (in thousands)	494,118
Basic and diluted earnings per share	0.33

The Company has no dilutive potential common shares as at September 30, 2017 hence, diluted earnings per share equals the basic earnings per share.

19. COMMITMENTS AND CONTINGENCIES

19.1 Operating Lease Commitments

The Company have leases with terms ranging from one to five years with renewal options upon mutual agreement between the parties, and include annual escalation rental rates.

The total rentals from this operating lease amounted to P3.7 million and P2.2 million on September 30, 2017 and 2016, respectively, which is shown as Rentals under Other Operating Expenses in the statements of comprehensive income (see Note 13.2).

19.2 Capital Commitments on Use of Proceeds

The Company has capital commitments to utilize the proceeds from the issuance of its common shares amounting to P703.0 million (net of P75.2 million offering-related expenses) for its land bank development, land acquisition, construction of Las Piñas chapel and crematorium and general corporate purposes. As of September 30, 2017, the balance of proceeds amounting to P112.4 million remains unutilized.

19.3 Others

There are other commitments and contingent liabilities that arise in the normal course of the Company's operations which are not reflected in the financial statements. Management is of the opinion that losses, if any, from these events and conditions will not have material effects on the Company's financial statements.

20. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not engage in the trading of financial assets for speculative purposes nor does it write options. The significant financial risks, unless otherwise stated, to which the Company is exposed to are described in the succeeding pages.

20.1 Interest Rate Risk

Currently, the Company has no material financial assets and financial liabilities with floating interest rates.

20.2 Credit Risk

The Company operates under sound credit-granting criteria wherein credit policies are in place. These policies include a thorough understanding of the customer or counter-party as well as the purpose and structure of credit and its source of repayment. Credit limits are set and monitored to avoid significant concentrations to credit risk. The Company also employs credit administration activities to ensure that all facets of credit are properly maintained.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The position and credit limits are established appropriate to the type, nature and volume of business undertaken and the financial status of the counterparty and reviewed on a regular basis. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the statements of financial position are summarized below.

	(in thousands)
Cash on-hand and in-banks	₱ 153,648
Contracts receivable	1,767,550
Due from related parties	57,301
Security deposits	2,194
	₱ 1,980,693

Cash in banks and placements are insured by the Philippine Deposit Insurance Commission up to a maximum coverage of P500,000 for every depositor per banking institution. Also, the Company's contracts receivable are effectively collateralized by memorial lots. Other financial assets are not secured by any collateral or other credit enhancements.

All contracts receivable are subject to credit risk exposure. However, the Company does not identify specific concentrations of credit risk with regard to contracts receivable as the amounts recognized resemble a large number of receivables from various customers and is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The due from related parties are considered negligible since the counterparties are in good financial condition.

Some of the contracts receivable are past due as at the reporting date. The contract receivables that are past due but not impaired are as follows:

	(in thousands)
More than 3 months but not more than 6 months	₱ 35,351
More than 6 months but not more than one year	53,027
More than one year	123,729
	₱ 212,107

20.3 Liquidity Risk

The Company manages its liquidity needs by carefully monitoring cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 6-month and one-year period are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are invested in time deposits or short-term placements.

21. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

21.1 Carrying Amounts and Fair Values by Category

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

	Notes	Carrying Values	Fair Values
Financial Assets		*(in thousands)*	
Cash on-hand and in-bar	4	₱ 153,648	₱ 153,648
Contracts receivables	5	1,767,550	1,767,550
Due from related parties	16.1	57,301	57,301
Security Deposits	9	2,194	2,194
		₱ 1,980,693	₱ 1,980,693

	Notes	Carrying Values	Fair Values
Financial Liabilities			
At amortized cost:		*(in thousands)*	
Interest-bearing loans	10	₱501,343	₱501,343
Trade and other payables	11	337,396	337,396
Rawland payables	11	288,687	288,687
Reserve for perpetual care	12	243,320	243,320
		₱1,370,746	₱1,370,746

See Notes 2.3 and 2.8 for a description of the accounting policies for each category of financial instrument. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 20.

21.2 Offsetting of Financial Assets and Financial Liabilities

As of September 30, 2017, the Company has no relevant offsetting arrangements. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders.

22. FAIR VALUE MEASUREMENT AND DISCLOSURES

22.1 Fair Value Hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

As of September 30, 2017 and 2016, the Company has no financial assets or financial liabilities that are measured at fair value.

22.2 Fair Value Measurement for Non-financial Assets

The Company's investment properties amounting to P431.3 million and P267.3 million are categorized under level 3 hierarchy of non-financial assets measured at cost as of September 30, 2017 and December 31, 2016, respectively.

23. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the carrying amount of equity as presented in the statements of financial position. Capital for the reporting periods under review is summarized as follows:

Total interest-bearing loans (in millions)	501,343
Total adjusted equity (in millions)	1,482,687
Debt-to-equity ratio	**0.34 : 1.00**

Financial Soundness Indicator

Below are the financial ratios that are relevant to the Company for the period ended September 30, 2017 and 2016.

		30-Sep-17	**2016**
Liquidity:			
Current Ratio	Current Assets/Current Liability	1.96 : 1	2.65 : 1
Solvency:			
Debt-to-Equity Ratio	Total Debt/Total Equity	0.34 : 1	0.38 : 1
Asset-to-equity:			
Asset-to-Equity ratio	Total Assets/Total Equity	2.19 : 1	2.18 : 1
		30- Se-17	**30-Sep-16**
Interest-rate-coverage:			
Interest-rate-coverage ratio	Profit Before Tax and Interest/Finance Costs (Including capitalized interest)	18.31 : 1	22.00 : 1
Profitability:			
Return-on-equity	Net Annualized Income/ Average Capital Stock	44.42%	54.33%

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS COVERING 9-MONTHS OF 2017 VS. 9-MONTHS OF 2016

Revenues

Real estate sales
The company made **₱ 672,897 thousand** in real estate sales for the 9-months of 2017, an **18%** increase from **₱ 570,235 thousand** from the same period 2016. This increase was mainly due to an increase in memorial lot and columbarium sales.

Interment income
There was a **4%** decrease in income from interment services**,** to **₱ 19,429 thousand** in 9-months of 2017 from **₱ 20,178 thousand** in 9-months of 2016. This change was mainly attributable to an increase in interment discounts granted during the period.

Interest income on contract receivables
Income from interest on contract receivables increased by **37%,** to **₱ 23,131 thousand** in 9-months of 2017 from **₱ 16,925 thousand** in 9-months of 2016, due to the increase in sales on account and interest rate charged on installment sales in 9-months of 2017 compared to the same period previous year.

Income from Chapel Services
Income from chapel services increased to **₱ 8,663 thousand** in 9-months 2017 from **nil** in 9-months 2016 due to the Company's newly opened memorial chapel which began operations in March 2017.

Costs and Expenses

Costs of sales and services
The **22%** increase in cost of sales and services, to **₱ 290,760 thousand** in 9-months of 2017 from **₱ 238,192 thousand** in 9-months 2016, due to a corresponding increase in the number of units sold in 9-months of 2017 compared to the same period last year.

Costs of chapel services
The cost of chapel services increased to **₱ 4,828 thousand** in 9-months of 2017 from **nil** in 9-months 2016, due to the start of operations of the Company's new memorial chapel in March 2017.

Operational Expenses

Operational expenses increased by **13%**, to **₱ 214,049 thousand** in 9-months of 2017, from **₱ 189,834 thousand** in 9-months of 2016. This was mainly due to an increase in Commission expenses brought about by increased sales; Salaries and Wages due to an increase in manpower for expansion; and Depreciation and Amortization due to additional capital expenditures, which include the buildings in the new memorial chapel complex.

Other Income

Other income increased by **46%**, recorded at **₱ 20,704 thousand** in 9-months of 2017 from **₱ 14,202 thousand** 9-months of 2016. This was due to a reduction in finance cost due to capitalization.

Tax Expense

The Company's tax expense increased by **22%,** to **₱ 70,556 thousand** for 9-months of 2017 from **₱ 58,054 thousand** for 9-months of 2016. This is attributable to the increase in taxable income base in 9-months of 2017 compared to the same period from the previous year.

Net Income

Total net profits increased by **22%**, to **₱ 164,631 thousand** in 9-months 2017 from **₱ 135,460 thousand** recorded in 9-months of 2016.

For the 9-months of 2017, there were no seasonal aspects that had a material effect on the financial condition or results of the operations of the Company. Neither were there any trends, events, or uncertainties that have had or are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and the revenues.

There are no significant elements of income or loss, which arise from the Company's continuing operations.

FINANCIAL CONDITION AS OF SEPTEMBER 30, 2017 VS. DECEMBER 31, 2016

As of September 30, 2017, total assets were recorded at **₱ 3,250,413 thousand**, increasing by **13%** compared to the **₱ 2,877,917 thousand** recorded as of December 31, 2016. This was due to the following:

- Cash and cash-in banks decreased by **66%**, from **₱ 445,953 thousand** as of December 31, 2016 to **₱ 153,648 thousand** as of September 30, 2017, mainly due to the acquisition of new property and development expenses.

- Total contracts receivable, including non-current, increased by **18%** from **₱ 1,495,769 thousand** as of December 31, 2016 to **₱ 1,767,550 thousand** as of September 30, 2017 due to higher sales on account recorded during the period.

- Due from related parties decreased by **19%**, from **₱ 70,871 thousand** as of December 31, 2016 to **₱ 57,301 thousand** as of September 30, 2017 due to settlements made by related parties.

- Other receivables increased by **9%**, from **₱ 101,240 thousand** as of December 31, 2016 to **₱ 110,361 thousand** as of September 30, 2017 due to increase in advances made to contractors.

- Memorial lot inventories increased by **32%**, from **₱ 344,994 thousand** of December 31, 2016 to **₱ 454,504 thousand** as of September 30, 2017 mainly due to new phases and projects launched during the period.

- Memorial chapel inventories increased by **100%**, from **nil** of December 31, 2016 to **₱ 2,395 thousand** as of September 30, 2017 due to the acquisition of new inventory of memorial chapel related merchandise.

- Other current assets increased by **78%,** from **₱ 9,763 thousand** as of December 31, 2016 to **₱ 17,383 thousand** as of September 30, 2017 mainly due to input VAT and other prepaid expenses.

- Property and equipment increased by **79%,** from **₱ 141,973 thousand** as of December 31, 2016 to **₱ 254,397 thousand** as of September 30, 2017 mainly due to memorial chapel complex completion.

- Investment properties increased by **62%**, from **₱ 267,307 thousand** as of December 31, 2016 to **₱432,827 thousand** as of September 30, 2017 due to acquisitions of land for future development.

The total liabilities of the Company increased by **13%**, from **₱ 1,559,861 thousand** as of December 31, 2016 to **₱ 1,767,726 thousand** as of September 30, 2017. This was due to the following:

- Rawland payables increased by **50%**, from **₱ 192,059 thousand** as of December 31, 2016 to **₱ 288,687 thousand** as of September 30, 2017 due to land acquisition for future expansion made during the period on account.

- Customers' deposits increased by **210%** from **₱ 11,390 thousand** as of December 31, 2016 to **₱ 35,256 thousand** as of September 30, 2017 due to an increase in reservation sales during the period.

- Income tax payable decreased by **34%** from **₱ 11,248 thousand** as of December 31, 2016 to **₱ 7,442** as of September 30, 2017 due to settlements made during the period.

- Deferred tax liabilities (net) increased by **17%** from **₱ 301,890 thousand** as of December 31, 2016 to **₱ 354,282 thousand** as of September 30, 2017 due to the increase in temporary difference for the period.

- Reserve for perpetual care increased by **23%** from **₱ 198,260 thousand** as of December 31, 2016 to **₱ 243,320 thousand** as of September 30, 2017 due to higher sales on account recorded for the period.

Total stockholder's equity increased by **12%** or **₱ 164,631 thousand** from **₱ 1,318,056 thousand** as of December 31, 2016 to **₱ 1,482,687 thousand** as of September 30, 2017, due to income recognized during the period.

MATERIAL CHANGES TO THE COMPANY'S STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2017 COMPARED TO DECEMBER 31, 2016 (INCREASE/DECREASE OF 5% OR MORE)

- Cash and cash equivalents decreased by **66%**, from **₱ 445,953 thousand** as of December 31, 2016 to **₱ 153,648 thousand** as of September 30, 2017, mainly due to the acquisition of new property and development expenses.

- Total contracts receivable, including non-current, increased by **18%** from **₱ 1,495,769 thousand** as of December 31, 2016 to **₱ 1,767,550 thousand** as of September 30, 2017 due to higher sales on account recorded during the period.

- Due from related parties decreased by **19%**, from **₱ 70,871 thousand** as of December 31, 2016 to **₱ 57,301 thousand** as of September 30, 2017 due to settlements made by related parties.

- Other receivables increased by **9%**, from **₱ 101,240 thousand** as of December 31, 2016 to **₱ 110,361 thousand** as of September 30, 2017 due to increase in advances made to contractors.

- Memorial lot inventories increased by **32%**, from **₱ 344,994 thousand** of December 31, 2016 to **₱ 454,504 thousand** as of September 30, 2017 mainly due to new phases and projects launched during the period.

- Memorial chapel inventories increased by **100%**, from **nil** of December 31, 2016 to **₱ 2,395 thousand** as of September 30, 2017 due to the acquisition of new inventory of memorial chapel related merchandise.

- Other current assets increased by **78%,** from **₱ 9,763 thousand** as of December 31, 2016 to **₱ 17,383 thousand** as of September 30, 2017 mainly due to input VAT and other prepaid expenses.

- Property and equipment increased by **79%,** from **₱ 141,973 thousand** as of December 31, 2016 to **₱ 254,397 thousand** as of September 30, 2017 mainly due to memorial chapel complex completion.

- Investment properties increased by **62%**, from **₱ 267,307 thousand** as of December 31, 2016 to **₱432,827 thousand** as of September 30, 2017 due to acquisitions of land for future development.

- Rawland payables increased by **50%**, from **₱ 192,059 thousand** as of December 31, 2016 to **₱ 288,687 thousand** as of September 30, 2017 due to land acquisitions for future expansion made during the period on account.

- Customers' deposits increased by **210%** from **₱ 11,390 thousand** as of December 31, 2016 to **₱ 35,255 thousand** as of September 30, 2017 due to an increase in reservation sales during the period.

- Income tax payable decreased by **34%** from **₱ 11,248 thousand** as of December 31, 2016 to **₱ 7,442** as of September 30, 2017 due to settlements made during the period.

- Deferred tax liabilities (net) increased by **17%** from **₱ 301,890 thousand** as of December 31, 2016 to **₱ 354,282 thousand** as of September 30, 2017 due to the increase in temporary difference for the period.

- Reserve for perpetual care increased by **23%** from **₱ 198,260 thousand** as of December 31, 2016 to **₱ 243,320 thousand** as of September 30, 2017 due to higher sales on account recorded for the period.

- Total stockholder's equity increased by **12%** or **₱ 164,631 thousand** from **₱ 1,318,056 thousand** as of December 31, 2016 to **₱ 1,482,687 thousand** as of September 30, 2017, due to income recognized during the period.

MATERIAL CHANGES TO THE COMPANY'S STATEMENT OF INCOME FOR THE 9-MONTHS OF 2017 COMPARED TO THE 9-MONTHS OF 2016 (INCREASE/DECREASE OF 5% OR MORE)

- Real estate sales increased by **18%,** from **₱ 570,235 thousand** for the 9-months of 2016 to **₱ 672,897** thousand for the 9-months of 2017 due to the increase of memorial lot and columbarium sales.

- Interment income decreased by **4%,** from **₱ 20,178 thousand** for the 9-months of 2016 to **₱ 19,429 thousand** in 6-months of 2017 due to a decrease of number of interment services rendered in 6-months 2017 compared to the same period last year

- Interest income on contract receivables increased by **37%** from **₱ 16,925 thousand** in 9-months of 2016 to **₱ 23,131 thousand** in 9-months of 2017 due to the increase in sales on account and interest rate charged on installment sales in 9-months of 2017 compared to the same period previous year.

- Income from chapel services increased by **100%** from **nil** in 9-months 2016 to **₱ 8,663 thousand** in 9-months 2017 due to the beginning of operations of the Company's first memorial chapel in March 2017.

- Costs of sales and services grew by **22%** from **₱ 238,192 thousand** in 9-months 2016 to **₱ 290,760 thousand** in 9-months of 2017 as a result of the increase of the number of units sold in 9-months of 2017 compared to the same period last year.

- The cost of chapel services increased by **100%**, from **nil** in 9-months 2016 to **₱ 4,828 thousand** in 9-months of 2017, due to the start of operations of the Company's new memorial chapel in March 2017.

- Operational expenses increased by **13%**, to **₱ 214,049 thousand** in 9-months of 2017, from **₱ 189,834 thousand** in 9-months of 2016. This was mainly due to an increase in Commission expenses brought about by increased sales; Salaries and Wages due to an increase in manpower for expansion; and Depreciation and Amortization due to additional capital expenditures, which include the buildings in the new memorial chapel complex.

- Other income increased by **46%**, from **₱ 14,202 thousand** 9-months of 2016, to **₱ 20,704 thousand** 9-months of 2017. This was due to a reduction in finance cost due to capitalization.

- Tax Expense increased by **22%,** from **₱ 58,054 thousand** for 9-months of 2016 to **₱ 70,556 thousand** for 9-months of 2017 due to a higher taxable income in 9-months of 2017 compared to the same period from previous year.

- Overall Net Profit grew by **22%**, from **₱ 135,460 thousand** for 9-months of 2016 to **₱ 164,631 thousand** for 9-months of 2017 as a result of the movements above.

There are no other material changes on the Company's financial position and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition on the Company.

COMMITMENTS AND CONTINGENCIES

The Company has leases with terms ranging from one to five years with renewal options upon mutual agreement between the parties, and includes annual escalation rental rates.

There are other commitments and contingent liabilities that arise in the normal course of the Company's operations, which are not reflected in the financial statements. Management is of the opinion that losses, if any, from these events and conditions will not have material effects on the Company's financial statements.

PART II – OTHER INFORMATION

Item 3. 9-months of 2017 Developments

A. New Projects of Investments in another line of business or corporation

None.

B. Composition of the Board of Directors

Name	Position
Manuel B. Villar, Jr.	Director and Chairman of the Board
Jerry M. Navarrete	Director and President
Maribeth C. Tolentino	Director and Chief Operating Officer
Joy J. Fernandez	Director and Treasurer
Frances Rosalie T. Coloma	Director and Chief Financial Officer and Chief Information Officer
Camille A. Villar	Director
Ana Marie V. Pagsibigan	Independent Director
Garth F. Castaneda	Independent Director

C. Performance of the corporation or result/progress of operations

Please see unaudited Financial Statements and Management Discussion and Analysis.

D. Declaration of Dividends

P 4,000.00 per share Special Cash Dividend
Declaration Date: December 29, 2015
Full Payment Date: May 19, 2016

2,000 shares for every 1 share Stock Dividend
Declaration Date: March 8, 2016
Issuance Date: March 17, 2016

E. Contracts of merger, consolidation, or joint venture; contract of management, licensing, marketing, distributorship, technical assistance, or similar agreements.

None.

F. Offering of rights, granting of Stock Options and corresponding plans thereof.

None.

G. Acquisition of additional mining claims or other capital assets or patents, formula, real estate

Not applicable.

H. Other information, material events or happenings that may have affected or may affect the market price of security.

In the special meeting, the Board of Directors held on 4 September 2017, the Board approved the amendments to the Articles of Incorporation and By-laws to change the corporate name and primary purpose of the Company.

In a special meeting held 3 October 2017, the Board of Directors of the Company resolved to modify the proposed amended primary purpose clause of the Articles of Incorporation of the Company, in order to clarify and leave no doubt that the continuation of the current memorial park and memorial services business activities of the Company remain covered by the primary purpose of the Company.

In a special stockholders' meeting held 16 October 2017, the stockholders approved the amendments to the Articles of Incorporation and By-laws of the Corporation.

On 20 October 2017, the Securities and Exchange Commission approved the amendments to the By-Laws and Articles of Incorporation as approved by the Stockholders, which was received by the Company on 23 October 2017.

I. Transferring of assets, except in normal course of business.

None.

<u>Item 4. Other Notes as of 9-months of 2017 Operations and Financials.</u>

J. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that is unusual because of their nature, size, or incidents.

None.

K. Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period.

There are no changes in estimates of amounts reported in prior interim period or prior financial years that have a material effect in the current interim period.

L. New financing through loans/ issuances, repurchases and repayments of debt and equity securities.

See notes to Financial Statements and Management Discussion and Analysis.

M. Material events subsequent to the end of interim period that have not been reflected in the financial statements for the interim period.

See notes to Financial Statements and Management Discussion and Analysis.

N. The effect of 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.

None.

O. Changes in contingent liabilities or contingent assets since the last annual statement of financial position date.

None.

P. Existence of material contingencies and other material events or transactions during the interim period.

None.

Q. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

None.

R. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

None.

S. Material commitment for capital expenditures, general purpose and expected sources of funds.

The movement of capital expenditures being contracted arose from the regular land development and construction requirements, which are well within the regular cash flow budget coming from internally generated funds.

T. Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/income from continuing operations.

As of September 30, 2017, no known trends, events, or uncertainties that are reasonably expected to have impact on sales/revenues/income from continuing operations except for those being disclosed in the 9-months of 2017 financial statements.

U. Significant elements of income or loss that did not arise from continuing operations.

None.

V. Causes for any material change/s from period to period in one or more line items of the financial statements.

None.

W. Seasonal aspects that had material effects on the financial condition or results of operations.

None.

X. Disclosures not made under SEC Form 17-C.

None.

SIGNATURES

Pursuant to the requirements of Section 17 of the SRC and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized.

Golden Haven Memorial Park, Inc.
Issuer

By:

Frances Rosalie T. Coloma
CFO & CIO

Date: November 14, 2017