SEC Number AS094-008360
File Number

UNIWIDE HOLDINGS, INC.
AND SUBSIDIARIES

(Company's Full Name)

2nd Floor Uniwide Coastal Mall
CB II, Roxas Blvd., Coastal Road Junction
Reclamation Area, Parañaque CIty

(Company's Address)

879-06-86

(Telephone Number)

March 31, 2006

(Calendar Year Ended)

SEC FORM 17-Q QUARTERLY REPORT

Form Type

Amendment Designation (If applicable)

Period Ended Date

(Secondary License Type and File Number)

*UW2006Q-1 *

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended March 31, 2006

2. Commission identification number ASO94-OO8360   3. BIR TIN No #. 003-944-039 VAT

4. Exact name of registrant as specified in its charter: **UNIWIDE HOLDINGS, INC.**

5. Philippines
Province, Country or other jurisdiction of incorporation or organization

6. (SEC use Only)
Industry Classification Code

6. Industry Classification Code:

7 2/F Uniwide Coastal Mall CB II Roxas Blvd., Coastal Road Junction, Reclamation Area, Parañaque Ciity 1701
Address of registrant's principal office

8. (632)-879-06-86
Registrant's telephone number, including area code

9. Not applicable
Former name, former address, and former fiscal year, if changed 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 and Amount of Debt Outstanding
Common stock, ₱ 1.0 par value	2,548,109,762 shares

11. Are any or all of these securities listed on the Philippine Stock Exchange
Yes [X]   No [ ]

12. Indicate by check mark whether the registrant:

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

Yes [.]   No [X]

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

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UNIWIDE HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2006 AND DECEMBER 31, 2005

	Unaudited	Unaudited
	2006	2005
ASSETS		
Cash	**₱18,756,174**	₱12,638,538
Receivables - net (Note 3)	**162,622,170**	126,019,666
Investments in Real Estate (Notes 1 and 4)	**41,989,443**	41,989,443
Property and Equipment - net (Notes 1, 5, 7, 10 and 13)	**2,867,053,875**	2,910,262,763
Other Assets - net (Note 6)	**110,326,563**	126,462,321
	₱3,200,748,225	₱3,217,372,731
LIABILITIES AND STOCKHOLDERS' EQUITY (CAPITAL DEFICIENCY)		
Accounts Payable and Accrued Expenses (Notes 1, 3, 15 and 17)	**₱2,763,438,558**	₱2,729,086,502
Loans Payable (Notes 4, 5 and 7)	**1,684,481,691**	1,684,481,691
Deferred Revenue and Other Liabilities - net (Note 8)	**113,256,023**	111,970,647
Due to Related Parties - net (Notes 1 and 13)	**543,132,783**	227,804,298
Deferred Tax Liabilities	**99,787,733**	99,787,733
	5,204,096,788	4,853,130,871
Minority Interest	**54,795,756**	54,795,756
	5,149,301,032	4,798,335,115
Stockholders' Equity (Capital Deficiency)		
Capital stock	**2,548,109,762**	2,548,109,762
Additional paid-in capital	**2,653,477,952**	2,653,477,952
Deficit	**(7,150,140,521)**	(6,782,550,098)
	(1,948,552,807)	(1,580,962,384)
	₱3,200,748,225	₱3,217,372,731

See accompanying Notes to Consolidated Financial Statements.

UNIWIDE H OLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005

	2006	2005
INCOME		
Rent (Note 15)	**₱35,112,408**	₱37,393,096
Franchise fees (Notes 1 and 15)	**250,000**	429,551
	35,362,408	37,822,647
OPERATING EXPENSES (Notes 9, 10, 11, 14 and 15)	**63,932,763**	78,901,121
LOSS FROM OPERATIONS	**28,570,355**	41,078,474
OTHER CHARGES (INCOME)		
Interest and other income - net (Notes 1, 3 and 7)	**(6,967,743)**	(260,870)
	(6,967,743)	(260,870)
LOSS BEFORE INCOME TAX	**21,602,612**	40,817,604
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 12)	**52,773**	85,910
NET LOSS	**₱21,655,385**	₱40,903,514
Loss Per Share (Note 16)	**₱0.008**	₱0.016

See accompanying Notes to Consolidated Financial Statements.

UNIWIDE HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS’ EQUITY (CAPITAL DEFICIENCY)
MARCH 31, 2006 AND 2005

	2006	2005
CAPITAL STOCK		
Common stock - ₱1 par value		
Authorized - 5,000,000,000 shares		
Issued - 2,548,109,762 shares	**₱2,548,109,762**	₱2,548,109,762
ADDITIONAL PAID-IN CAPITAL	**2,653,477,952**	2,653,477,952
DEFICIT		
Balance of beginning of year	**7,128,537,909**	5,784,425,231
Net loss	**21,602,612**	40,903,514
Balance at end of year	**7,150,140,521**	5,825,328,745
	(₱1,948,552,807)	₱623,741,031

See accompanying Notes to Consolidated Financial Statements.

UNIWIDE HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	**(₱21,655,385)**	(₱40,903,514)
Adjustments for:		
Depreciation and amortization (Note 10)	**43,208,887**	43,669,724
Operating income (loss) before changes in operating assets and liabilities	**-**	2,766,210
Changes in operating assets and liabilities:		
Increase in:		
Receivables	**(36,602,504)**	(28,579,294)
Increase (decrease) in:		
Accounts payable and accrued expenses	**34,352,057**	19,536,277
Deferred revenue and other liabilities	**1,285,376**	76,949
Net cash generated by (used in) operating activities	**20,588,431**	(6,199,858)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in:		
Due from related parties	**315,328,485**	4,839,078
Deferred charges and other assets	**16,135,758**	324,388
Net cash provided by (used in) investing activities	**331,464,243**	5,163,466
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in:		
Revaluation increment of retired property charged to deficit	**(345,935,038)**	-
Cash provided by financing activities	**(345,935,038)**	**-**
NET DECREASE IN CASH	**₱6,117,636**	(₱1,036,392)
CASH AT BEGINNING OF YEAR	**12,638,538**	7,505,758
CASH AT END OF YEAR	**₱18,756,174**	₱6,469,366

See accompanying Notes to Consolidated Financial Statements.

UNIWIDE HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Corporate Information and Status of Operations

Uniwide Holdings, Inc. (the Company) was incorporated in the Philippines and is a major subsidiary of Uniwide Sales, Inc. (USI), a holding company wholly owned by the Gow family. The principal place of business is at Upper Ground Floor, Pearl Plaza Mall, 0165 Quirino Avenue, Barangay Tambo, Paranaque City.

On March 1, 2006, the Company changed its principal place of business to 2nd F Uniwide Coastal Mall CB II, Roxas Boulevard, Coastal Road Junction, Reclamation Area, Paranaque City.

The Company was organized in 1994 as the franchisor of USI and Uniwide Sales Warehouse Club stores. The Company also engages in real estate operations primarily through a subsidiary, Uniwide Sales Realty and Resources Corp. (USRRC). USRRC is involved in the acquisition, development, holding and leasing of land and buildings used as sites for the warehouse clubs and department stores. On the other hand, another subsidiary, Naic Resources & Development Corporation (NRDC) engages in, operates, conducts, manages and carries on the business of a general amusement, recreation and entertainment enterprise.

The projects and businesses of the Parent Company and its major subsidiaries, USRRC and NRDC (collectively referred to as the UHI Group), and the status of their respective operations are as follows:

Project/Business	Nature	Status
The Company:		
Uniwide Sales Coastal Mall (the “Coastal Mall”)	Construction and operation of commercial complex in a leased parcel of land along Coastal Road, Parañaque City	90.54% completed; development has been deferred since 1998; leasehold rights with total area of 9,274.36 square meters valued at ₱184.36 million have been sold to various parties as of December 31, 2004. Under the Second Amendment to the Group’s Rehabilitation Plan (SAGARP), the Coastal Mall is being offered for dacion en pago in settlement of the Parent Company’s Coastal Mall creditors (Notes 7, 9 and 12).

Project/Business	Nature	Status
Franchising Business	Franchising of the retail/wholesale stores that trade under the name “Uniwide Sales” specifically the “Uniwide Sales Warehouse Clubs (USWC)” and “Uniwide Sales Department Stores (USDS)”	Existing franchise agreements with USWCI, which presently operates seven warehouse club and one department store (Note 15). However, in accordance with the SAGARP, franchise fees due from USWCI was suspended (Notes 7 and 15). In addition, the Parent Company has a franchise agreement with a third party, operating a warehouse club. Until July 2005, the Parent Company had a franchise agreement with a warehouse club.
USRRC:		
Warehouse Club Buildings (WCBs)	Construction of WCBs, located in Talisay City, Bacolod City and Negros Occidental	Construction of WCBs, which are in various stages of completion, have been deferred since 1998 (Notes 8 and 12). A full valuation allowance for impairment loss on WCBs has been provided in 2002.
Retail land sales	Commercial and residential lots located in Naic, Cavite and Cabuyao, Laguna	Majority of these properties secure the loans of UHI Group, USI and USWCI (UHI Group) and are currently the subject of Memoranda of Agreement (MOAs), dacion en pago agreements or are being offered for dacion en pago in settlement of various loans incurred by the UHI Group (Note 8).
Rentals of real estate and other properties	Properties located in various areas including, Cavite, General Santos, Malolos and Bulacan, among others	Majority of these properties are currently the subject of MOAs, dacion en pago agreements or are being offered for dacion en pago in settlement of various loans incurred by the UHI Group (Note 8).
Uniwide Metromall (the “Metromall”)	Mall operations	In operation. The Metromall is being offered for dacion en pago in settlement of the UHI Group’s debts (Note 12).

Project/Business	Nature	Status
NRDC:		
Theme Park Project	Development of a Theme Park at the Dreamworld Complex in Naic, Cavite	The development of this project has been deferred in 1998. In December 2002, the Securities and Exchange Commission (SEC) approved the sale of the theme park assets, particularly the amusement rides. The proceeds from the sale of a portion of these assets were used to settle obligations due to a financial institution with whom these assets were mortgaged. Full valuation allowance for impairment loss has been provided in 2003 for the remaining assets.

The accompanying financial statements were approved and authorized for issue by the board of directors and audit committee on May 10, 2006.

Rehabilitation Plan

The operations of the Company has been affected by the slowdown in sales and tenant occupancy for the commercial spaces for lease and slower collection of receivables. These resulted in severe cash flow problems as the credit lines had been fully exhausted. The adverse impact on the Parent Company's finances was further exacerbated by the high levels of debt accumulated as part of an aggressive expansion that had been predicated on forecasts of continued economic prosperity, both in the region and in the Philippines.

The Company's operations deteriorated further primarily due to significant interest payments up to June 1998. On June 25, 1999, the UHI Group filed a petition with the SEC for the declaration of temporary suspension of all debt payments due to liquidity problems and proper repayment of loans. The SEC approved the petition on June 29, 1999.

Original Rehabilitation Plan
On October 18, 1999, the SEC - appointed Interim Receivership Committee (the Committee) submitted the UHI Group's Original Rehabilitation Plan with the following principles:

- the return to the core business of retailing;
- rehabilitation through maximum debt reduction via cash settlement and/or dacion en pago of non-operating assets;
- restructuring of all loans that are secured by operating assets;
- waiver of penalties and other charges;
- freezing of interest payments as of June 30, 1999; and
- restructuring of trade suppliers' credit, contractors' credit and private lenders' credit in exchange for new credit.

Group Amended Rehabilitation Plan (GARP)

The entry of a strategic investor, pursuant to the Memorandum of Understanding (MOU) executed on February 5, 2000 between Casino Guichard-Perrachon (Casino), the UHI Group and the Gow family, necessitated the amendment of the Rehabilitation Plan. On February 14, 2000, the Committee submitted to the SEC the GARP. This was approved by SEC on April 11, 2000.

The GARP called for the total repayment of all loans through a combination of dacion en pago and cash payment with a discount. Transfer of ownership of the dacioned properties to the creditors shall be executed using the most tax efficient scheme which is, in most cases, through the formation of Special Purpose Companies (SPCs). All dacion expenses under this scheme shall be for the account of the UHI Group. However, funding for these expenses shall be provided for by the creditors in exchange for an equivalent value in property. In case a creditor opts to adopt a scheme which is not considered as the most tax efficient, any additional expenses are for the creditor's account and shall not be deducted from the dacion value.

In 2000, the UHI Group successfully concluded MOAs with nine secured creditors who agreed to the dacion en pago and cash payment with a discount. Some of these MOAs are accordingly being negotiated to conform with the matters discussed in the succeeding paragraphs.

Second Amendment to the Group Rehabilitation Plan (SAGARP)

On January 3, 2001, Casino decided not to extend the signed MOU which expired on December 31, 2000. Following this development, the UHI Group, together with the Committee, resumed their discussions with the other creditor banks and other prospective investors. Thus, on October 12, 2001, the Committee filed with the SEC the SAGARP, which was approved by the SEC on December 23, 2002. The SAGARP provided for the following changes to the GARP:

- Dacion en pago of three operating stores (Cabuyao, Libis and Avenida) and Coastal Mall;
- Leaseback arrangement on Avenida Department Store, Coastal Mall and Metromall Warehouse Clubs and the Ingasco, Caloocan property for 10 years. However, based on recent developments, Cabuyao Warehouse Club (CWC) is leased back instead of Avenida Department Store. CWC including the leaseback arrangement was surrendered to Rizal Commercial Banking Corporation (RCBC) in February 2006 through dacion en pago;
- Restructuring of the residual debt of ₱44.14 million with Land Bank of the Philippines (LBP) to be converted to a term loan; and,
- Settlement of debt amounting to ₱2.54 billion with unsecured creditors which include trade suppliers, contractors, private lenders and non-trade creditors to be paid as follows:
  - 50% of the unsecured debt shall be converted into 15-year zero coupon convertible notes; the 15-year notes are convertible into common shares of UHI starting in year 3 at issue price and are redeemable anytime at the option of the UHI Group;
  - the balance of 50% shall be paid within 10 years, inclusive of a 3-year grace period, from available cash from retail operations after deducting priority payments; and,
  - the portion of the obligation to the contractors with lien and/or claims on Coastal Mall shall be paid via dacion of Coastal Mall proportionately with the other creditors/claimants.

Based on the SAGARP, the UHI Group has ₱6.61 billion outstanding debt with secured creditors and ₱ 2.54 billion rehabilitation accounts with unsecured creditors as of June 30, 1999. The Parent Company incurred ₱2.40 billion and ₱0.65 billion of the secured and unsecured debts, respectively.

In accordance with the SAGARP, properties of the Parent Company and UHI Group with appraised values of ₱13.17 billion will be transferred through dacion en pago arrangement to secured creditor banks to extinguish the debt of UHI Group amounting to ₱2.88 billion and the debts of USI, USWCI and the Gow family amounting to ₱4.53 billion inclusive of interest and other charges amounting to ₱630.75 million and ₱253.64 million, respectively as of June 30, 1999.

Liabilities to contractors who have liens and/or claims on Coastal Mall and the mall tenants who have deposits, advances and or claims on the Coastal Mall amounting to ₱257.68 million shall be paid with common shares of stock of the SPCs which will be formed in executing the transfer through dacion en pago of the mall to all its creditors. Portion of debt with unsecured creditors will be settled through issuance of the UHI's convertible notes and the remaining balance will be restructured as discussed above.

For the unsecured creditors, as of January 2006, the Group, has started issuing the convertible notes to the said creditors in accordance with the SAGARP. In a letter dated March 18, 2004, the SEC informed the UHI Group that the convertible notes to be issued to the unsecured creditors are exempted securities under Section 9.1 of the Securities Regulation Code. In July 2004, the SEC approved the final version of the convertible notes.

Management believes that all secured and unsecured creditors will still continue to support the terms of payment embodied in the SAGARP.

Pursuant to the order of the SEC dated May 30, 2001, the UHI Group has completed all the necessary documents for the partial implementation of the dacion en pago agreement to settle ₱1.58 billion in debt of USI, USWCI and the Gow family to three commercial banks. SPCs have been incorporated and most of the transaction taxes have been paid leading to the final stage of implementation. As of May 10, 2006, updates on the partial implementation of the dacion en pago agreements with these three commercial banks are as follows:

1. Transfer through dacion en pago arrangement of 23,626 square meters of residential lots in Naic, Cavite settled ₱62.74 million debt in 2001 (Note 7).

2. Assignment of shares of stock of an SPC worth ₱172.97 million settled ₱120.43 million debt of USI to United Coconut Planters Bank (UCPB) of USI in November 2002. Parcels of land with a total area of 3,111 square meters located in Caloocan City had been transferred by USRRC to this SPC in 2001 in exchange for SPC shares of stock (Note 8).

3. Assignment of shares of stock of two SPCs worth ₱515.24 million settled ₱475.32 million debt of USWCI and the Gow Family on April 15, 2003. Parcels of land transferred to these SPCs by the Parent Company include Naic Phase II (Note 8) and several parcels of land of the Coastal City Development also located in Naic, Cavite with a total area of 35,186 square meters (Note 7).

4. Assignment of shares of stock of two SPCs worth ₱1,326.50 million settled ₱923.54 million debt of USWCI and USI on April 8, 2005. Parcels of land transferred to these SPCs include those in the Coastal City Development in Naic, Cavite and in Baclaran, Paranaque City with total area of 112,865 square meters and 14,529 square meters, respectively.

On December 13, 2001, the SEC approved the sale of the theme park assets of NRDC. The sale was consummated in 2002 and the proceeds were used to settle ₱64.00 million obligation with a financial institution with an arrangement that the excess collateral amounting to ₱0.20 million be released to the UHI Group.

On April 29, 2002, the SEC approved the UHI Group's petition to:

1. Sell two of the Company's properties located in Malolos, Bulacan with a total value of ₱7.12 million. The sale was consummated in 2002.

2. Transfer of 12 properties through dacion en pago arrangement as partial settlement of UHI Group's debts to LBP amounting to ₱634.90 million.

3. Sell Cubao properties which were subject to dacion en pago arrangement with a commercial bank.

The dacion en pago agreements with LBP are as follows:

1. In September 2002, UHI, USI and USWCI entered into a dacion en pago agreement with LBP transferring 10,156 square meters of commercial lots of UHI located in Manggahan, Pasig with a dacion value of ₱154.12 million (Note 8).

2. In September 2002, UHI, USI, USWCI and the Gow Family, entered into a dacion en pago agreement transferring a 3,246 square meter residential lot owned by the Gow family with a dacion value of ₱94.78 million (Note 8).

3. In October 2002, the Company, USI, USWCI and UHI entered into a dacion en pago agreement whereby the Parent Company transferred a 53,757 square meter commercial lot located in Jaro, Iloilo with a dacion value of ₱178.99 million (Note 8).

4. In April 2004, the Company, USI, USWCI and UHI entered into a dacion en pago agreement whereby the Parent Company transferred an 11,055 square meter commercial lots located in Caloocan City with a dacion value of ₱172.46 million (Note 8).

5. In April 2004, UHI, USWCI and a third party entered into a deed of absolute sale with release of mortgage transferring 960 square meter commercial lots of UHI located in Cubao, Quezon City with a selling price of ₱45.00 million. The selling price was paid directly by the third party to LBP as partial settlement of the outstanding obligations (Note 8).

6. In 2005, the Company, USI, USWCI and UHI entered into a dacion en pago agreement whereby the Parent Company transferred a 12,780 square meter residential lots located in Naic, Cavite with a dacion value of ₱99.05 million (Note 8).

7. In 2005, the Company, USI, USWCI and UHI entered into a restructuring agreement whereby the remaining loan obligation with LBP amounting to ₱39.15 million will be settled at an interest rate of 8%, payable in 5 years with 3 years grace period on principal and 1 year grace period on interest (Note 8).

In June 2003, the Company, UHI, USI and Gow Family executed a dacion en pago agreement with a bank for the UHI Group's liabilities amounting to ₱720.08 million, ₱416.27 million and ₱172.52 million of which pertain to the Parent Company and UHI, respectively (Note 11), covering two major properties owned by the Parent Company and UHI (Note 7). The terms of the settlement were in accordance with the conditions set forth under the SAGARP except that there shall be no leaseback arrangement on the properties that will be transferred. The agreement resulted in the full settlement of the UHI Group's liabilities to this bank. The gain on dacion amounting to ₱265.00 million is shown under "Gain on dacion en pago of properties" account in the 2003 statement of income.

On July 9, 2003, the Company and UHI executed a dacion en pago agreement, pursuant to the MOA entered by the Parent Company, UHI, USWCI, Woodworth Realty Co., Inc. (WRCI) (a related party) and the Gow Family and Equitable PCI Bank on December 19, 2002 for the settlement of ₱413.78 million outstanding debt of USWCI (Note 8).

The dacion aspect included the following properties of USRRC and WRCI:

1. Commercial lot located in Jaro, Iloilo with total area of 52,732 square meters and with a dacion value of ₱229.61 million (Note 8). The dacion agreement included the following properties of the Parent Company and WRCI.

2. Parcels of land in Malolos, Bulacan with total area of 104,287 square meters and with a dacion value of ₱66.32 million;

3. Commercial lots of 7,064 square meters in Naic, Cavite with a dacion value of ₱54.75 million (Note 8); and

4. Parcel of land, including improvements in Malolos, Bulacan with total area of 120,690 square meters and with a dacion value of ₱38.62 million owned by WRCI.

The dacion with the above secured creditor bank also included the personal property of the Gow family consisting of a condominium unit in Annapolis, Greenhills with a dacion value of ₱8.29 million and a property with total area of 7,729 square meters in Pavia, Iloilo with dacion value of ₱ 16.19 million.

In July 2003, a secured creditor bank approved the partial settlement of USI's and USWCI's total debt to a bank creditor amounting to ₱1.24 billion of which a Deed of Absolute Assignment between the bank and the Parent Company were executed in partial settlement of USI's obligations amounting to ₱610.37 million. The dacion included the following properties of the Parent Company:

1. Parcels of land in Cabuyao, Laguna with total area of 14,640 square meters and with a dacion value of ₱120.57 million (Note 9) to RCBC; and

2. Land, building and other improvements, machinery and equipment of USWCI in Cabuyao, Laguna (Note 8) with a dacion value of ₱489.80 million. The approval also includes a 2-year leaseback option on the property at the following rates: ₱50 per square meter for the leaseable area and ₱10 per square meter for the parking and common area. The leaseback arrangement has expired last February 28, 2006.

The balance of the UHI Group's debt with the secured bank amounting to ₱493.42 million shall be settled with an assignment of shares in the Metromall property in accordance with the SAGARP.

In 2005, a Deed of Absolute Assignment between RCBC and the Company involving parcels of land located in Ternate, Cavite with total area of 738,773 square meters and with dacion value of ₱160.71 million was executed in partial settlement of USI's obligation amounting to ₱160.71 million.

The continued losses experienced by the UHI Group have led to cash shortfalls. Hence, the UHI Group is currently adopting the following measures to resolve cash shortfalls:

- Improvement of retail inventory level to increase retail sales;
- Strict implementation of cost saving programs;
- Possible sale of nonretail-related assets; and
- Negotiations with suppliers for better credit terms.

As of March 31, 2006, the Company had a capital deficiency of ₱1.84 billion and ₱0.50 billion, respectively. These factors, among others, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the successful implementation of the SAGARP. In addition, the recovery of significant costs for the acquisition and development of the various real estate properties amounting to ₱2.14 billion and ₱2.33 billion as of March 31, 2006 and 2005, respectively is also dependent upon its ability to sell these properties at amounts sufficiently in excess of their carrying values.

The financial statements have been prepared assuming the Company will continue operating as a going concern, and do not include any adjustments relating to the recoverability of asset carrying amounts or the amounts of liabilities that might result from these uncertainties.

3. Summary of Significant Accounting Policies

Basis of Financial Statement Preparation

The accompanying financial statements of the Company have been prepared in compliance with accounting principles generally accepted in the Philippines as set forth in Philippine Financial Reporting Standards (PFRS). The financial statements have been prepared using the historical cost basis and are presented in Philippine pesos. These are the first annual financial statements of the Company prepared in compliance with PFRS.

The Company applied PFRS 1, *First-time Adoption of PFRS*, in preparing the financial statements with January 1, 2004 as the date of transition. The Parent Company prepared its opening PFRS financial statements at that date. The Company's PFRS adoption date is January 1, 2005. The Company also adopted Philippine Accounting Standards (PAS) 32 and 39 with transition date of January 1, 2005. An explanation of how the adoption of PFRS has affected the reported financial position and financial performance of the Company in the succeeding paragraphs.

Changes in Accounting Policies
On January 1, 2005, the following new accounting standards became effective and were adopted by the Parent Company:

- PAS 19, *Employee Benefits*, provides for the accounting for long-term and other employee benefits. It requires the Company to determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at balance sheet date. The adoption of this standard did not result in any material adjustment on the financial statements of the Company.

  The Company had 6 as of March 31, 2006. The Company had no legal and constructive obligation for retirement. As provided in the provisions of Republic Act No. 7641, retail, service, and agricultural establishments or operations employing not more than 10 employees or workers are exempted from the coverage of the provisions for retirement. Accordingly, the adoption of this standard had no material impact on the financial statements.

- PAS 21, *The Effects of Changes in Foreign Exchange Rates*, prohibits the capitalization of foreign exchange losses. The standard also addresses the accounting for transactions in foreign currency and translating the financial statements of foreign operations that are included in those of the reporting enterprise by consolidation, proportionate consolidation and equity method. The adoption of this standard did not result in any material adjustment on the financial statements of the Company.

- PAS 32, *Financial Instruments: Disclosure and Presentation*, covers the disclosure and presentation of all financial instruments. The standard requires more comprehensive disclosures about the Company's financial instruments, whether recognized or unrecognized in the financial statements. In accordance with this standard, new disclosures were included in the financial statements, where applicable.

- PAS 39, *Financial Instruments: Recognition and Measurement*, establishes the accounting and reporting standards for the recognition and measurement of the Company's financial assets and financial liabilities. PAS 39 also covers the accounting for derivative instruments. The standard has expanded the definition of a derivative instrument to include derivatives (derivative-like provisions) embedded in non-derivative contracts. Under PAS 39, in determining whether a financial asset is impaired, reference is made to quoted market rates; in the absence of such quoted market rates, the discounted cash flow method is to be used. The adoption of this standard did not have material impact on the financial statements of the Company. The Company reviewed all its outstanding contracts entered into as of January 1 and December 31, 2005 to ascertain if there are derivatives embedded in those contracts. As of the said dates, the Company did not have any material embedded derivatives. It also had no freestanding derivatives as of those dates.

- PAS 40, *Investment Property*, prescribes the accounting treatment for investment property and related disclosure requirements. This standard permits the Company to choose either the fair value model or cost model in accounting for investment property. Fair value model requires an investment property to be measured at fair value with fair value changes recognized directly in the statements of income. Cost model requires that an investment property should be measured at depreciated cost less any accumulated impairment losses. The Company adopted the cost model in accounting for its investment properties. In accordance with the standard, new disclosures were included in the financial statements, where applicable.

The following revised accounting standards also became effective in 2005:

- PAS 1, *Presentation of Financial Statements*, provides a framework within which an entity assesses how to present fairly the effects of transactions and other events; provides the base criteria for classifying liabilities as current or noncurrent; prohibits the presentation of income from operating activities and extraordinary items as separate line items in statements of income; and specifies the disclosures about key sources of estimation uncertainty and judgments management has made in the process of applying the entity's accounting policies. It also requires changes in the presentation of minority interest in the balance sheets and statements of income.

- PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, removes the concept of fundamental error and the allowed alternative to retrospective application of voluntary changes in accounting policies and retrospective restatement to correct prior period errors. It defines material omission or misstatements, and describes how to apply the concept of materiality when applying accounting policies and correcting errors.

- PAS 10, *Events After the Balance Sheet Date*, provides a limited clarification of the accounting for dividends declared after the balance sheet.

- PAS 16, *Property, Plant and Equipment*, provides additional guidance and clarification on recognition and measurement of items of property, plant and equipment. It also provides that each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

- PAS 17, *Leases,* provides a limited revision to clarify the classification of a lease of land and buildings and prohibits expensing of initial direct costs in the financial statements of lessors. The adoption of this standard has no material impact on the financial statements. Additional disclosures required by this standard were included in the financial statements, where applicable.

- PAS 24, *Related Party Disclosures*, provides additional guidance and clarity in the scope of the standard, the definitions and the disclosures for related parties. It also requires disclosure of the compensation of key management personnel by benefit type.

- PAS 27, *Consolidated and Separate Financial Statements*, reduces alternatives in accounting for subsidiaries in consolidated financial statements and in accounting for investments in the separate financial statements of a parent, venturer, or investor. Investments in subsidiaries are accounted for either at cost or in accordance with PAS 39 in the separate financial statements. Equity method of accounting is no longer allowed in the separate financial statements. This standard also requires strict compliance with the adoption of uniform accounting policies and requires the Company to make appropriate adjustments to the subsidiary's financial statements to conform them to the Company's accounting policies for reporting like transactions and other events in similar circumstances.

Cash
Cash includes cash on hand and in banks.

Financial Assets and Liabilities
Financial assets or financial liabilities are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets and liabilities, except for financial instruments measured at fair value through profit and loss (FVPL). Fair value is determined by reference to the transaction price or other market prices. If such market prices are not reliably determinable, the fair value of the consideration is estimated as the sum of all future cash payments or receipts, discounted using the prevailing market rates of interest for similar instruments with similar maturities.

The Company recognizes a financial asset or a financial liability in the balance sheets when it becomes a party to the contractual provisions of the instrument and derecognize a financial asset when the Parent Company can no longer control the contractual rights to the cash flows that comprise the financial instrument which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party. A financial liability (or a part of a financial liability) is derecognized when the obligation is extinguished, expires or transferred. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, are done using settlement date accounting.

Investments in unquoted equity securities and derivatives linked thereon are measured at cost.

Amortizations of discounts and premiums are taken directly to net profit or loss for the year. Changes in the fair value of financial assets and liabilities measured at fair value of (a) all derivatives (except for those eligible for hedge accounting); (b) other items intended to be actively traded; and (c) any item designated as held at FVPL at origination, are taken directly through net profit and loss for the year. Changes in the fair value of available-for-sale (AFS) investments are recognized in equity, except for the foreign exchange fluctuations on AFS investments and the interest component which is taken directly to net profit or loss for the year based on the asset's effective yield.

Financial assets and liabilities include financial instruments which may be a primary instrument, such as receivables, payables and equity securities or any derivative instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Financial instruments that contain both liability and equity elements are classified separately as financial liabilities, financial assets or equity instruments. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity net of any related income tax benefits. Financial instruments are offset when we have a legally enforceable right to offset and we intend to settle either on a net basis or to realize the asset and settle the liability simultaneously.

Receivables
Receivables are carried at original invoice amount or contract price, less deferred gross profit on sales on leasehold rights on commercial spaces and allowance for impairment losses. An estimate for impairment losses is made when collection of the full amount is no longer probable.

Investments in Subsidiaries
Investment in subsidiaries is accounted for under the cost method, less any impairment in value. A subsidiary is an enterprise that is controlled by the Parent Company and whose accounts are included in the Group financial statements.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance, are charged against current operations in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation and amortization are computed using the straight-line method based on the estimated useful lives of the assets as follows:

Land improvements	20 years
Coastal Mall	17 years
Furniture, fixtures and leasehold improvements	5 years
Transportation equipment	5 years

Leasehold improvements are amortized over their estimated useful lives or the term of the lease, whichever is shorter.

The useful life and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and impairment loss are removed from the accounts and any resulting gain or loss is credited to or charged against current operations for the year.

Impairment of Assets
An assessment is made at each balance sheet date to determine whether there is objective evidence that a specific financial or non-financial asset may be impaired. If such evidence exists, any impairment loss is recognized in the statements of income.

Impairment of Financial Assets
Impairment is determined as follows:
(a) For assets carried at amortized cost, impairment is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate;
(b) For assets carried at cost, impairment is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

The Company first assesses whether objective evidence of impairment exists individually. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in the collective assessment of impairment. The carrying amount of the asset is reduced through allowance for impairment losses account and the amount of the loss is recognized in the statements of income. For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., asset type, collateral type, past due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows of financial assets that are collectively evaluated for impairment are estimated based on the basis of the contractual cash flows of the assets and historical loss experience for assets with similar credit risk characteristics.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Effects of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in payment status or other factors indicative of changes in the probability of losses in the Company and their magnitude). The methodology and assumptions used in estimating future cash flows are reviewed regularly by the Company to reduce any differences between loss estimates and actual loss experience.

When a receivable is uncollectible, it is written off against the related allowance for impairment losses. Such receivable is written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of provision for impairment losses presented in the statements of income. 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 financial capacity), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the statements of income.

Impairment of Non-Financial Assets
An impairment loss is recognized by a charge against current operations for the excess of the carrying amount of an asset over its recoverable amount. An asset's recoverable amount is the higher of the asset's value in use or its net selling price. An impairment loss is charged against current operations in the year in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is charged against the revaluation increment of the said asset.

A previously recognized impairment loss is reversed by a credit to current operations (unless the asset is carried at a revalued amount in which case the reversal of the impairment loss is credited to the revaluation increment of the same asset) to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any accumulated depreciation and amortization) had no impairment loss been recognized for the asset in prior years.

<u>Revenue and Cost Recognition</u>

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. The following recognition criteria should also be met before income is recognized:

Leasehold rights sales
Income from sales of leasehold rights on commercial spaces is accounted for under the percentage-of-completion method. Under this method, gross profit is recognized as the related material obligations of the Company under sales contracts to provide improvements on the property sold are fulfilled. Realized income is computed based on the gross profit by project multiplied by the percentage-of-completion.

Cost of leasehold rights on commercial spaces sold is determined based on total construction cost to date plus the estimated cost to complete the project as determined by third party contractors. This account, however, was reclassified to Property and Equipment as these are no longer intended for sale but part of the property included in the dacion proposal to creditor banks.

Direct selling costs related to leasehold rights on commercial spaces that are sold are deferred and recognized as the related gross profit on sale is recognized. Deferred selling cost is shown as a deduction from deferred gross profit on sales of leasehold rights on commercial spaces which is deducted from the Receivables account in the balance sheets. Other selling costs are charged against current operations as incurred.

Franchise fee
Franchise fee consists of an initial non-refundable privilege fee, an annual royalty fee and a renewal fee. Initial non-refundable privilege fee collected at the start of the franchise period is recognized as income in the period the franchisee is granted the privilege to operate a USDS/USWC or a UFS. Royalty fee is accrued as this is earned based on a certain percentage of net sales of the franchisee for USDS/USWC. Renewal fee is accrued at the effectivity date of the renewed franchise agreement.

Rental income
Rental income is recognized on a straight-line basis over the lease term.

<u>Derecognition of Financial Instruments</u>
Financial Asset
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

1. The rights to receive cash flows from the asset have expired;
2. The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass-through’ arrangement; or
3. The Company has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company’s continuing involvement in the asset.

Financial Liability
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in the statement of income.

Income Taxes
Deferred income tax is provided using the balance sheet liability method on all temporary differences at the balance sheet dates between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from the excess of the minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward of MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.

Deferred tax liabilities are not provided on non-taxable temporary differences associated with investments in domestic subsidiaries, associates and interests in joint ventures.

Deferred income tax assets and liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Borrowing Costs
Borrowing costs are generally expensed as incurred. Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. The capitalization of borrowing costs commences when the expenditures and borrowing costs for the assets are being incurred and activities that are necessary to prepare the assets for their intended use are in progress. Capitalization ceases when substantially all the activities necessary to prepare the assets for their intended use are complete.

Estimated Retirement Cost
The Company provides for the estimated retirement benefits required to be paid under Republic Act (RA) No. 7641 to qualified employees.

Loss Per Share
Loss per share is computed based on the weighted average number of common shares outstanding during the year, after giving retroactive effect to stock dividends declared during the year, if any.

Operating Lease
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in the statements of income on a straight-line basis over the lease term.

Provisions and Contingencies

Provisions are recognized when the Company has obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Offsetting
Financial assets and financial liabilities are only offset and the net amount reported in the statement of condition when there is a legally enforceable right to set off the recognized amounts and the Company intends to either settle on a net basis, or to realize the asset and the liability simultaneously.

Subsequent Events
Post year-end events up to the date of auditor's report that provide additional information about the Parent Company's position at the balance sheet date (adjusting events) are reflected in the parent company financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the parent company financial statements when material.

4. Management's Use of Estimates

The financial statements prepared in compliance with PFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosure of contingent assets and contingent liabilities. In preparing the financial statements, the Company's management has made the best estimates and judgments of certain amounts, giving due consideration to materiality. The Company's management believes the following represent a summary of these significant estimates and judgments and related impact and associated risks in the Company financial statements.

a. Impairment losses on receivables
The Company reviews its loan and receivable portfolio to assess impairment at each balance sheet date. In determining whether an impairment loss should be recorded in the statements of income and expenses, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans and receivables before the decrease can be identified with an individual loan and receivable in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Also, collective impairment loss, if any, is recognized on receivables which are grouped according to relevant risk characteristics (e.g. type of receivables, past due status and historical payment experience).

b. Estimated useful lives of property and equipment
The Company reviews periodically the useful life and depreciation and amortization method to ensure that the period and depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

c. Deferred tax assets

The carrying amount of deferred tax assets is reviewed at balance sheet date and reduced to the extent that is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized.

5. Fair Value Measurement

The carrying amounts of financial instruments such as cash, receivables, and accounts payable and accrued expenses approximate their fair values due to their short-term nature. Loans payable, which are all due and demandable, approximate its fair value.

6. Financial Instruments Risk Position

The Company's principal financial instruments consist of cash, receivables, due from related parties, accounts payable and accrued expenses, loans payable and due to related parties.

The main risks arising from the Company's financial instruments are as follows:

Interest Rate Risk

As discussed in Note 9, under the MOAs, the creditor banks agreed to waive all interest after June 30, 1999 including penalty and other changes. As a result, the Company's exposure to interest rate risk has accordingly been minimized.

Liquidity Risk

Short-term funding is obtained to finance cash requirements for operations.

Credit Risk

The carrying amounts of cash and receivables represent the Company's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

7. **Receivables**

	March 31 2006	December 31 2005
Leasehold rights receivables (Note 21)	**₱66,055,812**	₱66,055,812
Deferred gross profit on sale of leasehold rights on commercial spaces (net of deferred selling costs of ₱2,563,960)	**(44,905,535)**	(44,905,535)
	21,150,277	21,150,277
Rental and other charges (Note 15	**764,466,748**	726,003,651
Franchise fees (Note 15)	**369,322,351**	369,094,018
Advances to contractors	**11,773,323**	11,773,323
Others	**55,313,463**	57,402,389
	1,222,026,162	1,185,423,658
Less allowance for impairment losses	**1,059,403,992**	1,059,403,992
	₱162,622,170	₱126,019,666

Leasehold rights receivables (LRRs) are collectible over a period of one to ten years and are secured by the mall spaces leased. Sales with less than 50% downpayment term are interest-bearing at fixed rates ranging from 12% to 24% per annum computed on the diminishing balance of the principal.

In accordance with the Assignment of Leasehold Rights executed by the Company with leasehold rights buyers (assignees), the Company shall give a pro-rata refund in case of delay in the turnover of the leasehold premises. These pro-rata refund to assignees amounting to ₱15.25 million and ₱13.73 million as of December 31, 2005 and 2004, respectively are recognized in the books as liabilities under accounts payable and accrued expenses account in the Company balance sheets (Note 11).

In accordance with the SAGARP, franchise fees from USWCI are suspended for three years starting in 2003, the first year of SEC's approval and shall resume at 1% of net sales (in 2006) on the fourth year.

8. **Investments in Subsidiaries**

NRDC was incorporated on June 18, 1996 and has not yet started commercial operations. FFRRI was incorporated on June 6, 2000 primarily to hold the operating real estate assets of USRRC in accordance with the provisions of the GARP. Investment in FFRRI is valued at cost since it has not yet started commercial operations.

The Company's impairment losses represent the full impairment loss on the investments in USRRC and NRDC.

As of March 31, 2006 and 2005, the net assets of USRRC and NRDC follow:

As discussed in Note 2, USRRC and NRDC are part of the UHI Group that is under rehabilitation. The ability of these subsidiaries to continue as a going concern is dependent upon the successful implementation of the SAGARP.

9. Property and Equipment

This account consists of:

	Land for Future Development	Land and Improvements	Buldings and Improvements for lease	Coastal Mall	Warehouse Clubs	Machinery and Equipment	Amusement Rides	Furniture, Fixtures and Leasehold Improvements	Transportation Equipment	Total
Cost:										
As of January 1,2005	₱ 825,545,331	₱ 327,063,332	₱ 1,621,335,640	₱ 2,142,333,871	₱ 283,129,242	₱ 139,059,229	₱ 142,050,120	₱ 12,354,368	₱ 3,088,182	₱ 5,495,959,315
Retirements/disposals										0
As of March 31, 2006	**₱ 825,545,331**	**₱ 327,063,332**	**₱ 1,621,335,640**	**₱ 2,142,333,871**	**₱ 283,129,242**	**₱ 139,059,229**	**₱ 142,050,120**	**₱ 12,354,368**	**₱ 3,088,182**	**₱ 5,495,959,315**
Accumulated depreciation and allowance for impairment loss										
As of January 1, 2006		12,222,143	1,078,279,473	915,513,795	283,129,242	139,059,229	142,050,120	12,354,368	3,088,182	2,585,696,552
Depreciation			11,751,962	31,456,924						43,208,886
Retirement/dospisals										0
As of March 31, 2006	0	12,222,143	1,090,031,435	946,970,719	283,129,242	139,059,229	142,050,120	12,354,368	3,088,182	2,628,905,438
Net book value as of March 31, 2006	**₱ 825,545,331**	**₱ 314,841,189**	**₱ 531,304,205**	**₱ 1,195,363,152**	**₱ -**	**₱ -**	**₱ -**	**₱ -**	**₱ -**	**₱ 2,867,053,877**
Net book value as of December 31, 2005	**₱ 825,545,331**	**₱ 314,841,189**	**₱ 1,147,346,233**	**₱ 1,226,820,076**	**₱ -**	**₱ 0**	**₱ -**	**₱ -**	**₱ -**	**₱ 2,910,262,763**

Substantially all the property and equipment of the Company are mortgaged to creditor banks to secure the loans of the companies belonging to the UHI Group and the loans of the Gow family. The proceeds from these loans were used to support the operations of the UHI Group.

As discussed in Note 2 and in accordance with the SAGARP, properties of the Company, USRRC and the Gow family with an appraised value of ₱13.32 billion (₱4.58 billion of which belongs to the Company) will be transferred through a dacion en pago arrangement to secured creditor banks to extinguish the debt of UHI Group amounting to ₱2.88 billion and the debts of USI, USWCI and the Gow family, with an aggregate amount of ₱4.53 billion, inclusive of interest and other charges amounting to ₱630.75 million and ₱253.64 million, respectively, as of June 30, 1999.

Interest cost incurred on borrowed funds up to 1997 used during the construction period amounting to ₱234.10 million was capitalized as part of the Coastal Mall account. No interest cost was capitalized in 2004 because the development of the Coastal Mall has been deferred since 1998 (Note 2).

Under the SAGARP, the Coastal Mall will be transferred through dacion en pago arrangement to the secured creditor banks. Liabilities to contractors who have liens and/or claims on Coastal Mall and the mall tenants who have deposits, advances, and/or claims on the Coastal Mall amounting to ₱257.68 million shall be paid with shares in the SPC which will be formed after executing the dacion en pago arrangement with the Parent Company's creditors. This amount is booked under A/P-Rehabilitation, Security/Refundable deposit, advances from CM tenants, deposit on leasehold, and construction bond.

In June 2003, Parent Company properties with net carrying value of ₱104.54 million (net of accumulated depreciation of ₱23.72 million) were included in the pool of properties offered in settlement of UHI Group's liabilities totaling ₱720.08 million.

In July 9, 2003, the Company and USRRC executed a dacion en pago agreement, pursuant to the MOA entered into by the Company, USWCI, USRRC, WRCI and the Gow Family and a secured bank creditor on December 19, 2002 for the settlement of ₱413.78 million outstanding debt of USWCI.

In 2003, a secured creditor approved the partial settlement of USI's and USWCI's total debt to a bank creditor amounting to ₱1.24 billion.

In April 2004, the Company, USI, USWCI and USRRC entered into a dacion en pago arrangement with LBP for the settlement of ₱172.46 million outstanding debt of USWCI and USI through the dacion of properties of USRRC.

In April 2004, Company's land with cost of ₱33.20 was included in the pool of properties offered in settlement of UHI Group's liabilities totaling ₱288.0 million. The Company recognized in 2004 a gain of ₱6.23 million from the disposal of the land.

As of March 31, 2006, the Company's property and equipment with carrying value of ₱1.12 billion is the subject of MOAs, dacion en pago agreements or being offered for dacion en pago for the settlement of the loans of UHI Group amounting to ₱1.14 billion.

10. **Other Assets**

This account consists of:

	March 31	December 31
	2006	2005
Creditable withholding tax	**₱104,548,626**	₱118,197,313
Input value-added tax	**49,841,923**	47,600,085
Prepayments	**26,968,194**	26,968,194
Refundable deposits	**1,052,060**	1,052,060
Others	**66,514,557**	71,243,466
	248,925,360	265,061,118
Less allowance for probable losses	**138,598,797**	138,598,797
	₱110,326,563	₱126,462,321

11. **Loans Payable**

This account consists of:

	March 31	December 31
Short-term loan	**₱100,000,000**	₱100,000,000
Long-term loans - currently due and demandable:		
Syndicated loans to three banks, payable in three annual installments starting July 2000 with a two-year grace period on principal payment; interest rate fixed at 91-day treasury bill (T-bill) rate plus 3% subject to 36% default interest per annum	**550,000,000**	550,000,000
Restructured loan (originally, a short-term loan in 1997) payable in 12 equal quarterly amortizations starting June 30, 2000 with a two-year grace period on principal payment; interest rate fixed at the 91-day T-bill rate plus 3% or 91-day Philippine Interbank Offered Rate (PHIBOR), whichever is higher	**750,000,000**	750,000,000
Restructured capitalized interest payable in four quarterly installments starting June 30, 1999; subject to same interest rate on the restructured loan above	**22,516,000**	22,516,000
	1,322,516,000	1,322,516,00
	1,422,516,000	1,422,516,000
USRRC:		
Short-term loans	**261,965,691**	261,965,691
	₱1,684,481,691	₱1,684,481,691

The short-term loan of the Company is from a local bank. This loan bears annual interest rates ranging from 14% to 30%. This is generally secured by property and equipment and investments in real estate of the Company and USRRC, pledge of the Company's shares of stock and continuing suretyship of the Gow family and certain related parties. The loans have been past due since December 31, 1998.

As discussed in Note 2, the SEC approved the implementation of the dacion en pago arrangement with LBP on April 29, 2002. The transfer through dacion en pago arrangement of the Company's Manggahan, Pasig property to LBP settled the ₱100 million short-term loan in 2002, interest and other payables amounting to ₱32.73 million and partial payment of USI's loans.

The proceeds from the Company's syndicated loans were used to partially finance the construction of the Coastal Mall. The loan is secured by a Mortgage Trust Indenture to cover the real and chattel mortgages of the said mall which include, among others: (a) leasehold rights on the land and its existing and future improvements; (b) proceeds from the sale, lease or disposition of the properties including insurance proceeds or an appropriation of or other mode of acquisition by the Government of the Philippines; and (c) proceeds from the sale or disposition of mall spaces.

Several loan agreements contain loan covenants which, among others, require the written consent of the creditors on the Company's incurrence of debt, declaration of dividends, sale of assets, consolidation or merger, guaranty of any person or other Company's debt, acquisition of treasury shares and creation of future liens on its properties, establishment of a sinking fund to cover debt service requirement and restriction from engaging in any new property development other than for retail operations.

As discussed in Note 1, in June 2003, the Company and USRRC entered into a dacion en pago agreement with a bank for the UHI Group's liabilities (including interest of ₱109.28 million) amounting to ₱720.08 million (₱416.27 million and ₱172.52 million of which pertain to the Company and USRRC, respectively) covering two major properties owned by the liabilities of the Company and USRRC. The terms of the settlement were in accordance with the conditions set forth under the SAGARP except that there shall be no leaseback arrangement on the properties that will be transferred. The agreement resulted to a full settlement of the UHI Group's obligation to this bank.

All the long-term loans of the Company are technically past due and demandable. The Company did not recognize interest and default charges for past due loans in accordance with the approved GARP, including those due to a creditor banks which has not yet signed any MOA with the UHI Group. The MOAs signed with creditor banks provided for the waiver of interest and default charges.

In 2003, creditor banks who have not yet signed any MOA with the UHI Group filed comments and motions with the SEC with regards to the SAGARP and did not object to the waiver of interest and default charges as called for by the SAGARP.

Under the SAGARP and MOAs, the value of collaterals subject to dacion en pago are based on the appraised values of the properties (consisting of original collateral or replacements deemed acceptable by all parties) as of September 30, 1999, as determined by an independent appraiser. All expenses under such arrangements shall be for the account of the Company but are already included in the valuation of the properties to be transferred and conveyed to the SPC which was formed for the purpose of allocating such properties to various creditors. The cash requirements for these expenses will be provided by the banks/creditors but in no case shall the amount thereof exceed the amount indicated as cash payment for Uniwide expenses. Under the MOAs, the creditor banks agreed to waive all interest after June 30, 1999 including all penalty and other charges. The MOAs called for the release of various liens and mortgages on other properties not subjected to the above dacion en pago agreements including joint suretyship liability of the Gow family.

Management believes that all the secured creditors as well as the unsecured creditors will agree to continue supporting the terms of payment embodied in the SAGARP.

12. **Deferred Revenue and Other Liabilities**

This account consists of:

	March 31	December 31
	2006	2005
Advance rentals (Note 15)	**₱99,787,733**	₱99,787,733
Refundable deposits (Note 15)	**53,710,070**	53,710,070
Others	**59,545,953**	58,260,577
	₱213,043,756	₱211,758,380

On May 23, 2000, the SEC approved the increase in the Company's authorized capital stock from 5 billion common shares with a par value of ₱1 per share to 10 billion common shares with a par value of ₱1 per share.

On the same date, the SEC approved the Company's application for registration of 7.14 billion common shares consisting of 2.45 billion unissued common shares and 4.69 billion common shares from the increase in authorized capital stock. In accordance with the approved GARP, the 7.14 billion common shares are to be issued to USWCI and to a prospective investor at its par value of ₱1 per share. USWCI subscribed ₱3.57 billion worth of common shares and as payment for its subscription, USWCI assigned in favor of the Company 99.24 million common shares of Fil-Franco Store Systems, Inc. (FFSSI). Consequently, the Company will own 100% of FFSSI, which was established solely for the purpose of owning the relevant operating assets of USWCI. As of December 31, 2005 and 2004, the total assets of FFSSI amounted to ₱44.47 million and ₱87.64 million, respectively.

The SEC's approval of the increase in authorized capital stock was subject to the condition that the ₱ 3.57 billion shares of the Company issued to/subscribed by USWCI shall be held in escrow until the infusion of additional capital to FFSSI is made or until such time that the enterprise value of ₱3.57 billion of FFSSI is realized. However, the expected infusion of additional capital from the prospective investor did not materialize (Note 2). Accordingly, the above transaction was not reflected in the accompanying Company financial statements.

13. **Related Party Transactions**

The Company, in the normal course of business, enters into transactions with USI and other companies considered as related parties principally involving advances, which have no definite call dates. No interest was billed by the Company on amounts due from its related parties since 2000.

The receivables from USRRC represent advances made to partially finance the acquisition of real estate properties and the construction of warehouse clubs and a mall. Advances made to NRDC were used to finance the construction and development works in NRDC's Theme Park Project at Naic, Cavite.

As of March 31, 2006 and 2005, USI's unaudited financial statements show that a substantial portion of its assets represents investments in shares of stock of the Parent Company and Asia Amalgamated Holdings Corporation, both of which incurred substantial losses during the year. Also, USI is currently experiencing difficulties in generating sufficient cash flows to meet its obligations. USI is also part of the UHI Group which is under receivership.

Starting 1997, the Company suspended the charging of interest on advances made to USRRC. Management believes that no interest should be accrued on such advances since USRRC is a 98% owned subsidiary of the Company. In addition, a substantial portion of these advances came from the Company's Initial Public Offering (IPO). The proceeds from which were used by USRRC to retire its existing debts with banks and to finance its real estate development projects, in accordance with the work program submitted by the Parent Company during its IPO.

The Company leases out its buildings and improvements to certain related parties (Note 7). Such buildings and improvements are being used as department stores and warehouse clubs. The lease agreements are for periods ranging from 18 to 20 years commencing on November 4, 1997 and renewable upon mutual agreement of both parties.

As discussed in Note 2, UHI franchises out the "Uniwide Sales" and "Uniwide Sales Warehouse Club Stores" to USWCI. However, under the SAGARP, franchise fees payable to the Company by USWCI will be suspended for three years and will resume at 1% of net sales on the fourth year in 2006 of implementation (Note 7).

As discussed in Notes 2 and 9 and in accordance with the SAGARP, properties of the Company, USRRC and the Gow family with appraised values of ₱13.32 billion will be transferred through a dacion en pago arrangement to secured creditor banks to extinguish the debt of UHI Group amounting to ₱2.98 billion, and the debts of USI, and USWCI and the Gow family amounting to ₱4.53 billion.

14. Operating Expenses

Operating expenses comprise of the following:

	March 31 2006	March 31 2005
Depreciation and amortization (Note 9)	**₱43,208,887**	₱43,669,724
Rent (Notes 7 and 17)	**7,439,189**	10,070,501
Taxes and licenses	**9,315,308**	13,988,013
Light and water	**2,543,546**	2,583,360
Repairs and maintenance	**242,348**	478,406
Salaries, wages and benefits (Note 18)	**1,088,596**	2,154,105
Professional fees	**11,688**	400,202
Entertainment, amusement and recreation	**-**	421,317
Insurance	**83,201**	199,153
Travel	**-**	7,947
Miscellaneous	**-**	4,928,394
	₱63,932,763	₱78,901,121

15. **Depreciation and Amortization**

The allocation of depreciation and amortization is as follows:

	March 31 2006	March 31 2005
Property and equipment (see Note 5)	**₱43,208,887**	₱43,669,724

16. **Salaries, Wages and Benefits**

	March 31 2006	March 31 2005
Salaries, wages and benefits	**₱1,088,596**	₱2,154,105

17. **Operating Lease Commitments**

The Company has entered into a 20-year operating lease commencing October 1, 1994 until September 30, 2015, for a 10-hectare parcel of land, where the Coastal Mall is situated. The lease is subject to an annual escalation clause of 10%. Total rental charged to operations amounted to ₱9.64 million in 2006 and 2005, respectively.

18. **Retirement Benefits**

The Company provides for estimated retirement benefits under R.A. No. 7641 to qualified employees.

PAS 19, *Employee Benefits,* requires the use of the projected unit credit method in determining the retirement benefits of the employees and a change in the manner of computing benefit expense relating to past service cost and actuarial gains and losses. It also requires the Company to determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity.

As of March 31, 2006 and 2005, the Company only had 6 employees. Management believes, however, that the effect on the financial statements of the difference between the retirement expense determined under the current method by the Company and an acceptable actuarial valuation method is not significant.

19. **Income Taxes**

Provision for (benefit from) income tax consists of:

	March 31 2006	March 31 2005
Final tax	**₱52,773**	₱85,910
	₱52,773	₱85,910

20. **Loss per Share**

Loss per share is calculated as follows:

	March 31 2006	March 31 2005
Net loss	**₱21,602,612**	₱40,903,514
Weighted average number of outstanding common shares	**2,548,109,762**	2,548,109,762
Loss per share	**₱0.008**	₱0.016

21. **Commitments and Contingencies**

The Company is a party to several legal actions arising from its normal business activities particularly relating to cancellations of assignment of leasehold rights.

In July 1996, the Parent Company, USRRC and a local bank (a former related party) executed a MOA wherein the Company and USRRC sold on a without recourse basis certain LRRs and Installment Contract Receivables (ICRs) arising from the assignment of commercial spaces in Coastal Mall and USRRC's real estate projects. The Company undertook the collection of the accounts until October 21, 1998 when the Company's appointment as collection agent of the bank was revoked and cancelled. Since then, the bank has taken over the collection of the accounts.

Pursuant to the terms of the Assignment of Leasehold Rights between the Company and Assignees and the Contract to Sell between USRRC and the lot buyers, the Company and USRRC have the right to automatically cancel the contracts to sell, including those LRRs and ICRs that have been assigned without recourse to the bank, in the event of default in payment as defined in the contracts. Installments collected will be refunded or forfeited under the following terms:

a. If the installment payments made by the lot buyers are less than 24 monthly installments, payments will not be refunded;
b. Otherwise, USRRC should refund 50% of the total payments made under the contract. In the case of ICRs assigned to the bank, the bank is bound to pay the refunds; and
c. In case of LRRs, all payments received by the Parent Company will be forfeited.

Management and its legal counsel believe that the cancellation of the contracts to sell and of assignment of leasehold rights due to the default in monthly amortization payments by lot buyers and assignees are valid. Also, management and its legal counsel believe that the Company and USRRC have justifiable and defensible position under the contract to sell and assignment of leasehold rights to refute any charges against the Company and USRRC arising from the cancellation of contracts. Accordingly, no provision for possible claims from these lot buyers and assignees has been set up in the financial statements.

In 1998, the Company redesigned the commercial spaces for Coastal Mall, thus affecting some of the rights assigned to the bank. In May 1999, another MOA was executed for the exchange of certain non-habitable leasehold rights affected by such redesign with habitable ones with a total value of ₱104.80 million.

Also, management and its legal counsel strongly believe that the cases filed by the lot buyers demanding for damages, refunds and/or cancellation of contracts are without merit.

The Company is involved in various other legal actions or claims arising from the ordinary course of the business. In the opinion of management, the eventual outcome under these claims, tax assessments, pending litigation and others, will not have a material effect on the Company's financial statements.

Item 6. Management Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations

Uniwide Holdings, Inc. (UW) registered a net loss of ₱21.60 million for the first quarter of 2006 an improvement of 47.07% over last year's first quarter net loss of ₱40.82 million.

UW's operating expenses for the period also decreased to ₱63.93 million from ₱78.90 million or an improvement of 18.97% from the same period in 2005. The improvement in operating expenses can be attributed to the decline on property related expenses (due to the dacion en pago arrangements) savings on professional fees, rental expenses, insurance and personnel related expenses.

Other (expenses) income likewise increased from a net of ₱0.26 million for the first three months of last year to ₱6.97 million for the first three months of this year. The increase was due to the refund received from Meralco Phase IVA refund

Financial Position:

UW's consolidated assets were registered at ₱3.20 billion as of March 31, 2006 compared to the ₱3.22 billion as of December 31, 2005. Total liabilities (including loans payable of P1.68 billion were recorded at ₱5.20 billion

UW's receivables increased by 29.05% from December 31, 2005 of ₱126.02 million to ₱ 162.62 million as of March 31, 2006. The increase is due to the additional charges and uncollected rent from tenants. Accounts payable and accrued expenses likewise increased by 1.26% from year December 2005 balance of ₱2.73 billion to March 2006 balance of ₱2.76 billion. Other balance sheet accounts did not move significantly.

Rehabilitation Plan

On December 23, 2002, the SEC approved the SAGARP, a formal notice of which was received on January 16, 2003. With the approval of the SAGARP, SEC on May 12, 2003 issued an Order appointing Atty, Julio C. Elamparo as the Rehabilitation Receiver of Uniwide.

In a letter dated March 18, 2004, the SEC informed the Uniwide Group that it has resolved to consider the Convertible Notes to be issued to the unsecured creditors as exempt securities under Section 9.1 of the Securities Regulation Code. On July 5, 2004, the SEC approved the final version of the Convertible Notes scheduled to be issued to the unsecured creditors pursuant to the approved Second Amendment to the Group Rehabilitation Plan (SAGARP). As of January 26, 2006, UHI Group has started issuing the restructuring agreement and convertible notes to the unsecured creditors in accordance with the SAGARP.

SEC's approval of the SAGARP, on December 22, 2002, marks the start of the implementation of Uniwide's Rehabilitation plan. SAGARP provides for a 15 year Rehab Plan commencing in Year 2003. The Rehab Plan outlines Uniwide's commitments and targets, the implementation if which is overseen by the SEC appointed Rehabilitation Receiver.

At this point, it is worth noting though that while Year 2 of the SAGARP assumes that all dacion arrangements have been completed and malls are managed by creditors/new owners, actual circumstances have delayed meeting these targets.

To date, UHI operates its two malls and still owns several properties from where it derives its rental income. Third party franchisees continue to provide franchise income to UHI. As of July 29, 2005, the franchise agreement for Uniwide San Pedro, Laguna branch and by a third franchisee was terminated due to the sale of personal property, leasehold rights and merchandise inventories. Until dacion of the two malls and other properties have been made UHI will incur higher operating expenses as compared to the Rehab Plan budget. Further, in April 2005, UHI completed the dacion arrangement of the Ternate property and the assignment of shares of stock of two Special Purpose Companies

Part II – Other Information

There were no other undisclosed information, which were not covered by all the SEC 17-C previously filed.

SIGNATURES

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

UNIWIDE HOLDINGS, INC.

ANNABELLE B. BASILIO
Accounting Manager
May 22, 2006

JIMMY N. GOW
President
May 22, 2006

UW2005Q-3

UNWIDE HOLDINGS, INC. & SUBSIDIARIES
CONSOLIDATED AGING OF ACCOUNTS RECEIVABLES
AS OF MARCH 31, 2006

ACCOUNTS	Outstanding Receivable 31-Mar-06	<<<<<<<<<<<<<<<<<<<< AGE OF RECEIVABLE >>>>>>>>>>>>>>>>>>>>							
		not yet due	1 month	2 - 3 months	4 - 6 months	7 mos. to 1 year	1 to 2 years	3 to 5 years above	Past due accounts & items in litigation
Type of Accounts Receivable									
a) Trade Receivable									
1) Franchise	369,043,861		56,358	46,923	55,165	78,110	85,216	368,722,089	
Less: Allowance for Doubtful account	368,722,089		-	-	-	-	-	368,722,089	
Net Franchise	***321,772***	***-***	***56,358***	***46,923***	***55,165***	***78,110***	***85,216***	***(0)***	***-***
2) Rental and others	691,381,722		7,353,180	12,569,457	12,085,788	12,457,974	11,375,411	635,539,912	
Less: Allowance for Doubtful account	590,056,788		-	-	-	-	-	590,056,788	
Net Rental	***101,324,934***	***-***	***7,353,180***	***12,569,457***	***12,085,788***	***12,457,974***	***11,375,411***	***45,483,124***	***-***
3) Leasehold Rights	66,055,812	19,748,298	82,233	80,621	87,266	85,555	83,878	32,679,233	13,208,728
Less: Allowance for Doubtful account	21,150,278							21,150,278	
Net Leasehold Rights	***44,905,534***	***19,748,298***	***82,233***	***80,621***	***87,266***	***85,555***	***83,878***	***11,528,955***	***13,208,728***
4) Installment contract	26,730,706		1,841,528	89,875	121,227	86,610	85,022	24,506,444	
Less: Allowance for Doubtful account	26,366,022		2,270,882	101,938	99,482	97,687	96,331	23,699,702	
Net Installment contract	***364,685***	***-***	***(429,354)***	***(12,063)***	***21,745***	***(11,077)***	***(11,309)***	***806,742***	***-***
Total	**146,916,925**	**19,748,298**	**7,062,417**	**12,684,938**	**12,249,964**	**12,610,561**	**11,533,196**	**57,818,822**	**13,208,728**
Less: Deferred gross profit on sale of leasehold rights (income recognition is based on the percentage of project's completion)- net of deferred commission	44,905,534	44,905,534							
Net Trade Receivable	**102,011,390**	**(25,157,236)**	**7,062,417**	**12,684,938**	**12,249,964**	**12,610,561**	**11,533,196**	**57,818,822**	**13,208,728**
b) Non - Trade Receivable									
*1) **Advances to contractors***	***11,773,324***							***11,773,324***	
Less: Allowance for Doubtful account	***6,476,005***							***6,476,005***	
Net Advances to contractors	***5,297,319***	***-***	***-***	***-***	***-***	***-***	***-***	***5,297,319***	***-***
2) ***Others***	***55,313,461***							***55,313,461***	
Net Non - Trade Receivable	**60,610,780**	**-**	**-**	**-**	**-**	**-**	**-**	**60,610,780**	**-**
NET RECEIVABLES	**162,622,170**	**(25,157,236)**	**7,062,417**	**12,684,938**	**12,249,964**	**12,610,561**	**11,533,196**	**118,429,601**	**13,208,728**

UNWIDE HOLDINGS, INC. & SUBSIDIARIES
CONSOLIDATED AGING OF ACCOUNTS RECEIVABLES
AS OF MARCH 31, 2006

TYPE OF RECEIVABLE	NATURE / DESCRIPTION	COLLECTION PERIOD
1) Franchise Receivable	This consists of the royalty fees earned from USWCI, a sister company, which presently operates seven warehouse clubs, one department store and a wholesale center. However, in accordance with the SAGARP, franchise fees from USWCI was suspended. In addition, the Parent Company entered into franchise agreement with a third party, operating two warehouse clubs.	Quarterly; Uniwide Sales Warehouse Club, Inc, the franchisee of the retail business of UHI is one of the company's under the umbrella of Uniwide Group who is declared in the state of suspension of debt payment.
2) Rental Receivable	This represents the rental income derived from leasing commercial spaces of Coastal Mall and Metromall to third party and to USWCI; and from leasing the buildings where most of the Uniwide Warehouse Clubs and Uniwide Department Stores are situated.	One month
3) Leasehold Rights Receivable	Leasehold rights receivable represents the balance of the contract price for the sale of commercial spaces at Coastal Mall, Paranaque City	Collected thru monthly amortization and payment term ranges from one to 10 years
4) Installment Contracts Receivable	This represents the balance of the contract price for the sale of residential as well as commerical subdivision lots for the Southpoint subdivision in Cabuyao Laguna and at Dreamworld City at Naic Cavite	Collected thru monthly amortization and payment term ranges from one to 10 years
5) Advances to contractorss	This represents the Grou'ps receivable from contractors arising from the unrecouped downpayment for the real estate and development projects which were shelved due to the liquidity problems of the Group.	Generally recouped as progress billings/payments are made
6) Others	Represents receivable from utility companies for the various interest bearing deposits; non-interest bearing advances to a certain joint venture partner extended by USRRC in accordane with the terms and conditions of the joint venture agreement	-

NORMAL OPERATING CYCLE: **365 DAYS**