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S.E.C. Registration Number

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(Company's Full Name)

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C O S T A , S A L C E D O V I L L A G E , M A K A T I

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

Roan Buenaventura-Torregoza
Chief Finance Officer

Contact Person/s

(632) 4789659/5333915/5333917

Company Telephone Number

0 3

Month

3 1

Day

Calendar Year

SEC Form 17-Q March 31, 2017

FORM TYPE

0 7

Month

2 8

Day

Annual Meeting

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

33

Total No. of Stockholders

30

Domestic

3

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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STAMPS

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, 2017**
2. Commission identification number **CS 2005 11 816**
3. BIR Tax Identification No **239-508-223-000**
4. Exact name of issuer as specified in its charter



8990 HOLDINGS, INC.

5. Province, country or other jurisdiction of incorporation or organization **Metro Manila, Philippines**
6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code

11F Liberty Center, 104 HV Dela Costa, Salcedo Village, Makati City, 1200 Philippines

8. Issuer's telephone number, including area code **(632) 4789659/5333915/5333917**

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

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	5,517,990,720
Fixed Rate Bonds	9,000,000,000

11. Are any or all of the securities listed on a Stock Exchange?
Yes No

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

Name of Stock Exchange: **Philippine Stock Exchange**
Class of Securities Listed: **Common Shares**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 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

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

Yes No

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

8990 HOLDINGS, INC AND SUBSIDIARIES

Unaudited Consolidated Statements of Financial Position (in Philippine Peso)

	31-Mar		31-Dec	
	2017 Unaudited	2016 Unaudited	2016 Unaudited	2015 Audited
ASSETS				
Current Assets				
Cash on hand and in banks	813,089,776	456,821,357	705,076,267	600,230,905
Current portion of trade and other receivables	1,704,346,988	1,549,928,439	2,222,162,847	1,502,055,562
Inventories	8,260,746,186	4,860,829,367	7,318,806,306	5,092,332,659
Due from related parties	318,340,376	317,577,075	327,890,397	289,716,995
Current portion of available-for-sale securities	-	-	-	-
Other current assets	1,863,002,571	2,744,888,275	1,350,755,769	2,025,188,139
Total Current Assets	12,959,525,896	9,930,044,513	11,924,691,586	9,509,524,260
Noncurrent Assets				
Trade and other receivables - net of current portion	20,108,930,020	18,115,637,790	20,509,456,108	17,565,634,589
Available for sale securities	1,157,656,404	1,177,514,610	1,160,774,129	1,178,187,216
Land held for future development	13,778,483,488	7,751,329,592	12,998,743,464	6,593,194,295
Property and equipment	260,154,341	247,019,102	263,157,313	239,005,453
Investment properties	304,955,757	322,864,683	296,694,775	309,011,270
Investment in shares	-	-	-	-
Other noncurrent assets	717,501,944	157,130,621	722,859,685	682,682,007
Total Noncurrent Assets	36,327,681,954	27,771,496,398	35,951,685,474	26,567,714,830
	49,287,207,850	37,701,540,911	47,876,377,061	36,077,239,090
LIABILITIES AND EQUITY				
Current Liabilities				
Current portion of trade and other payables	3,645,554,617	2,551,512,472	3,283,929,624	2,626,967,526
Current portion of loans payable	1,433,867,557	2,702,077,964	1,292,714,227	1,980,934,640
Deposits from customers	383,895,398	377,011,102	330,789,093	411,732,827
Due to related parties	125,315,063	54,939,361	206,628,319	114,212,864
Income tax payable	289,880,793	261,268,919	217,875,498	213,934,544
Total Current Liabilities	5,878,513,429	5,946,809,817	5,331,936,761	5,347,782,401
Noncurrent Liabilities				
Trade and other payables - net of current portion	70,233,657	10,548,767	70,233,657	68,422,945
Loans payable - net of current portion	15,260,555,637	5,422,657,483	13,758,270,273	3,975,433,053
Bonds payable	8,912,041,448	8,891,562,307	8,906,782,331	8,886,496,988
Deferred tax liability	540,120,353	435,171,147	540,120,353	456,501,942
Total Noncurrent Liabilities	24,782,951,095	14,759,939,704	23,275,406,613	13,386,854,928
Total Liabilities	30,661,464,523	20,706,749,521	28,607,343,374	18,734,637,329
Equity				
Capital Stock	5,517,990,720	5,517,990,720	5,517,990,720	5,517,990,720
Additional paid-in capital	4,400,126,855	4,400,126,855	4,400,126,855	4,400,126,855
Remeasurement loss on pension plan	(4,612,005)	(5,116,942)	(4,612,005)	(5,116,942)
Retained earnings	8,712,237,757	7,081,790,757	9,355,528,117	7,429,601,128
Total Equity	18,625,743,327	16,994,791,390	19,269,033,687	17,342,601,761
	49,287,207,850	37,701,540,912	47,876,377,061	36,077,239,090

8990 HOLDINGS, INC. AND SUBSIDIARIES
Unaudited Consolidated Statements of Comprehensive Income (in Philippine Peso)

	For three months ended March 31		For years ended December 31	
	2017 Unaudited	2016 Unaudited	2016 Unaudited	2015 Audited
REVENUES	1,604,018,247	2,175,636,017	9,335,259,030	9,279,720,719
Real Estate Operations				
Real estate sales	1,589,690,350	2,172,877,400	9,108,323,052	9,229,390,046
Rental income	2,366,774	1,116,071	12,175,544	45,715,166
Others	2,077,171	1,642,546	149,730,893	2,741,500
	1,594,134,294	2,175,636,017	9,270,229,489	9,277,846,712
Gain on Sale of Preferred Shares	9,883,952	-	65,029,541	1,874,007
	1,604,018,247	2,175,636,017	9,335,259,030	9,279,720,719
COST OF SALES AND SERVICES				
Real Estate Operations				
Cost of real estate sales	657,771,844	922,621,435	4,197,521,800	4,130,909,281
Cost of rental services	12,769	98,591	188,033	4,747,977
Others	11,592,032	23,163,147	72,438,806	38,664,969
	669,376,644	945,883,173	4,270,148,639	4,174,322,227
Loss on Sale of Preferred Shares	-	-	-	-
	669,376,644	945,883,173	4,270,148,639	4,174,322,227
Gross Income	934,641,603	1,229,752,844	5,065,110,391	5,105,398,492
Operating Expenses	315,430,175	374,934,089	1,594,467,849	1,723,804,786
Finance Costs	243,336,982	192,853,061	962,869,541	614,672,430
Other Income	432,362,415	432,063,052	1,535,972,528	1,346,939,259
Income Before Income Tax from Continuing Operations	808,236,861	1,094,028,746	4,043,745,529	4,113,860,535
Provision for Income Tax	72,029,541	62,341,437	447,421,324	410,329,856
Income from Continuing Operations	736,207,321	1,031,687,309	3,596,324,204	3,703,530,679
from Discontinuing Operations	-	-	-	20,553,216
Net Income	736,207,321	1,031,687,309	3,596,324,204	3,724,083,895
Other Comprehensive Loss	-	-	484,480	(1,557,634)
Total Comprehensive Income	736,207,321	1,031,687,309	3,596,808,684	3,722,526,261

8990 HOLDINGS, INC. AND SUBSIDIARIES
Unaudited Consolidated Statements of Changes in Equity (in Philippine Peso)

	For three months ended March 31, 2017					For three months ended March 31, 2016										
	Capital Stock	Subscribed Capital Stock	Additional Paid in Capital	Equity Reserve	Comprehensive Loss	Other	Retained Earnings	Total	Capital Stock	Subscribed Capital Stock	Additional Paid in Capital	Equity Reserve	Comprehensive Loss	Other	Retained Earnings	Total
Balance at January 1, 2016	5,517,990,720	-	4,400,126,855	-	(4,612,005)	-	9,355,528,117	19,269,033,687	5,517,990,720	-	4,400,126,855	-	(5,116,942)	-	7,429,601,128	17,342,601,761
Cash dividends declared by the Parent Company	-	-	-	-	-	-	(1,379,497,680)	(1,379,497,680)	-	-	-	-	-	-	(1,379,497,680)	(1,379,497,680)
Total comprehensive income (loss)	-	-	-	-	-	-	736,207,321	736,207,321	-	-	-	-	-	-	1,031,687,309	1,031,687,309
Balance at March 31, 2015	5,517,990,720	-	4,400,126,855	-	(4,612,005)	-	8,712,237,757	18,625,743,327	5,517,990,720	-	4,400,126,855	-	(5,116,942)	-	7,081,790,757	16,994,791,390
Balance at January 1, 2016	5,517,990,720	-	4,400,126,855	-	(5,116,942)	-	7,429,601,128	17,342,601,761	5,517,990,720	-	4,400,126,855	-	(3,559,308)	-	4,974,655,099	14,889,213,366
Cash dividends declared by the Parent Company	-	-	-	-	-	-	(1,655,397,216)	(1,655,397,216)	-	-	-	-	-	-	(1,269,137,866)	(1,269,137,866)
Stock issuance cost	-	-	-	-	-	-	(15,000,000)	(15,000,000)	-	-	-	-	(1,557,634)	-	3,724,083,895	3,722,526,261
Total comprehensive income (loss)	-	-	-	-	504,937	-	3,596,324,204	3,596,829,141	-	-	-	-	(5,116,942)	-	7,429,601,128	17,342,601,761
Balance at December 31, 2016	5,517,990,720	-	4,400,126,855	-	(4,612,005)	-	9,355,528,117	19,269,033,687	5,517,990,720	-	4,400,126,855	-	(3,559,308)	-	4,974,655,099	14,889,213,366
Balance at January 1, 2015	5,517,990,720	-	4,400,126,855	-	(3,559,308)	-	4,974,655,099	14,889,213,366	5,517,990,720	-	4,400,126,855	-	(1,557,634)	-	(1,269,137,866)	(1,269,137,866)
Cash dividends declared by the Parent Company	-	-	-	-	-	-	(1,269,137,866)	(1,269,137,866)	-	-	-	-	-	-	3,724,083,895	3,722,526,261
Total comprehensive income (loss)	-	-	-	-	(1,557,634)	-	3,724,083,895	3,722,526,261	-	-	-	-	(5,116,942)	-	7,429,601,128	17,342,601,761
Balance at December 31, 2015	5,517,990,720	-	4,400,126,855	-	(5,116,942)	-	7,429,601,128	17,342,601,761	5,517,990,720	-	4,400,126,855	-	(5,116,942)	-	7,081,790,757	16,994,791,390

8990 HOLDINGS, INC. AND SUBSIDIARIES
Unaudited Consolidated Statements of Cash Flows (in Philippine Peso)

	For three months ended March 31		For years ended December 31	
	2017 Unaudited	2016 Unaudited	2016 Unaudited	2015 Audited
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	808,236,861	1,094,028,746	4,458,288,623	4,113,860,535
Adjustments for:				
Interest income	(393,521,844)	(338,697,272)	(1,206,159,457)	(1,210,760,833)
Finance cost	243,161,517	192,683,582	627,453,989	613,957,108
Write-off of assets	-	-	-	-
Provision for impairment losses	-	-	-	135,193,573
Provision for probable losses	-	-	-	(79,469,175)
Depreciation and amortization	13,224,881	10,482,451	36,811,442	35,839,138
Amortization of discount on bonds payable	5,259,117	4,939,577	8,820,226	-
Provision for inventory write-down	-	-	-	1,257,282
Loss (gain) on repossession	-	-	-	56,972,328
Loss on sale of PPE	-	-	700,923	-
Gain on sale of building and improvements	-	-	-	(10,943,948)
Unrealized foreign exchange loss	-	-	-	2,879
Retirement Expense	-	-	-	1,387,016
Operating income before changes in working capital	676,360,533	963,437,085	3,925,915,746	3,657,295,903
Changes in operating assets and liabilities				
Decrease (increase) in:				
Trade and other receivables	918,341,947	(597,876,078)	(5,602,728,852)	(3,549,968,401)
Inventories	(941,939,880)	231,503,292	(865,518,760)	(1,409,098,313)
Other assets	(507,016,897)	546,499,534	(1,692,224,212)	(284,466,528)
Increase (decrease) in:				
Trade and other payables	361,624,993	(154,660,027)	1,245,334,031	(1,051,343,269)
Deposits from customers	53,106,305	(34,721,725)	25,964,153	137,361,512
Net cash used in operations	560,477,001	954,182,081	(2,963,257,896)	(2,500,219,096)
Interest received	393,497,599	338,652,363	1,205,840,674	1,210,760,833
Interest paid	(243,161,517)	(192,683,582)	(627,453,989)	(385,211,596)
Income tax paid	(0)	(14,962,154)	(259,139,443)	(30,455,229)
Net cash from (used in) operating activities	710,813,082	1,085,188,708	(2,644,010,653)	(1,705,125,088)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Land held for future development	(779,740,024)	(1,158,135,297)	(1,594,048,493)	(3,618,606,774)
Available-for-sale securities	-	672,606	419,110	(788,755,357)
Property and equipment	(8,857,319)	(17,132,493)	(49,604,708)	(63,785,065)
Investment in shares	-	-	-	-
Proceeds from (Acquisition of) Investment properties	(9,497,736)	(15,078,123)	-	(80,210)
Proceeds from:				
Disposal of building and hotel improvements	-	-	-	350,381,830
Maturities/termination of long term investments	-	-	-	-
Sale of AFS	3,117,726	-	-	-
Disposal of property and equipment	-	-	-	-
Net cash outflow from disposal of Investment in a subsidiary	-	-	-	-
Net cash inflow from acquisition of net assets of acquiree	-	-	-	-
Net cash used in Investing activities	(794,977,354)	(1,189,673,306)	(1,643,234,092)	(4,120,845,576)
CASH FLOWS FROM FINANCING ACTIVITIES				
Avallment (retirement) of loans payable	1,643,438,695	2,168,367,754	(2,861,300,453)	1,521,040,226
Issuance of corporate bonds	-	-	9,000,000,000	-
Payment of bond issuance costs	-	-	(122,342,113)	-
Issuance of shares by the Parent Company	-	-	-	5,262,312,905
Issuance of shares by subsidiaries	-	-	-	-
Decrease (increase) in the amount of due from related parties	9,550,022	(27,860,080)	(223,837,908)	(373,217,602)
Increase (decrease) in the amount of due to related parties	(81,313,256)	(59,273,503)	(305,968,493)	502,502,412
Payment of cash dividends	(1,379,497,680)	(1,379,497,680)	(1,269,137,866)	(275,899,536)
Net cash provided by financing activities	192,177,780	701,736,491	4,217,413,167	6,636,738,405
Effect of changes in foreign exchange rates on hand and in b:	-	-	-	(2,879)
Net increase (decrease) in cash on hand and in banks	108,013,508	597,251,893	(69,831,578)	810,764,862
Cash Balance at the beginning of the year	705,076,267	535,316,558	605,148,136	605,148,136
Cash Balance at the end of the year	813,089,776	1,132,568,450	535,316,558	1,415,912,998

8990 HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Basis of Preparation

The accompanying unaudited financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, Interim Financial Reporting. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2016.

The preparation of the financial statements in compliance with Philippine Financial Reporting Standards (PFRS) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying reports. The estimates and assumptions used on the accompanying unaudited financial statements are based upon management's evaluation of relevant facts and circumstances which are used as indicators affecting the results as of the date of the unaudited financial statements. Actual results could differ from such estimates.

The accompanying unaudited financial statements have been prepared on a historical cost basis. Further, this has been presented in Philippine peso, the functional currency of Fog Horn, Inc. All values are rounded to the nearest peso except when otherwise indicated.

Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the unaudited financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2016.

The following standards and interpretations were adopted beginning January 1, 2013, but do not have significant impact on the financial position or performance of the Company.

- PFRS 7, *Financial Instruments: Disclosures-Offsetting Financial Assets and Financial Liabilities (Amendments)*
- PFRS 10, *Consolidated Financial Statements*
- PFRS 11, *Joint Arrangements*
- PFRS 12, *Disclosure of Interests in Other Entities*
- PFRS 13, *Fair Value Measurement*
- PAS 1, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income or OCI (Amendments)*
- PAS 1, *Presentation of Financial Statements – Clarification of the requirements for comparative information*
- PAS 27, *Separate Financial Statements (as revised in 2011)*
- PAS 28, *Investments in Associates and Joint Ventures (as revised in 2011)*
- Philippine Interpretation IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*
- PRFS 1, *First-time Adoption of PFRS – Borrowing Costs*
- PAS 16, *Property, Plant and Equipment – Classification of servicing equipment*

- PAS 32, *Financial Instruments: Presentation – Tax effect of distribution to holders of equity instruments*
- PAS 19, *Employee Benefits (Revised)*
- PAS 34, *Interim Financial Reporting – Interim financial reporting and segment information for assets and liabilities*

The following standard and interpretation was adopted beginning January 1, 2014, but does not have significant impact on the financial position or performance of the Company.

- PAS 32, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (Amendments)*
The amendments clarify the meaning of “currently has a legally enforceable right to set off” and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments affect presentation only and have no impact on the Company’s financial position or performance.

The following standards and interpretations was adopted beginning January 1, 2015.

- PFRS 9, *Financial Instruments*
PFRS 9, as issued, reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, *Financial Instruments: Recognition and Measurement*. Work on impairment of financial instruments and hedge accounting is still ongoing, with a view to replacing PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at a fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets, to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through OCI or profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability’s credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

The adoption of the first phase of PFRS 9 will have no impact on the classification and measurement of financial assets and liabilities.

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*
This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors, The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

The accompanying unaudited consolidated financial statements have been prepared on a historical cost basis. Further, this has been presented in Philippine peso, the functional currency of 8990 Holdings, Inc. and its subsidiaries. All values are rounded to the nearest peso except when otherwise indicated.

2. Basis of Consolidation

The unaudited consolidated financial statements include the financial statements of the Parent Company and the following wholly owned subsidiaries:

- 8990 Housing Development Corporation
- Fog Horn, Inc.
- 8990 Luzon Housing Development Corporation
- 8990 Davao Housing Development Corporation
- 8990 Mindanao Housing Development Corporation
- 8990 Leisure and Resorts Corporation

Control is achieved when the Parent Company is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent Company controls an investee if and only if the Parent Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure or rights to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has the power over an investee, including:

- The contractual arrangement with the other voting shareholders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, expenses and other comprehensive income (OCI) of a subsidiary are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The consolidated financial statements are prepared for the same reporting period as the Parent Company's financial statements, using consistent accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Parent Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for within equity. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Parent Company.

When a change in ownership interest in a subsidiary occurs which results in a loss of control over the subsidiary, the Parent Company:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the Parent Company's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

When there are business combinations in which all the combining entities within the Group are ultimately controlled by the same ultimate parent (i.e. controlling shareholders) before and after the business combination and the control is not transitory (business combinations under common control), the Group accounts for such business combinations similar to a pooling of interests. The assets and liabilities of the acquired entities and that of the Group are reflected at their carrying values in the stand-alone financial statements of the investee companies. The difference in the amount recognized and the fair value of the consideration given is accounted for as an equity transaction, i.e., as either a contribution or distribution of equity. Further, when a subsidiary is disposed in a common control transaction without loss of control, the difference in the amount recognized and the fair value consideration received, is also accounted for as an equity transaction.

The Group recorded the above difference as Equity Reserve and is presented as a separate component of equity in the consolidated statement of financial position. Comparatives shall be restated to include balances and transactions as if the entities had been acquired at the beginning of the earliest period presented in the consolidated financial statements, regardless of the actual date of combination.

The Group consolidated the assets, liabilities, income and expenses of the Parent Company starting May 2012, which was the date when the controlling shareholders acquired or gained control over the Parent Company.

3. Segment Information

For management's purposes, the Group's operating segments are organized and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group has four reportable operating segments as follows:

Low-cost mas Mass Housing

This segment pertains to the housing market segment of the Group. It caters to the development and sale of residential lots and units.

Medium-rise Condominium Units

This segment pertains to the medium-rise condominium segment of the Group. It caters to the development and sale of condominium units.

Preferred Share

This segment pertains to sale of preferred share wherein the purchaser has a perpetual right to occupy one unit of the Group's vacation hotel for a specific number of days in a year.

High-rise Condominium Units

This segment pertains to the high-rise condominium segment of the Group. It caters to the development and sale of condominium units with more than four (4) storeys.

Hotel Operations

This segment pertains to the activities from hotel operations, which are considered incidental revenues while the Group has not yet sold all of the timeshares of its vacation hotel, Azalea Baguio Residences.

The hotel operation's peak season is during the holiday and summer seasons. For other supplementary businesses, there is no significant seasonality that would materially affect their operations. This information is provided to allow for a proper appreciation of the results of the Company's operations.

The Group has only one geographical business segment as all the assets and liabilities are located in the Philippines. The Group derives all of its revenues from domestic operations. Thus, geographical business segment information is not presented. No operating segments have been aggregated to form the above operating business segments.

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment operating income or loss. The presentation and classification of segment revenues and expenses are consistent with the consolidated statements of comprehensive income. This segment information is presented monthly to the Parent Company' BOD who is the Chief Operating Decision Maker. Finance income consists on interest earned from installment contract receivables and deposits in banks.

The amount of segment assets and liabilities are based on the measurement principles that are similar with those used in measuring the assets and liabilities in the statement of financial position which is in accordance with PFRS. Capital expenditures represent acquisitions of 'Land held for future development', 'Property and equipment', and 'Investment properties'. The Group has no significant customer which contributes 10% or more of their segment revenue.

4. Cash on Hand and in Banks

This account consists of:

	31-Mar		31-Dec	
	2017 Unaudited	2016 Unaudited	2016 Unaudited	2015 Audited
Cash on hand	28,329,769	1,347,598	28,358,769	2,394,766
Cash in banks	784,760,006	455,473,759	676,717,498	597,836,139
	813,089,776	456,821,357	705,076,267	600,230,905

5. Trade and Other Receivables

This account consists of:

	31-Mar		31-Dec	
	2017 Unaudited	2016 Unaudited	2016 Unaudited	2015 Audited
Trade Receivables				
Installment contract receivables	769,884,470	1,238,932,113	585,977,508	1,201,317,283
Others	12,728,338	43,101,823	6,094,898	13,509,864
Advances to external marketing manager	60,856,698	60,932,733	60,865,416	72,528,405
Retention Receivables	425,231,730	230,826,163	353,173,872	215,629,479
Receivables from employees	299,452,069	209,518,634	238,405,029	132,791,687
Other Receivables	353,251,965	1,742,640	1,194,704,406	101,404,509
	1,921,405,269	1,785,054,104	2,439,221,128	1,737,181,227
Less: Allowance for impairment losses	217,058,281	235,125,665	217,058,281	235,125,665
	1,704,346,988	1,549,928,439	2,222,162,847	1,502,055,562
Non current				
Trade Receivables				
Installment contract receivables	20,108,930,020	18,115,637,790	20,509,456,108	17,565,634,589
Retention Receivables	-	-	-	-
	20,108,930,020	18,115,637,790	20,509,456,108	17,565,634,589
	21,813,277,008	19,665,566,229	22,731,618,955	19,067,690,151

Ninety three percent (92%) of total receivables of the Company are on long-term basis. Current portion of installment contract receivables stands at PhP769.9 million which pertains to portion of receivables from buyers due within one (1) year.

6. Inventories

This account consists of:

	31-Mar		31-Dec	
	2017 Unaudited	2016 Unaudited	2016 Unaudited	2015 Audited
Real estate inventories				
Low-cost mass housing	5,558,783,768	3,525,364,511	4,864,067,819	3,444,857,924
Medium-rise condominium units	774,956,824	543,645,574	751,001,601	238,275,698
High-rise condominium units	1,927,005,594	791,819,283	1,703,736,886	1,409,199,037
	8,260,746,186	4,860,829,367	7,318,806,306	5,092,332,659
Timeshares	-	-	-	-
	8,260,746,186	4,860,829,367	7,318,806,306	5,092,332,659

7. Available for Sale Securities

Azalea Resorts Residences Corporation (ALRC) acquired the building, which is the subject of the timeshare inventory of the Company. The Company in turn invested in the common shares (representing 45% ownership) and in the preferred shares of ALRC. ALRC's primary purpose is to operate, maintain and/or manage a membership club. ALRC's preferred shares represent membership rights to the club including the right to use a specific unit of the building acquired from the Group and other facilities/amenities for one day per calendar year.

8. Other Assets

This account consists of:

	31-Mar		31-Dec	
	2017 Unaudited	2016 Unaudited	2016 Unaudited	2015 Audited
Current				
Advances to contractors and brokers	1,233,567,473	1,446,726,839	899,394,328	765,559,684
Input tax	270,338,001	89,705,649	221,910,840	60,789,182
Advances to landowners	194,199,200	1,187,013,102	198,399,200	1,155,852,449
Creditable withholding tax	46,039,141	38,693,439	32,773,316	25,974,944
Prepaid expenses	92,481,217	38,116,030	47,878,192	33,478,986
Others	81,752,738	8,419	5,775,096	38,908,097
	1,918,377,770	2,800,263,478	1,406,130,972	2,080,563,342
Less: Allowance for impairment losses	55,375,203	55,375,203	55,375,203	55,375,203
	1,863,002,567	2,744,888,275	1,350,755,769	2,025,188,139
Non-current				
Deposits	133,835,630	120,197,693	137,626,460	122,959,182
Advances to contractors and brokers	546,564,867	23,745,500	546,564,867	546,564,867
Software cost	1,492,522	1,492,522	1,492,522	1,492,522
Others	38,120,899	14,206,880	39,687,811	14,177,410
	720,013,918	159,642,595	725,371,659	685,193,981
Less: Allowance for impairment losses	2,511,974	2,511,974	2,511,974	2,511,974
	717,501,944	157,130,621	722,859,685	682,682,007
	2,580,504,511	2,902,018,897	2,073,615,454	2,707,870,146

9. Land Held for Future Development

This account consists of:

	31-Mar		31-Dec	
	2017 Unaudited	2016 Unaudited	2016 Unaudited	2015 Audited
Balance at beginning of year	12,998,743,464	6,593,194,295	6,593,194,295	6,527,048,427
Land acquired during the year	779,740,024	1,158,135,297	6,830,717,809	1,454,581,648
Transfers/Reclassification	-	-	(425,168,640)	(1,387,178,498)
Provision for write down	-	-	-	(1,257,282)
Balance at end of year	13,778,483,488	7,751,329,592	12,998,743,464	6,593,194,295

10. Property and Equipment
This account consists of:

31-Mar-17
Unaudited

	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machinery and Equipment	Transportation Vehicles	Waterlines	Construction in Progress	Total
Cost										
Balances at beginning of year	81,935,154	55,826,776	10,458,647	10,196,608	68,486,767	64,462,208	115,880,676	0	14,480,148	421,726,984
Additions	-	-	-	1,203,550	4,631,381	115,100	70,200	(0)	2,837,088	8,857,319
Transfers/Disposals	-	-	-	-	-	-	-	-	-	-
Balances at end of year	81,935,154	55,826,776	10,458,647	11,400,159	73,118,148	64,577,308	115,950,876	-	17,317,236	430,584,303
Accumulated Depreciation and Amortization										
Balances at beginning of year	-	18,688,346	8,888,701	7,831,443	27,350,134	30,422,288	56,418,760	0	-	149,599,671
Depreciation and Amortization	-	1,056,734	388,182	255,670	2,867,108	3,029,292	4,263,305	(0)	-	11,860,291
Transfers/Disposals	-	-	-	-	-	-	-	-	-	-
Balances at end of year	-	19,745,081	9,276,883	8,087,113	30,217,242	33,451,580	60,682,064	-	-	161,459,963
Accumulated Impairment Losses										
Balances at beginning of year	8,970,000	-	-	-	-	-	-	-	-	8,970,000
Provision for impairment loss	-	-	-	-	-	-	-	-	-	-
Balances at end of year	8,970,000	-	-	-	-	-	-	-	-	8,970,000
Net Book Value	72,965,154	36,081,695	1,181,764	3,313,046	42,900,906	31,125,728	55,268,812	-	17,317,236	260,154,341

31-Mar-16
Unaudited

	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machinery and Equipment	Transportation Vehicles	Waterlines	Construction in Progress	Total
Cost										
Balances at beginning of year	107,405,010	58,638,832	10,458,647	6,095,922	52,592,787	61,844,705	92,784,736	18,489,622	(1,339,286)	406,970,975
Additions	-	-	-	-	(3,930,781)	2,086,549	4,236,958	(6,509,400)	727,059	(3,389,615)
Transfers/Disposals	-	-	-	1,967,111	-	-	-	-	-	1,967,111
Balances at end of year	107,405,010	58,638,832	10,458,647	8,063,033	48,662,006	63,931,254	97,021,694	11,980,222	(612,227)	405,548,471
Accumulated Depreciation and Amortization										
Balances at beginning of year	-	17,089,205	9,158,202	6,456,955	24,035,862	28,525,147	57,057,982	2,158,067	-	144,431,420
Depreciation and Amortization	-	121,297	(1,434,048)	874,319	(2,815,854)	3,539,340	(6,010,241)	(520,934)	-	(6,246,122)
Transfers/Disposals	-	-	-	-	-	-	-	-	-	-
Balances at end of year	-	17,160,502	7,724,154	7,331,274	21,220,008	32,064,487	51,047,741	1,637,133	-	138,185,298
Accumulated Impairment Losses										
Balances at beginning of year	8,970,000	-	-	-	-	-	-	-	-	8,970,000
Provision for impairment loss	-	-	-	-	-	-	-	-	-	-
Balances at end of year	8,970,000	-	-	-	-	-	-	-	-	8,970,000
Net Book Value	98,435,010	41,478,331	2,734,493	731,759	27,441,998	31,866,768	45,973,953	10,343,089	(612,227)	259,393,173

31-Dec-16

Unaudited

	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machinery and Equipment	Transportation Vehicles	Waterlines	Construction in Progress	Total
Cost										
Balances at beginning of year	107,405,010	55,691,345	10,458,647	8,092,569	39,904,666	52,823,585	79,722,542	10,655,635	-	364,753,999
Additions	-	135,431	-	2,104,039	29,122,101	11,638,623	44,458,801	24,249	14,480,148	101,963,392
Transfers from construction in progress	-	-	-	-	-	-	-	-	-	-
Transfers from inventories	(25,469,856)	-	-	-	(540,000)	-	(8,300,667)	(10,679,884)	-	(44,990,407)
Balances at end of year	81,935,154	55,826,776	10,458,647	10,196,608	68,486,767	64,462,208	115,880,676	0	14,480,148	421,726,984
Accumulated Depreciation and Amortization										
Balances at beginning of year	-	14,488,494	7,335,972	7,198,962	19,527,523	18,898,703	48,225,947	1,102,945	-	116,778,546
Depreciation and Amortization	-	4,199,852	1,552,729	632,481	8,266,611	11,523,585	14,554,396	1,955,150	-	42,684,802
Disposal	-	-	-	-	(444,000)	-	(6,361,583)	(3,058,094)	-	(9,863,677)
Balances at end of year	-	18,688,346	8,888,701	7,831,443	27,350,134	30,422,288	56,418,760	0	-	149,599,671
Accumulated Impairment Losses										
Balances at beginning of year	8,970,000	-	-	-	-	-	-	-	-	8,970,000
Provision for impairment loss	-	-	-	-	-	-	-	-	-	-
Balances at end of year	8,970,000	-	-	-	-	-	-	-	-	8,970,000
Net Book Value	72,965,154	37,138,429	1,569,946	2,365,166	41,136,634	34,039,920	59,461,916	(0)	14,480,148	263,157,313

31-Dec-15
Audited

Cost	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machinery and Equipment	Transportation Vehicles	Waterlines	Construction in Progress	Total
	Balances at beginning of year	107,405,010	52,743,858	10,458,647	10,089,216	27,216,545	43,802,465	66,660,348	2,821,648	1,339,286
Additions	-	1,462,000	-	868,310	12,688,121	9,027,691	15,562,194	7,833,987	-	47,442,303
Transfers from construction in progress	-	1,339,286	-	-	-	-	-	-	(1,339,286)	-
Transfers from inventories	-	146,201	-	-	-	-	-	-	-	146,201
Disposals	-	-	-	(2,864,957)	-	(6,571)	(2,500,000)	-	-	(5,371,528)
Balances at end of year	107,405,010	55,691,345	10,458,647	8,092,569	39,904,666	52,823,585	79,722,542	10,655,635	-	364,733,999
Accumulated Depreciation and Amortization										
Balances at beginning of year	-	11,937,783	5,513,742	7,940,969	15,019,184	9,272,259	39,393,912	47,823	-	89,125,672
Depreciation and Amortization	-	2,550,711	1,822,230	740,384	4,508,339	9,631,479	10,632,035	1,055,122	-	30,940,300
Disposal	-	-	-	(1,482,391)	-	(5,035)	(1,800,000)	-	-	(3,287,426)
Balances at end of year	-	14,488,494	7,335,972	7,198,962	19,527,523	18,898,703	48,225,947	1,102,945	-	116,778,546
Accumulated Impairment Losses										
Balances at beginning of year	6,279,000	-	-	-	-	-	-	-	-	6,279,000
Provision for impairment loss	2,691,000	-	-	-	-	-	-	-	-	2,691,000
Balances at end of year	8,970,000	-	-	-	-	-	-	-	-	8,970,000
Net Book Value	98,435,010	41,202,851	3,122,675	893,607	20,377,143	33,924,882	31,496,595	9,552,690	-	239,005,453

11. Investment Properties

This account consists of:

	31-Mar-17 Unaudited				
	Land	Building	Land Improvements	Joint operations	Total
Cost					
Balances at beginning of year	224,635,194	8,832,630	90,084,348	-	323,552,172
Additions	9,462,764	-	34,971	-	9,497,736
Balances at end of year	234,097,958	8,832,630	90,119,320	-	333,049,908
Accumulated Depreciation and Amortization					
Balances at beginning of year	-	3,058,338	23,799,059	-	26,857,397
Depreciation and Amortization	-	110,408	1,126,346	-	1,236,754
Balances at end of year	-	3,168,746	24,925,405	-	28,094,151
Net Book Value	234,097,958	5,663,884	65,193,915	-	304,955,757

	31-Mar-16 Unaudited				
	Land	Building	Land Improvements		Total
Cost					
Balances at beginning of year	232,971,353	8,604,750	89,372,001	-	330,948,104
Additions	4,995,959	-	-	10,082,164	15,078,123
Balances at end of year	237,967,312	8,604,750	89,372,001	10,082,164	346,026,227
Accumulated Depreciation and Amortization					
Balances at beginning of year	-	2,627,152	19,309,682	-	21,936,834
Depreciation and Amortization	-	107,559	1,117,150	-	1,224,709
Balances at end of year	-	2,734,711	20,426,832	-	23,161,543
Net Book Value	237,967,312	5,870,039	68,945,169	10,082,164	322,864,683

	31-Dec-16 Audited				
	Land	Building	Land Improvements		Total
Cost					
Balances at beginning of year	232,971,353	8,604,750	89,372,001	-	330,948,104
Transfers/Reclassification	-	227,880	712,347	-	940,227
Additions	(8,336,159)	-	-	-	(8,336,159)
Balances at end of year	224,635,194	8,832,630	90,084,348	-	323,552,172
Accumulated Depreciation and Amortization					
Balances at beginning of year	-	2,627,152	19,309,682	-	21,936,834
Depreciation and Amortization	-	431,186	4,489,377	-	4,920,563
Balances at end of year	-	3,058,338	23,799,059	-	26,857,397
Net Book Value	224,635,194	5,774,292	66,285,290	-	296,694,775

	31-Dec-15			Total
	Land	Building	Land Improvements	
Audited				
Cost				
Balances at beginning of year	215,377,426	8,604,750	89,372,001	313,354,177
Transfers/Reclassification	17,593,927	-	-	17,593,927
Additions				
Balances at end of year	232,971,353	8,604,750	89,372,001	330,948,104
Accumulated Depreciation and Amortization				
Balances at beginning of year	-	2,196,914	14,841,082	17,037,996
Depreciation and Amortization	-	430,238	4,468,600	4,898,838
Balances at end of year	-	2,627,152	19,309,682	21,936,834
Net Book Value	232,971,353	5,977,598	70,062,319	309,011,270

12. Trade and Other Payables

This account consists of:

	31-Mar		31-Dec	
	2017 Unaudited	2016 Unaudited	2016 Unaudited	2015 Audited
Current				
Trade and accounts payables	1,777,940,354	1,283,523,244	1,344,015,930	1,171,035,888
Accrued expenses	1,110,801,096	761,664,820	918,351,621	1,092,797,654
Interest Payable	116,180,552	116,362,327	152,630,370	-
Retention payables	304,159,366	177,049,011	279,869,417	115,419,763
Withholding tax payables	85,168,163	24,927,166	15,028,031	12,083,117
Construction bonds	43,894,489	33,052,456	40,394,580	30,964,955
Net out put tax	27,094,955	6,337,865	12,269,021	11,965,649
Deferred Rent	-	(2,976,191)	-	7,440,476
Others	180,315,642	141,651,139	521,370,654	185,260,024
	3,645,554,617	2,541,591,837	3,283,929,624	2,626,967,526
Non-current				
Trade and accounts payables	31,816,667	-	31,816,667	31,816,667
Deferred Rent	-	-	-	-
Pension Liability	12,359,478	10,548,767	12,359,478	10,548,766
Retention payables	26,057,512	-	26,057,512	26,057,512
Others	-	-	-	-
	70,233,657	10,548,767	70,233,657	68,422,945
	3,715,788,274	2,552,140,604	3,354,163,281	2,695,390,471

13. Loans Payable

This account consists of:

	31-Mar		31-Dec	
	2016 Unaudited	2016 Unaudited	2016 Unaudited	2015 Audited
Short-term loans payable	1,433,867,557	2,702,077,964	1,292,714,227	1,980,934,640
Long-term loans payable	15,260,555,637	5,422,657,483	13,758,270,273	3,975,433,053
	16,694,423,195	8,124,735,447	15,050,984,500	5,956,367,693

14. Deposits from Customers

This account represents downpayments made by the real estate buyers for the purchase of residential housing units and timeshares. Once the residential unit is ready for occupancy, delivered and accepted by the buyer, the amount is removed from the liability account and is classified as part of sales.

15. Equity

This account consists of:

	31-Mar		31-Dec	
	2017 Unaudited	2016 Unaudited	2016 Unaudited	2015 Unaudited
Authorized, par value Php1.00	7,000,000,000	7,000,000,000	7,000,000,000	7,000,000,000
Issued and outstanding at beginning of year	5,517,990,720	5,517,990,720	5,517,990,720	5,517,990,720
Issuance of shares	-	-	-	-
Issued and outstanding at end of year	5,517,990,720	5,517,990,720	5,517,990,720	5,517,990,720

16. Revenue

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2017 Unaudited	2016 Unaudited	2016 Unaudited	2015 Audited
Real estate				
Low-cost mass housing	826,775,160	1,874,669,650	6,712,546,558	7,764,731,679
Medium-rise condominium units				
Condominium units	242,914,700	298,207,750	1,278,287,884	1,438,143,367
Parking space				26,515,000
	242,914,700	298,207,750	1,278,287,884	1,464,658,367
High-rise condominium units	520,000,490		1,117,488,610	
	1,589,690,350	2,172,877,400	9,108,323,052	9,229,390,046
Rental income	2,366,774	1,116,071	12,175,544	45,715,166
Others	2,077,171	1,642,546	149,730,893	2,741,500
	1,594,134,294	2,175,636,017	9,270,229,489	9,277,846,712
Gain on Sale of Preferred Shares	9,883,952	-	65,029,541	1,874,007
	1,604,018,247	2,175,636,017	9,335,259,030	9,279,720,719

17. Cost of Sales and Services

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2017	2016	2016	2015
	Unaudited	Unaudited	Audited	Audited
Real estate				
Low-cost mass housing	319,784,653	815,495,444	3,172,865,513	3,521,823,132
Medium-rise condominium units	93,893,843	107,125,991	490,075,085	609,086,149
High-rise condominium units	244,093,348		534,581,202	
	657,771,844	922,621,435	4,197,521,800	4,130,909,281
Cost of rental services	12,769	98,591	188,033	4,747,977
Cost of others	11,592,032	23,163,147	72,438,806	38,664,969
	669,376,644	945,883,173	4,270,148,639	4,174,322,227
Timeshare and Hotel Operations				
Timeshare	-	-	-	-
	669,376,644	945,883,173	4,270,148,639	4,174,322,227

18. Operating Expenses

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2017	2016	2016	2015
	Unaudited	Unaudited	Unaudited	Audited
Marketing and selling	118,679,516	130,193,069	573,773,685	615,381,901
Documentation	61,855,750	69,554,939	277,189,598	324,848,386
Taxes and licenses	48,713,023	60,808,566	169,701,005	193,922,576
Salaries and employee benefits	25,369,053	20,466,559	125,196,160	101,138,966
Write-off of assets	-	-	-	3,810,970
Provision for credit and impairment losses	-	-	-	135,193,573
Management and professional fees	2,846,751	5,968,157	38,957,844	48,304,768
Communication, light and water	7,033,313	5,189,939	54,603,804	39,364,882
Provision for (reversal of) probable losses	-	-	(19,678,665)	(79,469,175)
Security, messengerial and janitorial	5,228,194	5,361,902	50,850,510	30,977,348
Depreciation and amortization	13,224,881	10,482,451	47,524,091	35,839,138
Transportation and travel	6,010,491	6,944,806	69,455,425	44,124,308
Repairs and maintenance	6,083,543	8,482,232	80,066,405	58,565,085
Entertainment, amusement and representation	660,746	964,344	32,492,152	35,577,302
Donations and contributions	-	-	-	2,815,962
Rent	5,761,411	4,371,189	18,425,058	17,190,739
Supplies	2,861,210	1,390,083	10,480,814	8,889,408
Insurance	2,040,742	-	10,499,549	4,978,683
Provision for write-down	-	-	-	1,257,282
Subscription dues and fees	1,859,518	39,715,164	6,347,650	59,943,285
Miscellaneous	7,202,033	5,040,689	48,582,763	41,149,399
	315,430,175	374,934,089	1,594,467,849	1,723,804,786

19. Finance Costs

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2017	2016	2016	2015
	Unaudited	Unaudited	Unaudited	Audited
Borrowings	237,902,400	185,485,570	381,565,622	584,598,153
Accretion	5,259,117	7,198,012	20,285,343	29,030,928
Bank charges	175,464	169,478	559,872,607	715,322
Net interest expense on pension obligation			1,145,969	328,027
	243,336,982	192,853,061	962,869,541	614,672,430

20. Other Income

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2017	2016	2016	2015
	Unaudited	Unaudited	Audited	Audited
Interest Income from:				
Installment contract receivables	393,376,315	338,427,869	1,426,715,431	1,209,137,409
Cash in banks and long term investments	121,284	224,494	1,830,336	1,623,424
Accretion	-	-	-	2,259,355
Penalties	11,728,717	8,209,211	30,621,170	20,864,114
Water income	-	481,768	3,433,330	7,111,199
Maintenance fee	-	-	-	3,736,617
Collection service fees	-	9,080	134,496	579,797
Gain on sale of property and equipment	-	-	85,452	571,399
Gain on sale of building and improvements	-	-	-	-
Miscellaneous	27,136,099	84,710,630	73,152,313	101,055,945
	432,362,415	432,063,052	1,535,972,528	1,346,939,259

21. Related Party Transactions

This account consists of:

31-Mar-17 Unaudited					
Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditions
Entities under common control	Advances	Due from related parties	318,340,376	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	125,315,063	Non-Interest bearing, payable on demand	Unsecured

31-Mar-16 Unaudited					
Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditions
Entities under common control	Advances	Due from related parties	317,577,075	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	54,939,361	Non-interest bearing, payable on demand	Unsecured

2016
Unaudited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditions
Entities under common control	Advances	Due from related parties	327,890,397	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	206,628,319	Non-interest bearing, payable on demand	Unsecured

2015
Audited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditions
Stockholders	Advances	Due from related parties	289,716,995	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	114,212,864	Non-interest bearing, payable on demand	Unsecured

Financial Highlights and Key Performance Indicators

Table below shows comparative consolidated balance sheet financial highlights of 8990 Holdings, Inc. for three months ended March 31, 2017 and 2016, both unaudited.

Consolidated Balance Sheet	As of March 31, 2017	As of March 31, 2016	Increase	
	Unaudited	Unaudited	Amount	%
Total Assets	49,287,207,850	37,701,540,911	11,585,666,939	30.73%
Current Assets	12,959,525,896	9,930,044,513	3,029,481,383	30.51%
Trade Receivables	21,813,277,008	19,665,566,229	2,147,710,779	10.92%
Total Liabilities	30,661,464,523	20,706,749,521	9,954,715,002	48.07%
Current Liabilities	5,878,513,429	5,946,809,817	(68,296,388)	-1.15%
Loans Payable	25,606,464,642	17,016,297,754	8,590,166,888	50.48%
Stockholder's Equity	18,625,743,327	16,994,791,390	1,630,951,937	9.60%

Table below shows comparative consolidated statement of income financial highlights of 8990 Holdings, Inc. for three months ended March 31, 2017 and 2016, both unaudited.

Consolidated Statements of Income	As of March 31, 2017	As of March 31, 2016	Increase	
	Unaudited	Unaudited	Amount	%
Revenue	1,604,018,247	2,175,636,017	(571,617,770)	-26.27%
Gross Income	934,641,603	1,229,752,844	(295,111,241)	-24.00%
Operating Expenses	315,430,175	374,934,089	(59,503,914)	-15.87%
Net Operating Income	619,211,428	854,818,755	(235,607,327)	-27.56%
EBITDA	1,064,798,724	1,297,364,258	(232,565,534)	-17.93%
Net Income Before Tax	808,236,861	1,094,028,746	(285,791,885)	-26.12%
Net Income After Tax	736,207,321	1,031,687,309	(295,479,988)	-28.64%

Tables below show quarter one 2016 key performance indicators of the Company, with relevant comparative figures.

Key Performance Indicators	As of March 31, 2017	As of March 31, 2016	Bond Covenant
	Unaudited	Unaudited	
Current Ratio	2.20	1.67	minimum 1.0
Book Value Per Share	3.38	3.08	
Net Debt to Equity Ratio	1.33	0.97	maximum 1.5
Asset to Equity Ratio	2.65	2.22	
Asset to Debt Ratio	1.61	1.82	
Debt Service Ratio	1.98	1.45	minimum 1.25
Interest Coverage Ratio	4.42	6.94	

Key Performance Indicators	As of March 31, 2017	As of March 31, 2016
	Unaudited	Unaudited
Gross Margin	58.27%	56.52%
EBITDA Margin	66.38%	59.63%
Net Income Margin	45.90%	47.42%

Description of Consolidated Statements of Comprehensive Income Line Items

Revenue

8990 Holdings, Inc.'s (the Company) sales primarily comprise revenues received from its sales of low-cost mass housing units and subdivision lots and medium-rise building housing units, as well as revenues derived from its timeshare and hotel operations.

Cost of Sales and Services

Cost of sales and services comprises of the Company's costs of sales from its low-cost mass housing sales of housing units and subdivision lots, costs of sales from sales of medium-rise condominium units, costs of sales from sales of medium-rise condominium units, and costs of sales from sales of timeshares.

Operating Expenses

Operating expenses generally include selling and administrative costs that are not directly attributable to the services rendered. Operating expenses of the Company comprise expenses related to marketing and selling, documentation, taxes and licenses, salaries and employment benefits, write-off of assets, provisions for impairment losses, management and professional fees, communication, light and water, provisions for probable losses, security, messengerial and janitorial services, depreciation and amortization, transportation and travel, repairs and maintenance, rent, entertainment, amusement and representation, supplies, provisions for write-down, subscription dues and fees and miscellaneous expenses (such as extraordinary documentation expenses, liquidation and donation expenses, as well as other expenses).

Finance Costs

Finance costs comprise costs associated with the Company's borrowings, accretion of interest, bank charges and net interest expense on its pension obligations.

Other Income

Other income comprises the Company's interest income from its installment contract receivables, cash in bank and long-term investments. Other income of the Company also comprises income from water supply, gain on repossession of delinquent units and associated penalties, rent income, collection service fees and other miscellaneous income (such as gain from sales cancellations, retrieval fees, association due and transfer fee). The Company also recorded other gains and losses such as a gain from the sale of unquoted debt security classified as loans, and other expenses such as a loss on the sale of a subsidiary.

Provision for Income Tax

Provision for income tax comprises the Company's provisions for regular and minimum corporate income taxes, final taxes to be paid as well as deferred income tax liabilities recognized.

Results of Operations

Three months ended March 31, 2017 compared to three months ended March 31, 2016

Revenue

For the three months ended March 31, 2017, the Company recorded consolidated revenue of PhP1,604 million, a decrease of 26% from consolidated revenue of PhP2,176 million recorded for the three months ended March 31, 2016. The decrease was mainly attributable to the limited inventory for sale due to the delays in permit.

Cost of Sales and Services

The Company's consolidated cost of sales and services for the three months ended March 31, 2017 was PhP669 million, a decrease of 29% from consolidated cost of sales and services of PhP946 million recorded for the three months ended March 31, 2016. The decrease was mainly attributable to decreased sales recorded for the period.

Gross Income

The Company's consolidated gross income for the three months ended March 31, 2017 was PhP935 million, an increase from consolidated gross income of PhP1,230 million recorded for the three months ended March 31, 2016. The Company's gross income margin for the three months ended March 31, 2017 was 58.3%, compared to a gross income margin of 56.5% recorded for the three months ended March 31, 2016. The Company attributes its strong and maintained gross income margin to its sound internal financial planning policies with respect to land banking activities and project budgeting process.

Operating Expenses

For the three months ended March 31, 2017, the Company recorded consolidated operating expenses of PhP315 million, a decrease of 16% from consolidated operating expenses of PhP375 million recorded for the three months ended March 31, 2016.

Finance Costs

The Company's consolidated finance costs for the three months ended March 31, 2017 were PhP243 million, an increase from consolidated finance costs of PhP193 million recorded for the three months ended March 31, 2016. The increase was mainly attributable to interest expense resulting from the Company's increased level of debt.

Other Income

For the three months ended March 31, 2017, the Company recorded consolidated other income of PhP432 million, about the same level from the consolidated other income of PhP432 million recorded for the three months ended March 31, 2016. Interest income on the Company's installment contract receivables under its CTS Gold program contributes to the majority of the other income.

Income before Income Tax

The Company's consolidated income before income tax for the three months ended March 31, 2017 was PhP808 million, an increase from consolidated income before income tax of PhP1,094 million recorded for the three months ended March 31, 2016.

Provision for Income Tax

The Company's consolidated provision for income tax for the three months ended March 31, 2017 was PhP72 million, a decrease from consolidated provision for income tax of PhP62 million recorded for the three months ended March 31, 2016. The increase was mainly attributable to the Company's increased other income which are subject to income tax.

Net Income

As a result of the foregoing, the Company's consolidated net income for the three months ended March 31, 2017 was PhP736 million, a slight increase from consolidated net income of PhP1,032 million recorded for the three months ended March 31, 2016. The Company's consolidated net income margin for the three months ended March 31, 2017 was 45.9%, compared to a consolidated net income margin of 47.4% for the three months ended March 31, 2016.

Financial Position

As at March 31, 2017 compared to as at March 31, 2016

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were PhP813 million as at March 31, 2017, a decrease from consolidated cash on hand and in banks of PhP457 million as at March 31, 2016.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were PhP1,704 million as at March 31, 2017, an increase from consolidated current portion of trade and other receivables of PhP1,550 million as at March 31, 2016.

Inventories

The Company's consolidated inventories were PhP8,261 million as at March 31, 2017, an increase from consolidated inventories of PhP4,861 million as at March 31, 2016.

Due from related parties

The Company's consolidated due from related parties were PhP318 million as at March 31, 2017, same level from consolidated due from related parties of PhP318 million as at March 31, 2016.

Other current assets

The Company's consolidated other current assets were PhP1,863 million as at March 31, 2017, a significant decrease from consolidated other current assets of PhP2,745 million as at March 31, 2016, primarily due to decreased advances to contractors in relation to construction on the Company's development projects.

Trade and other receivables – net of current portion

The Company's consolidated trade and other receivables-net of current portion were PhP20,109 million as at March 31, 2017, an increase from consolidated trade and other receivables - net of

current portion of PhP18,116 million as at March 31, 2016. This increase was due mainly to higher receivables under the Company's CTS Gold program, in line with its higher sales.

Land held for future development

The Company's consolidated land held for future development was PhP13,778 million as at March 31, 2017, an increase from consolidated land held for future development of PhP7,751 million as at March 31, 2016, as the Company acquired certain real properties as part of its land banking.

Property and equipment

The Company's consolidated property and equipment was PhP260 million as at March 31, 2017, an increase from consolidated property and equipment of PhP247 million as at March 31, 2016.

Investment properties

The Company's consolidated investment properties were PhP305 million as at March 31, 2017, a decrease from consolidated investment properties of PhP323 million as at March 31, 2016.

Investment in shares

The Company's consolidated investment in shares was nil as at March 31, 2017.

Other noncurrent assets

The Company's other noncurrent assets were PhP718 million as at March 31, 2017, an increase from other noncurrent assets of PhP157 million as at March 31, 2016.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were PhP3,646 million as at March 31, 2017, an increase from consolidated current portion of trade and other payables of PhP2,552 million as at March 31, 2016.

Current portion of loans payable

The Company's consolidated current portion of loans payable were PhP1,434 million as at March 31, 2017, a decrease from consolidated current portion of loans payable of PhP2,702 million as at March 31, 2016. The decrease was due to decreased short-term borrowing of the Company.

Deposits from customers

The Company's consolidated deposits from customers were PhP384 million as at March 31, 2017, an increase from consolidated deposits from customers of PhP377 million as at March 31, 2016.

Due to related parties

The Company's consolidated due to related parties were PhP125 million as at March 31, 2017, an increase from consolidated due to related parties of PhP55 million as at March 31, 2016.

Income tax payable

The Company's consolidated income tax payable was PhP290 million as at March 31, 2017, an increase from consolidated income tax payable of PhP261 million as at March 31, 2016.

Trade and other payables - net of current portion

The Company's consolidated trade and other payables - net of current portion were PhP70 million as at March 31, 2017, a decrease from consolidated trade and other payables - net of current portion of PhP11 million as at March 31, 2016.

Loans payable - net of current portion

The Company's consolidated loans payable - net of current portion was PhP15,261 million as at March 31, 2017, a significant decrease from consolidated loans payable - net of current portion of PhP5,422 million as at March 31, 2016. The Company entered into additional loan transactions during the quarter to fund purchase of land for future development.

Deferred tax liability

The Company's consolidated deferred tax liability was PhP540 million as at March 31, 2017, an increase from consolidated deferred tax liability of PhP435 million as at March 31, 2016. This deferred tax liability was attributable to provision for income tax resulting from the delay in the income tax holiday accreditation for certain Company projects. Accreditation for these projects has since been obtained.

Liquidity and Capital Resources

The Company mainly relies on the following sources of liquidity: [1] cash flow from operations, [2] cash generated from the sale or transfer of receivables to private financial institutions such as banks or to government housing related institutions such as the Home Development Mutual Fund ("PAG-IBIG"); and [3] financing lines provided by banks. The Company knows of no demands, commitments, events, or uncertainties that are reasonably likely to result in a material increase or decrease in liquidity. The Company is current on all of its loan accounts, and has not had any issues with banks to date. The Company does not anticipate having any cash flow or liquidity problems over the next twelve (12) months. The Company is not in breach or default on any loan or other form of indebtedness.

The Company expects to meet its operating assets and liabilities, capital expenditure, dividend payment and investment requirements for the next twelve (12) months primarily from its operating cash flows, borrowings and proceeds of the shares issuance. It may also from time to time seek other sources of funding, which may include debt or equity financings, depending on its financing needs and market conditions.

Cash Flows

Cash flow used in operating activities

The Company's consolidated net cash used in operating activities is primarily affected by the revenues generated from its operations, primarily the sale of residential housing units, subdivision lots and MRB condominium units. The Company's consolidated net cash from operating activities were PhP711 million for the period ended March 31, 2017, net cash used in operating activities were PhP1,085 million for the period ended March 31, 2016.

Cash flows used in investing activities

Consolidated net cash flow used in investing activities for the periods ended March 31, 2017 and March 31, 2016 were PhP795 million and PhP1,190 million, respectively.

For the three months ended March 31, 2017, consolidated net cash flow used in investing activities reflected acquisitions of land for future development, investment in shares, as well as purchases of property and equipment.

Cash flow provided by financing activities

Consolidated net cash flow provided by financing activities for the periods ended March 31, 2017 and March 31, 2016 were PhP192 million and PhP702 million, respectively.

PART II--OTHER INFORMATION

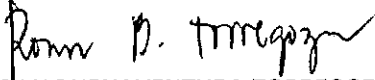
There is no material information to be reported by the Company aside from those reported in SEC 17C.

SIGNATURES

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

Issuer: 8990 Holdings, Inc.

By:


ROAN BUENAVENTURA-TORREGOZA
Chief Finance Officer

Date: