

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

Roan Buenaventura-Torregoza
Compliance Officer
Contact Person/s

(632) 4789659/5333915/5333917	
Company	Telephone

Number

1	2
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3	1
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SEC Form 17-A
December 31, 2023

0	7
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3	1
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Month Day
Calendar Year

FORM TYPE

Month Day
Annual Meeting

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

Amended Articles Number/Section

38	
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Total No. of Stockholders

35

Domestic

3

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

Document I.D.

Cashier

STAMPS



Lae Duyogan <8990holdings02@gmail.com>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph>

Tue, Apr 30, 2024 at 4:45 PM

To: 8990HOLDINGS02@gmail.com

Cc: 8990HOLDINGS02@gmail.com

Hi 8990 HOLDINGS, INC,

Valid files

- EAFS239508223OTHTY122023.pdf
- EAFS239508223AFSTY122023.pdf
- EAFS239508223ITRTY122023.pdf
- EAFS239508223RPPTY122023.pdf
- EAFS239508223TCRTY122023-01.pdf

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- <None>

Transaction Code: **AFS-0-NNTTRVNP0BGCE9FK9QXP4MQWX02WW3XPXQ**

Submission Date/Time: **Apr 30, 2024 04:45 PM**

Company TIN: **239-508-223**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **8990 Holdings, Inc.** is responsible for the preparation and fair presentation of financial statements, including the schedules attached therein, as of and for the years ended December 31, 2023 and 2022 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

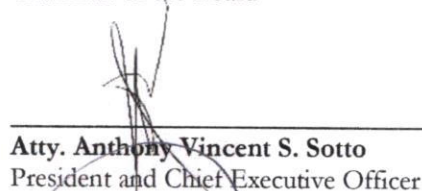
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

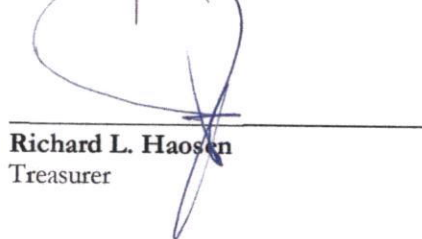
RAMON F. GARCIA AND CO., CPAs the independent auditors appointed by the stockholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.



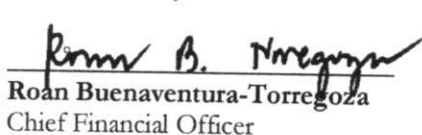
Mariano D. Martinez
Chairman of the Board



Atty. Anthony Vincent S. Sotto
President and Chief Executive Officer



Richard L. Haosen
Treasurer



Roan Buenaventura-Torregoza
Chief Financial Officer

Subscribed and Sworn to before me this
APR 25 2024 at PASIG CITY
exhibiting to me his/her ID No. _____

Doc No. 121
Page No. 26
Book No. 46
Series of 2024

ATTY. DARIAN KAYE S. AQUINO
Notary Public for and in the City of Pasig
Until 31 December 2025
Roll No. 72050
PTR No. 1569020; 2 January 24; Pasig City
IBP No. 382665; 1 January 24; Isabela
MCLE Compliance No. VII-0016232 (exp. on 04.14.2025)
Appointment No. 48 (2024-2025)

Signed this day of: April 24, 2024

HOUSING THE FILIPINO PEOPLE

SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITORS

The Shareholders and Board of Directors
8990 HOLDINGS, INC.
11TH Floor Liberty Center
104 H.V. Dela Costa, Salcedo Village
Makati City

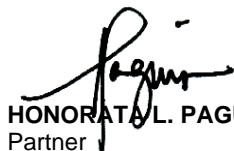
We have examined the financial statements of **8990 HOLDINGS, INC.** for the year ended December 31, 2023, on which we have rendered the attached report dated April 24, 2024

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said Company has a total number of one hundred ninety-five (195) shareholders owning one hundred (100) or more shares each.

Very truly yours,

RAMON F. GARCIA & COMPANY, CPAs

By:



HONORABLE L. PAGUIO

Partner

CPA Certificate No. 0078850

PTR No. 10109963, January 25, 2024, Makati City

TIN 105-540-683-000

BOA/PRC Accreditation No. 0207 (April 9, 2023 to October 5, 2025)

Partner's BIR Accreditation No. 08-001759-003-2020 (March 13, 2023 to March 12, 2026)

Partner's SEC Accreditation No. 78850, Group A (Valid for the audit of 2019 to 2023 financial statements)

Firm's BIR Accreditation No. 08-001759-000-2020 (March 13, 2023 to March 12, 2026)

Firm's SEC Accreditation No. 0207-SEC-A (Valid for the audit of 2021 to 2025 financial statements)

April 24, 2024
Makati City

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

The Management of **8990 Holdings, Inc.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2023. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax, withholding tax returns, documentary stamp tax returns, and any other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2023 and the accompanying Annual Income Tax Return are in accordance with the books and records of **8990 Holdings, Inc.**, complete and correct in all material respects. Management likewise affirms that:

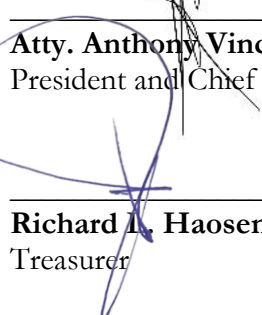
- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) **8990 Holdings, Inc.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.



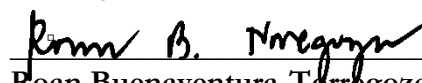
Mariano D. Martinez
Chairman of the Board



Atty. Anthony Vincent S. Sotto
President and Chief Executive Officer



Richard L. Haosen
Treasurer



Roan Buenaventura-Torregoza
Chief Financial Officer

HOUSING THE FILIPINO PEOPLE

INDEPENDENT AUDITORS' REPORT TO ACCOMPANY INCOME TAX RETURNS

The Shareholders and Board of Directors
8990 HOLDINGS, INC.
11TH Floor Liberty Center
104 H.V. Dela Costa, Salcedo Village
Makati City

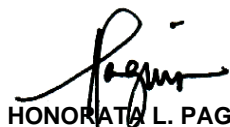
Gentlemen:

In connection with our examination of the financial statements of **8990 HOLDINGS, INC.**, as of and for the year ended December 31, 2023 we wish to state that no partners of our Firm are related by consanguinity or affinity to any of the principal officers, members of the Board of Directors or principal shareholders of the Company.

Very truly yours,

RAMON F. GARCIA & COMPANY, CPAs

By:



HONORATA L. PAGUIO

Partner

CPA Certificate No. 0078850

PTR No. 10109963, January 25, 2024, Makati City

TIN 105-540-683-000

BOA/PRC Accreditation No. 0207 (April 9, 2023 to October 5, 2025)

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Firm's BIR Accreditation No. 08-001759-000-2020 (March 13, 2023 to March 12, 2026)

Firm's SEC Accreditation No. 0207-SEC-A (Valid for the audit of 2021 to 2025 financial statements)

April 24, 2024

Makati City

INDEPENDENT AUDITORS' REPORT

The Shareholders and Board of Directors
8990 HOLDINGS, INC.
11TH Floor Liberty Center
104 H.V. Dela Costa, Salcedo Village
Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **8990 HOLDINGS, INC.** ("the Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards in Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, the Code of Ethics for Professional Accountants in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis for accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

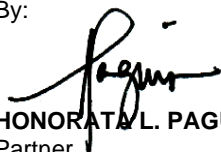
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses and other information in notes to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole.

RAMON F. GARCIA & COMPANY, CPAs

By:



HONORABLE L. PAGUIO

Partner

CPA Certificate No. 0078850

PTR No. 10109963, January 25, 2024, Makati City

TIN 105-540-683-000

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April 24, 2024

Makati City

Ramon F. Garcia and Company, CPAs is a member of Crowe Global rendering Audit, Tax & Advisory Services. Crowe Global is a leading international network of separate and independent accounting and consulting firms that are licensed to use Crowe in connection with the provision of professional services to their clients. Crowe Global itself is a non-practicing entity and does not provide professional services to clients. Services are provided by the member firms. Crowe Global and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

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8990 HOLDINGS, INC.
STATEMENTS OF FINANCIAL POSITION OF THE PARENT COMPANY
AS OF DECEMBER 31, 2023 AND 2022
(Amounts in Philippine Peso)

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash on hand and in banks	7	6,149,856	19,147,709
Receivables	8	29,248,263	4,138,047
Loans receivables	9, 23	724,816,834	1,121,770,274
Due from related parties	23	354,839,923	354,839,923
Prepaid income tax		29,104,202	30,246,045
Other current assets - net	14	<u>21,999,648</u>	<u>20,159,979</u>
Total Current Assets		<u>1,166,158,726</u>	<u>1,550,301,977</u>
NON-CURRENT ASSETS			
Investments in subsidiaries	10	44,077,107,964	44,077,107,964
Investments in associates	11	267,022,982	221,164,876
Right-of-use asset, net	16	706,568	1,917,827
Intangible asset, net	13	277,200	-
Loans receivables	9, 23	197,077,362	184,106,257
Property and equipment - net	12	-	7,401
Other non-current assets	14	<u>393,891</u>	<u>393,891</u>
Total Non-current Assets		<u>44,542,585,967</u>	<u>44,484,698,216</u>
TOTAL ASSETS		<u><u>45,708,744,693</u></u>	<u><u>46,035,000,193</u></u>
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Trade and other payables	15	70,245,261	80,297,322
Lease Liability	16	803,260	1,269,873
Due to related parties	23	<u>1,387,894,726</u>	<u>4,291,235,562</u>
Total Current Liabilities		<u>1,458,943,247</u>	<u>4,372,802,757</u>
NON-CURRENT LIABILITIES			
Lease Liability	16	-	803,260
Pension liability	19	1,044,088	429,702
Deferred tax liabilities, net	21	<u>31,494,723</u>	<u>20,183,793</u>
Total Non-current Liabilities		<u>32,538,811</u>	<u>21,416,755</u>
Total Liabilities		<u>1,491,482,058</u>	<u>4,394,219,512</u>

EQUITY

Capital stock	20	5,554,990,720	5,554,990,720
Additional paid-in capital	20	32,037,009,351	32,037,009,351
Treasury shares, at cost	20	(1,822,144,768)	(1,806,540,154)
Revaluation reserve	19	(449,096)	(50,209)
Retained earnings	20	8,447,856,428	5,855,370,973

Total Equity		44,217,262,635	41,640,780,681
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TOTAL LIABILITIES AND EQUITY

45,708,744,693	46,035,000,193
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8990 HOLDINGS, INC.
STATEMENTS OF COMPREHENSIVE INCOME OF THE PARENT COMPANY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 and 2021
(Amounts in Philippine Peso)

	<u>Notes</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
REVENUES				
Dividend income	10, 23	2,742,303,771	1,953,077,419	2,545,481,070
Interest income	7, 9	52,380,894	87,860,381	279,948,574
Share in net income of associate	11	45,858,106	67,950,366	13,214,510
Other income		1,682,877	-	21,500
Reversal of allowance	8, 14	-	-	1,937,581
Total Revenues		<u>2,842,225,648</u>	<u>2,108,888,166</u>	<u>2,840,603,235</u>
EXPENSES				
Salaries and wages	19, 23	3,724,356	3,112,438	3,146,089
Professional fees		3,546,428	25,685,745	6,982,058
Representation		2,309,347	700,818	1,980,749
Subscription, dues and fees		2,205,342	3,729,430	2,471,371
Taxes and licenses	28	1,449,105	2,123,126	4,993,296
Depreciation and amortization	12, 13, 16	1,238,460	1,250,780	512,902
Communication, light and water		211,047	253,001	281,582
Rent	16	156,000	156,000	884,819
Impairment loss	8, 14	-	29,801	-
Loss on early redemption - bonds	18	-	6,592,275	-
Miscellaneous	24	19,299,526	19,857,553	18,560,867
Total Expenses		<u>(34,139,611)</u>	<u>(63,490,967)</u>	<u>(39,813,733)</u>
OPERATING INCOME		2,808,086,037	2,045,397,199	2,800,789,502
FINANCE COSTS	16, 17, 18	<u>(120,957)</u>	<u>(37,685,410)</u>	<u>(81,235,098)</u>
INCOME BEFORE TAX		2,807,965,080	2,007,711,789	2,719,554,404
TAX EXPENSE	21	<u>(11,979,625)</u>	<u>(17,402,441)</u>	<u>(3,601,623)</u>
NET INCOME		<u>2,795,985,455</u>	<u>1,990,309,348</u>	<u>2,715,952,781</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Gain (loss) on remeasurement of defined benefit post-employment obligation	19	(531,850)	(4,603)	290,202
Tax benefit (expense)	21	132,963	1,151	(90,178)
		<u>(398,887)</u>	<u>(3,452)</u>	<u>200,024</u>
TOTAL COMPREHENSIVE INCOME		<u>2,795,586,568</u>	<u>1,990,305,896</u>	<u>2,716,152,805</u>
Basic and diluted earnings per share	25	<u>0.48</u>	<u>0.28</u>	<u>0.41</u>

8990 HOLDINGS, INC.
STATEMENTS OF CHANGES IN EQUITY OF THE PARENT COMPANY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 and 2021
(Amounts in Philippine Peso)

	Note	Capital Stock	Additional Paid-in Capital	Treasury Shares	Revaluation Reserve (Note 19)	Retained Earnings	Total Equity
Balance at January 1, 2023		5,554,990,720	32,037,009,351	(1,806,540,154)	(50,209)	5,855,370,973	41,640,780,681
Cash dividends	20	-	-	-	-	(203,500,000)	(203,500,000)
Treasury Share Buy-back	20.3	-	-	(15,604,614)	-	-	(15,604,614)
Comprehensive income for the year							
Net income		-	-	-	-	2,795,985,455	2,795,985,455
Other comprehensive income		-	-	-	(398,887)	-	(398,887)
Balance at December 31, 2023		<u>5,554,990,720</u>	<u>32,037,009,351</u>	<u>(1,822,144,768)</u>	<u>(449,096)</u>	<u>8,447,856,428</u>	<u>44,217,262,635</u>
Balance at January 1, 2022		5,604,990,720	36,987,009,351	(1,806,540,154)	(46,757)	4,369,876,625	45,155,289,785
Redemption of preferred shares	20	- 50,000,000	- 4,950,000,000	-	-	-	(5,000,000,000)
Cash dividends	20	-	-	-	-	(504,815,000)	(504,815,000)
Comprehensive income for the year							
Net income		-	-	-	-	1,990,309,348	1,990,309,348
Other comprehensive income		-	-	-	(3,452)	-	(3,452)
Balance at December 31, 2022		<u>5,554,990,720</u>	<u>32,037,009,351</u>	<u>(1,806,540,154)</u>	<u>(50,209)</u>	<u>5,855,370,973</u>	<u>41,640,780,681</u>
Balance at January 1, 2021		5,567,990,720	33,383,901,887	(1,806,540,154)	(246,781)	3,262,336,988	40,407,442,660
Proceeds from issuance of preferred shares	20	37,000,000	3,603,107,464	-	-	-	3,640,107,464
Cash dividends	20	-	-	-	-	(1,608,413,144)	(1,608,413,144)
Comprehensive income for the year							
Net income		-	-	-	-	2,715,952,781	2,715,952,781
Other comprehensive income		-	-	-	200,024	-	200,024
Balance at December 31, 2021		<u>5,604,990,720</u>	<u>36,987,009,351</u>	<u>(1,806,540,154)</u>	<u>(46,757)</u>	<u>4,369,876,625</u>	<u>45,155,289,785</u>

See Notes to Financial Statements.

8990 HOLDINGS, INC.
STATEMENTS OF CASH FLOWS OF THE PARENT COMPANY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 and 2021
(Amounts in Philippine Peso)

	<u>Notes</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax		2,807,965,080	2,007,711,789	2,719,554,404
Adjustments for:				
Dividend income	10, 23	(2,742,303,771)	(1,953,077,419)	(2,545,481,070)
Equity in net earnings of associate	11	(45,858,106)	(67,950,366)	(13,214,510)
Interest expense	16, 17, 18	87,605	37,016,711	80,161,208
Interest income	7, 9	(52,380,894)	(87,860,381)	(279,948,574)
Pension cost	19	82,536	65,778	103,265
Impairments loss (reversal of expected credit losses)	8, 14	-	29,801	(1,937,581)
Loss on early redemption of bonds	18	-	6,592,275	
Amortization of bond issue costs	18, 26	-	658,476	1,156,955
Depreciation and amortization	12, 13, 16	1,238,460	1,250,780	512,902
Gain on sale of PPE	12	(225,000)	-	-
Operating loss before working capital changes		(31,394,090)	(55,562,556)	(39,093,001)
(Increase) Decrease in receivables		371,843,225	1,023,674,508	(8,958,739)
(Increase) Decrease in other current assets		2,562,670	(710,190)	(1,520,039)
Increase in other non-current assets		-	(31,920)	(393,891)
Increase (Decrease) in trade and other payables		(10,052,061)	(67,569,907)	96,776,487
Cash generated from operations		332,959,744	899,799,935	46,810,817
Interest paid		-	(36,859,947)	(68,147,156)
Interest received	7	5,863	22,538	61,733
Income taxes paid		(3,794,747)	(5,690,070)	(1,839,302)
Final taxes paid		(1,482)	(4,398)	(12,347)
Net Cash Generated from (Used in) Operating Activities		329,169,378	857,268,058	(23,126,255)
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividends received	10, 23	2,742,303,771	1,953,077,419	2,545,481,070
Advances granted to related parties	23	(2,507,225,000)	(432,021,780)	(1,102,160,712)
Interest received from loans to a third party	9	39,403,926	59,874,503	59,000,495
Acquisition of intangible asset	13	(297,000)	-	-
Proceeds from sale of equipment	12	225,000	-	-
Subscription to shares of stock of a subsidiary	10	-	(88,275,504)	-
Subscription to shares of stock of an associate	11	-	(60,000,000)	(80,000,000)
Net Cash Provided by Investing Activities		274,410,697	1,432,654,638	1,422,320,853
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of notes	17	-	(500,000,000)	(800,000,000)
Payment of bonds	18, 26	-	(599,882,750)	-
Proceeds from issuance (redemption) of preferred shares	20	-	(5,000,000,000)	3,640,107,464
Treasury Share Buy-back	20	(15,604,614)	-	-
Payments of dividends	20	(203,500,000)	(504,815,000)	(1,608,413,144)
Advances obtained from related parties	23,26	5,942,623	5,338,714,977	-
Repayment of advances obtained from related parties	23,26	(402,058,459)	(1,044,069,003)	(2,596,103,115)
Repayment of lease liability	16	(1,357,478)	(1,280,639)	(520,585)
Net Cash Used in Financing Activities		(616,577,928)	(2,311,332,415)	(1,364,929,380)
NET INCREASE (DECREASE) IN CASH ON				
 HAND AND IN BANKS		(12,997,853)	(21,409,719)	34,265,218
CASH ON HAND AND IN BANKS				
 AT BEGINNING OF YEAR		19,147,709	40,557,428	6,292,210
CASH ON HAND AND IN BANKS				
 AT END OF YEAR	7	6,149,856	19,147,709	40,557,428

See Notes to Financial Statements.

8990 HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS OF THE PARENT COMPANY
DECEMBER 31, 2023, 2022 and 2021
(Amounts in Philippine Peso)

1. CORPORATE INFORMATION

1.1 Incorporation and Operations

8990 Holdings, Inc. (the Company or the Parent Company) was incorporated in the Philippines, registered with the Securities and Exchange Commission (SEC) on July 8, 2005 and was listed in the Philippine Stock Exchange (PSE) on October 20, 2010.

The Company is a holding company. It is presently engaged in various activities related to personal and real property of every kind and description, including business activities of an investment holding company, without engaging in dealership in securities, in brokerage business, or in the business of an investment property.

As of December 31, 2023 and 2022, the Company has investments in the following wholly-owned subsidiaries (see Note 10):

- a) 8990 Housing Development Corporation (8990 HDC)
- b) Fog Horn, Inc. (FHI)
- c) 8990 Luzon Housing Development Corporation (8990 LHDC)
- d) 8990 Davao Housing Development Corporation (8990 DHDC)
- e) 8990 Leisure and Resorts Corporation (8990 LRC)
- f) 8990 Mindanao Housing Development Corporation (8990 MHDC)

The above subsidiaries are all incorporated and operating in the Philippines, and except for 8990 LRC and FHI, are all engaged in real estate development. 8990 LRC is engaged in hotel and resorts business while FHI is engaged in both real estate development and hotels and resorts.

The Company has acquired a subsidiary with 68% of ownership of Piccadilly Premier Land Inc. The Company was incorporated and operating in the Philippines. The Company is also engaged in real estate development.

The Company has 20% of shares of Scheirman Construction Consolidated Incorporated (SCCI) making it as associate of the said company. The associate was incorporated in the Philippines and registered with the SEC on July 16, 2016. The Associate is primarily engaged in general building construction as contractor and builder of residential homes, commercial and industrial buildings, barracks, piers and other edifications needed and necessary in the ordinary course of business.

The registered office address of the Company, which is also its principal place of business, is at 11th Floor Liberty Center, 104 H.V. Dela Costa, Salcedo Village, Makati City.

1.2 Approval of Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2023 (including the comparative financial statements as of and for the year ended December 31, 2022 and 2021) were authorized for issue by the Company's Board of Directors (BOD) on April 24, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), which includes all applicable PFRSs, Philippine Accounting Standards (PAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC) and Standing Interpretations Committee (SIC) as approved by the Philippine Financial and Sustainability Reporting Standards Council or FSRSC (formerly Financial Reporting Standards Council or FRSC) and Board of Accountancy (BOA) and adopted by the SEC.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(b) Basis of Measurement

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. These financial statements have been prepared on the historical cost basis except for:

- i. financial instruments measured at amortized cost;
- ii. financial instruments which are valued at fair value;
- iii. defined benefit asset or obligation recognized as the net total of the fair value of plan assets less the present value of the defined benefit obligation; and
- iv. provisions measured at its best estimate of the expenditure required to settle the present obligation, with discounting if the effect of time value of money is material.

(c) Functional and Presentation Currency

The financial statements are presented in Philippine peso, which is the Company's functional and presentation currency.

2.2 *Changes in Accounting Policies and Procedures*

Standards issued and effective for the current year

The accounting policies adopted are consistent with those of the previous financial year except for the changes in accounting policies as explained below. The Company has adopted the following new standard, amendments to standard and interpretation starting January 1, 2023 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption of these new and amended standards and interpretation did not have any impact on the Parent Company's financial statements:

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed.

The adoption of these amendments has a significant impact on the Parent's notes disclosures from "significant" to "material" accounting policies. Although amendments did not result in any changes to the accounting policies, it impacted the accounting policy information disclosed in the notes disclosures. Management reviewed all accounting policies and made updates in the information disclosed in Note 2 (Summary of Material Accounting Policies).

- Q&A No. 2022-02, *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*

This Q & A discusses how does a Philippine entity apply the amendments to IAS 1 and IFRS Practice Statement 2 with regards to disclosure of accounting policies. It also discusses other examples of disclosures of material accounting policies that illustrate the application of the amendments to IAS 1 and the four-step materiality process to accounting policy information, in addition to the examples (Examples S and T) provided in IFRS Practice Statement 2, Making Materiality Judgements.

The above Q & A was issued by PIC in February 18, 2022 and approved by FSRSC in March 11, 2022.

The adoption of this PIC Q&A has a significant impact on the Parent's notes disclosures from "significant" to "material" accounting policies. Although amendments did not result in any changes to the accounting policies, it impacted the accounting policy information disclosed in the notes disclosures. Management reviewed all accounting policies and made updates in the information disclosed in Note 2 (Summary of Material Accounting Policies).

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted.

Standards issued but not yet effective

The Parent Company will adopt the following new pronouncements when these become effective. Except as otherwise indicated, the Parent does not expect the adoption of these new pronouncements to have a significant impact on the financial statements.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Deferred Effectivity

Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

2.3 Separate Financial Statements and Investments in Subsidiaries and Associate

These financial statements are prepared as the Parent Company's separate financial statements. The Parent Company also prepares and issues consolidated financial statements for the same period in accordance with PFRS.

Subsidiaries are entities over which the Parent Company is exposed, or has 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 Company controls an investee if and only if the Parent Company has:

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

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

- i. The contractual arrangement with the other vote holders of the investee;
- ii. Rights arising from other contractual arrangements; and
- iii. The Parent Company's voting rights and potential voting rights.

The Parent Company reassesses whether it controls an entity, if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above.

The Parent Company's investments in subsidiaries are accounted for in these separate financial statements at cost, less any impairment.

Investment in associates are initially recognized at cost and subsequently accounted for using the equity method.

2.4 Financial Assets

(a) Classification, Measurement and Reclassification of Financial Assets

Financial assets are recognized initially at fair value. Transaction costs are included in the initial measurement of the Parent Company's financial assets.

All recognized financial assets are subsequently measured in their entirety at amortized cost. Interest income is recognized using the effective interest method based on the gross carrying amount of a financial asset.

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Exchange differences are recognized in profit or loss.

The Parent Company derecognized a financial asset only when the contractual rights to the asset's cash flows expire or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity.

(b) *Impairment of Financial Assets*

At the end of the reporting period, the Parent Company assesses and recognizes an allowance for ECL on its financial assets measured at amortized cost. The measurement of the ECL involves consideration of broader range of information including past events (e.g., historical credit loss experience) and current conditions, adjusted for forward-looking factors specific to the counterparty or debtor and the economic environment that affect the collectability of the future cash flows of the financial assets. Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The amount of allowance for ECL is updated at the end of each reporting period to reflect the changes in credit risk of the financial asset since initial recognition. In assessing the credit quality of a financial asset, the Company assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life of the financial asset between the reporting date and the date of the initial recognition. In determining whether the financial asset is in default, which is aligned with the definition of credit-impaired, the Company considers both quantitative and qualitative criteria.

The Company's credit exposures are concentrated on loans receivables, including those from related parties. For these financial assets, the ECLs are recognized in two stages. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures and provides for credit losses that are expected to result from default events that are possible within the next 12-months (12-month ECL). When there has been a significant increase in credit risk on a financial asset since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL). For deposits in banks, the Company applies the low credit risk simplification and measures the ECL on the financial assets based on a 12-month basis unless there has been a significant increase in credit risk since origination, in that case, the loss allowance will be based on the lifetime ECL.

ECL measurement is a function of the following elements:

- *Probability of default* – it is an estimate of likelihood of a counterparty defaulting of its financial obligation over a given time horizon, either over the next 12 months or over the remaining lifetime of the obligation.
- *Loss given default* – it is an estimate of loss related to the amount that may not be recovered after the default occurs. It is based on the difference between the contractual cash flows due in accordance with the terms of the instrument and all the cash flows that the Company expects to receive discounted at an approximation of the original effective interest rate. The expected cash flows, considers recoveries from any credit enhancements that are integral to the financial instrument.
- *Exposure at default* – it represents the gross carrying amount of the financial assets in the event of default which pertains to its amortized cost.

The Company recognizes an impairment loss in profit or loss for all financial instruments subjected to impairment assessment with a corresponding adjustment to their carrying amount through a loss allowance account.

(c) Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the asset's cash flows expire or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity.

2.5 Financial Liabilities

Financial liabilities, which include trade and other payables (except tax-related liabilities), and due to related parties are recognized when the Company becomes a party to the contractual terms of the instrument. These are recognized initially at their fair values and subsequently measured at amortized cost using effective interest method for maturities beyond one year, less settlement payments. All interest-related charges incurred on a financial liability are recognized as an expense in profit or loss as part of Finance Costs in the statement of comprehensive income, except for those capitalized borrowing costs (see Note 2.15).

Dividend distributions to shareholders are recognized as financial liabilities upon declaration by the Company.

2.6 Offsetting Financial Instruments

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

2.7 Determination and Measurement of Fair Value

The Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liability and the level of the fair value hierarchy.

2.8 Investment in Subsidiaries

Investments in subsidiaries are accounted for and presented at cost less any impairment in value. Under the cost method, the Parent Company recognizes income from the investment in subsidiaries when its right to receive dividend is established.

2.9 Investment in Associate

Investment in an associate is accounted for by the equity method of accounting.

2.10 Provisions and Contingencies

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

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements.

Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying benefits is remote.

Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

2.11 Revenue and Expense Recognition

The Parent Company's revenues arise mainly from the dividends from subsidiaries, equity in net earnings of associate and interest income from loans receivables and cash in bank.

Cost and expenses are recognized in profit or loss upon utilization of goods or services or at the date they are incurred. All finance costs are reported in profit or loss on an accrual basis.

2.12 Leases- Company as Lessee

Parent Company as a lessee

The Parent Company recognizes a right-of-use assets and a lease liability at the lease commencement date. The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site in which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use assets reflect that the Company will exercise a purchase option. In that case, the right-of-use assets will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liabilities comprise fixed lease payments (including substance fixed payments).

The lease liability is presented as a separate line in the statements of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

2.13 Impairment of Non-financial Assets

The Parent Company's investments in subsidiaries and associate, property and equipment, and other non-financial assets are subject to impairment testing. Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable.

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

Impairment loss is recognized in profit or loss for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use.

In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

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

2.14 Employee Benefits

The Parent Company provides post-employment benefits to employees through a defined benefit plan, defined benefit contribution plans, and other employee benefits.

The Company's defined benefit post-employment benefits plans cover all regular full-time employees.

The defined obligation is calculated annually by independent actuaries using the projected unit credit method.

2.15 Borrowing costs

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

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

2.16 Income Taxes

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

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

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

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

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

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

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

2.17 Value – Added Tax (VAT)

Revenues, expenses, and assets are recognized, net of the amount of VAT, except when VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "Other assets" in the statement of financial position.

2.18 Events after the End of the Reporting Period

Events after the end of the reporting period are those events, favorable or unfavorable that occur between the end of reporting period and the date when the financial statements are for issue.

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

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) Determination of Control

The Company determines control when it is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. The Company controls an entity if and only if the Company has all of the following:

- i. Power over the entity;
- ii. Exposure, or rights, to variable returns from its involvement with the entity; and,
- iii. The ability to use its power over the entity to affect the amount of the Parent Company's returns.

The Company regularly reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The Company determined that it exercises control on all of its subsidiaries as it has all the elements of control listed above.

(b) Determination of ECL on Financial Assets Measured at Amortized Cost

When measuring allowance for ECL for financial assets at amortized cost, management applies judgment in defining the criteria in assessing whether a financial asset has experienced significant increase in credit risk since initial recognition, which involve an assessment of the counterparties' default occurring over the life of the financial asset subjected to ECL assessment. This assessment takes into consideration both the quantitative and qualitative information about the credit quality of specific counterparty, which may be affected by forward-looking factors and economic environment. This

information is incorporated by the Company in its ECL assessment which may result in different measurements of ECL as those information changes.

The information on the Company's ECL measurement and the credit quality of its financial assets measured at amortized cost are presented in more detail in Note 4.1.

(c) *Recognition of Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.10 and disclosures on relevant contingencies is presented in Note 22.

3.2 Key Sources of Estimation Uncertainty

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

(a) *Estimation of Allowance for ECL*

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Together with the judgment applied by management in assessing whether a financial asset has experienced significant increase in credit risk since initial recognition, management makes an estimation of the contractual cash flows due from counterparty and those that the Company would expect to receive, taking into account any cash flows from the realization of any credit enhancements or other recovery strategies that the Company may execute depending on the possible arrangement with counterparties. Depending on the contractual terms of the financial assets and the expected timing of the recoveries, the determination of ECL calculates the time value of money that may require the use of a discounting factor.

The information on the Company's ECL measurement and the credit quality of its financial assets measured at amortized cost are presented in more detail in Note 4.1.

Allowance for impairment for receivables amounted to P283,820 in both 2023 and 2022. The recovery of expected credit losses in 2023 and 2022 amounted to nil and P1,228,599. The carrying amounts of receivables amounted to P29,248,263 and P4,138,047 as of December 31, 2023 and 2022 (see Note 8).

(b) *Impairment of Non-Financial Assets*

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

In 2023, management has assessed that there were no indications of impairment on its non-financial assets as of the end of the reporting period. Accordingly, the Company did not recognize impairment losses on its non-financial assets. Allowance for impairment losses on other assets amounted to P4,143,917 in both 2023 and 2022. The impairment losses in 2023 and 2022 amounted to nil and P1,258,400, respectively. The carrying amount of other assets amounted to P22,393,539 and P20,553,870 as of December 31, 2023 and 2022, respectively. (see Note 14).

The carrying values of the investments in subsidiaries, investment in associates and property and equipment, intangible assets, right of use of assets and other non-financial assets are disclosed in Notes 10, 11, 12, 13, 16 and 14, respectively.

(c) *Recognition of Deferred Tax Assets*

The Company reviews its deferred taxes at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. As at December 31, 2023 and 2022, management is of the opinion that the Company will not be able to fully utilize its deferred tax assets as it does not expect significant future taxable income to which the deferred tax assets can be applied. Accordingly, the Company did not recognize deferred tax assets except on the remeasurement loss on retirement obligation in both periods presented, (see Notes 19 and 21).

The carrying value of recognized deferred tax assets as at December 31, 2023 and 2022 amounted to P261,022 and P107,426 (see Note 21)

4 **RISK MANAGEMENT OBJECTIVE AND POLICIES**

The Company's principal financial instruments comprise of cash on hand and in banks, loans receivables, interest receivables (presented as part of Receivables), due from related parties, lease deposits (presented as Non-current), trade and other payables and due to related parties.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk. The BOD reviews and approves policies for managing each of these risks.

4.1 Credit Risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when the obligations fall due. The Company manages credit risk by assessing the creditworthiness of its counterparties. The Company continuously monitors the receivable balances with the result that an allowance is made for doubtful accounts.

(a) *Maximum Exposures to Credit Risk*

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the statements of financial position summarized as follows:

	Notes	2023	2022
Cash in banks	7	P 6,139,856	P 19,137,709
Receivables	8	29,248,263	4,138,047
Loans receivables	9	921,894,196	1,305,876,531
Due from related parties	23	354,839,923	354,839,923
*Lease deposits	14	393,891	393,891
		P 1,312,516,129	P 1,684,386,101

*Deposits is presented under other non-current assets in the statements of financial position.

(b) *Credit Risk Management and Assessment*

(i) *Cash in banks*

As part of Company's policy, bank deposits are only maintained with reputable financial institutions with low credit risk based on externally available risk ratings or from the Company's internal credit grading that takes into consideration its banking relationship and activities with its depository banks. In addition, cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution.

(ii) *Loans and interest receivables*

Loans and interest receivables arising from cash advances extended by the Company to its subsidiaries are maturing within one to seven years.

Credit risk of loans receivables is managed primarily through continuing credit review analyses, which consider the age of accounts, historical collection and loss experience with a particular counterparty, and their liquidity condition.

For interest-bearing loans, the Company considers the loan in default and credit-impaired when contractual payment of interest are 90 days past due.

In the case of non-interest bearing loans to subsidiaries, the Company manages credit risk between entities within the 8990 Group consistent with how it monitors the liquidity of these entities which are managed together to ensure that their operating requirements, including maturing obligations to third parties are settled in a timely manner. Aligned with this policy, the Company may grant additional advances to its subsidiaries or extend the credit term as necessary. This policy provides the 8990 Group more leverage and strategic approach in managing cash.

As the principal amount of the Company's loans are maturing beyond one year with no historical default observed in the past years, the Company also assesses credit exposures of its loans and receivables by identifying other qualitative factors and circumstances, including adverse economic factors and entity-specific economic and operational challenges that may indicate that the counterparties may unlikely settle their obligations to the Company. This assessment may also consider the sufficiency of the counterparties' liquid assets in order to repay, including other expected manner of recovery.

(iii) Due from related parties

ECL for receivables from related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the counterparties' ability to repay the receivables upon demand at the reporting date taking into consideration the historical defaults from the counterparties. The Company does not consider any significant risks from the receivables provided to related parties since the Company's credit risks for liquid funds are considered negligible. Moreover, these related parties are operating subsidiaries that continuously generate positive results and cash flows. Hence, recognition of impairment loss is remote.

(iv) Lease deposits

Lease deposits pertains to the deposits from rental and electrical facilities. The Company considers its credit risk for lease and other deposits to be negligible considering its continuing business relationships with the counterparties and the absence of any historical experience indicating that the counterparties will unlikely settle their obligations as the deposits are refunded by the Company.

(c) Credit Quality and Expected Credit Loss

The Company's basis in grading its financial assets follows:

- High grade – Entities that are highly liquid, sustain operating trends, unlikely to be affected by external factors and have competent management that uses current business models.
- Standard grade – Entities that meet performance expectation, unlikely to be affected by external factors and have competent management that uses current business models.
- Substandard grade – Entities with marginal liquidity and have a declining trend in operations or an imbalanced position in the balance sheet, though not to the point that repayment is jeopardized.

The following tables show the credit quality per class of financial assets as at December 31:

	Neither past due nor impaired		Past due but not impaired	Impaired	Total
	High grade	Standard grade			
2023					
Cash in banks	P 6,139,856	P -	P -	P -	P 6,139,856
Receivables	-	29,248,263	-	283,820	29,532,083
Loans receivables	724,816,834	197,077,362	-	-	921,894,196
Due from related Parties	354,839,923	-	-	-	354,839,923
*Lease deposits	-	393,891	-	-	393,891
	P 1,085,796,613	P 226,719,516	P -	P 283,820	P 1,312,799,949
2022					
Cash in banks	P 19,137,709	P -	P -	P -	P 19,137,709
Receivables	-	4,138,047	-	283,820	4,421,867
Loans receivables	1,048,220,274	257,656,257	-	-	1,305,876,531
Due from related Parties	354,839,923	-	-	-	354,839,923
*Lease deposits	-	393,891	-	-	393,891
	P 1,422,197,906	P 262,188,195	P -	P 283,820	P 1,684,669,921

**Deposits is presented under other non-current assets in the statement of financial position amounted to P 393,891 for 2023 and 2022.*

Based on the quality of the Company's financial assets as at December 31, 2023 and 2022, which are neither past due nor impaired nor have experienced significant increase in credit risk since initial recognition, and the estimates of cash flows expected to be recovered from counterparties when these financial assets default, management has assessed that ECL as of December 31, 2023 and 2022 is insignificant.

4.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company seeks to manage its liquidity profile to be able to finance its working capital requirements. It may obtain cash advances from a related party to cover its financing requirements when such strategy will provide cost-efficient use of 8990 Group's resources.

The tables below show the maturity profile of the Company's financial instruments based on the contractual undiscounted cash flows.

		Within three months	Later than three months but not later than one year	Later than one year	Total
2023					
Financial Liabilities					
Trade and other payables*	P	70,173,957	P -	P -	P 70,173,957
Due to related parties		1,387,894,726	-	-	1,387,894,726
Lease liabilities		340,929	462,331	-	803,260
	P	1,458,409,612	P 462,331	P -	P 1,458,871,943
2022					
Financial Liabilities					
Trade and other payables*	P	78,589,402	P -	P -	P 78,589,402
Due to related parties		4,291,235,562	-	-	4,291,235,562
Lease liabilities		302,420	967,453	803,260	2,073,133
	P	4,370,127,384	P 967,453	P 803,260	P 4,371,898,097

*Excludes withholding taxes and other government payables aggregating to P71,304 and P1,707,920 as of December 31, 2023 and 2022, respectively.

4.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices which may affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters while optimizing the return.

As of December 31, 2023 and 2022, the Company has no financial instruments that are exposed to significant interest rate risk. The Company's cash in banks, loans receivables, and bonds payable are subject to fixed interest rates.

The Company's United States (US) dollar-denominated financial instrument pertains only to cash in banks, translated into Philippine peso at the closing rates, amounting to P0.9 million and 2.4 million as of December 31, 2023 and 2022. The exchange rates used are P55.5670: US \$1 and P56.1200: US \$1 as of December 31, 2023 and 2022, respectively.

Exposures to foreign exchange rates vary during the year depending on the volume of foreign currency denominated transactions. Nonetheless, the Company's exposure to foreign exchange risk is not material.

5 CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

5.1 Carrying Amounts and Fair Values of Financial Assets and Financial Liabilities

For the Company's financial assets and financial liabilities as of December 31, 2023 and 2022, management determined that the carrying amounts of these financial instruments are equal to or approximate their fair values, except for bonds payable. A comparison between the carrying amounts and fair values of these financial instruments is presented in Note 6.

See Notes 2.4 and 2.5 for a description of the accounting policies for each category of financial instrument. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 4.

5.2 Offsetting of Financial Assets and Financial Liabilities

The following financial assets and financial liabilities with net amounts presented in the statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

	<u>Gross amounts recognized in the statement of financial position</u>	<u>Related amounts not set-off in the statement of financial position</u>	<u>Gross amounts offset in accordance with the offsetting criteria</u>	<u>Net amount</u>
December 31, 2023				
Financial assets				
Due from related	<u>P 2,862,064,923</u>	<u>P -</u>	<u>P 2,507,225,000</u>	<u>P 354,839,923</u>
Financial liabilities				
Due to related	<u>P 3,895,119,726</u>	<u>P -</u>	<u>P 2,507,225,000</u>	<u>P 1,387,894,726</u>
	<u>Gross amounts recognized in the statement of financial position</u>	<u>Related amounts not set-off in the statement of financial position</u>	<u>Gross amounts offset in accordance with the offsetting criteria</u>	<u>Net amount</u>
December 31, 2022				
Financial assets				
Due from related	<u>P 1,534,182,492</u>	<u>P -</u>	<u>P 1,179,342,569</u>	<u>P 354,839,923</u>
Financial liabilities				
Due to related	<u>P 5,470,578,131</u>	<u>P -</u>	<u>P 1,179,342,569</u>	<u>P 4,291,235,562</u>

For financial liabilities (i.e., interest-bearing loans and borrowings and their corresponding deposits) subject to enforceable master netting agreements or similar arrangements, each agreement between the Company and counterparties allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and financial liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

6 FAIR VALUE MEASUREMENT AND DISCLOSURES

6.1 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants under current market conditions (i.e., an exit price) at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or,
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Parent Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

6.2 Fair Value Hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or financial liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

When the Company uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity's specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

6.3 Fair Value Comparison and Hierarchy of Financial Instruments

The following table summarizes the carrying amounts and fair values of the Company's financial assets and financial liability that are carried at amortized cost but the fair value of which are disclosed by level of the fair value hierarchy as of December 31, 2023 and 2022:

		Fair Value				
	Carrying Amount		Level 1	Level 2	Level 3	Total
2023						
Financial Assets						
Cash on hand and in banks	P 6,149,856	P	6,149,856	P -	P -	P 6,149,856
Receivables	29,248,263		-	-	29,248,263	29,248,263
Loans receivables	921,894,196		-	-	921,894,196	921,894,196
Due from related parties	354,839,923		-	-	354,839,923	354,839,923
Lease deposits	393,891		-	-	393,891	393,891
	P 1,312,526,129	P	6,149,856	P -	P 1,306,376,273	P 1,312,526,129
Financial Liabilities						
Trade and other payables*	P 70,173,957	P	-	P -	P 70,173,957	P 70,173,957
Due to related parties	1,387,894,726		-	-	1,387,894,726	1,387,894,726
Lease liabilities	803,260		-	-	803,260	803,260
	P 1,458,871,943	P	-	P -	P 1,458,871,943	P 1,458,871,943

		Fair Value								
Carrying Amount		Level 1		Level 2		Level 3		Total		
<u>2022</u>										
<i>Financial Assets</i>										
Cash on hand and in banks	P	19,147,709	P	19,147,709	P	-	P	-	P	19,147,709
Receivables		4,138,047		-		-		4,138,047		4,138,047
Loans receivables		1,305,876,531		-		-		1,305,876,531		1,305,876,531
Due from related parties		354,839,923		-		-		354,839,923		354,839,923
Lease deposits		393,891		-		-		393,891		393,891
	P	1,684,396,101	P	19,147,709	P	-	P	1,665,248,392	P	1,684,396,101
<i>Financial Liabilities</i>										
Trade and other payables*	P	78,589,402	P	-	P	-	P	78,589,402	P	78,589,402
Due to related parties		4,291,235,562		-		-		4,291,235,562		4,291,235,562
Lease liabilities		2,073,133		-		-		2,073,133		2,073,133
	P	4,371,898,097	P	-	P	-	P	4,371,898,097	P	4,371,898,097

*Excludes withholding taxes and other government payables aggregating to P71,304 and P1,707,920 as of December 31, 2023 and 2022, respectively.

There were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements in 2023 and 2022.

The following are the methods used to determine the fair value of financial assets and financial liabilities not presented in the statements of financial position at their fair values:

(a) *Cash on Hand and in Banks, and Trade and Other Payables*

The carrying amounts of these financial instruments approximate their fair values as these have short-term maturity.

(b) *Loans Receivables, Interest Receivables and Lease Deposits*

The estimated fair value of loans receivables, interest receivables and lease deposits represent the discounted amount of estimated future cash flows expected to be received from the instruments. Expected cash flows are discounted at current market rates to determine fair value.

(c) *Due from Related Parties, and Due to Related Parties*

The carrying amounts of due from/to related parties, which are to be received or paid on demand, approximate the fair values.

7 CASH ON HAND AND IN BANKS

The breakdown of this account as of December 31 is as follows:

	2023	2022
Cash in banks	P 6,139,856	P 19,137,709
Cash on hand	10,000	10,000
Total	<u>P 6,149,856</u>	<u>P 19,147,709</u>

Cash in banks generally earn interest at rates based on prevailing bank deposit annual rates ranging from 0.13% to 0.25% in 2023 and 2022, respectively. Interest is presented as part of Interest Income in the statements of comprehensive income which amounts to P5,863 and P22,538 in 2023 and 2022 respectively.

There is no cash restriction on the Parent Company's cash in banks as of December 31, 2023 and 2022.

8 RECEIVABLES

The breakdown of this account as of December 31 is as follows:

	Note	2023	2022
Receivables from employees		P 29,248,263	P 500,000
Other receivables		283,820	283,820
Interest receivables	9	-	3,638,047
Subtotal		29,532,083	4,421,867
Allowance for impairment		(283,820)	(283,820)
Total		P 29,248,263	P 4,138,047

Interest receivables pertain to the uncollected interest pertaining to loans extended to third-party as further discussed in Note 9.

Receivables from employees refers to employee's salary advances which will be settled thru salary deductions. These loans are non-interest bearing and have no terms.

Other receivables pertain to the advances to the third party which will be settled thru cash. These advances are non-interest bearing and have no terms.

Movement of allowance for impairment is as follows:

	2023	2022
Beginning of year	P 283,820	P 1,512,419
Recovery for the year	-	(1,228,599)
Ending balance	P 283,820	P 283,820

Based on assessment made, the Company recognized a reversal of allowance for ECL amounting to nil and P1,228,599 in 2023 and 2022, respectively.

9 LOANS RECEIVABLES, Net

Loans receivables are composed of the following:

	Note	2023	2022
Loans to subsidiaries:	9.1, 23		
Principal		P 943,726,834	P 943,726,834
Unamortized discount		(21,832,638)	(34,803,743)
Subtotal		921,894,196	908,923,091
Syndicated loan	9.2	-	396,953,440
Total		P 921,894,196	P 1,305,876,531

The amounts are presented in the statements of financial position as follows.

	2023	2022
Current	P 724,816,834	P 1,121,770,274
Non-current	197,077,362	184,106,257
Total	P 921,894,196	P 1,305,876,531

All of the Company's loans receivables have been reviewed for indications of impairment. Based on the management's assessment there were no impaired loans receivables as of December 31, 2023 and 2022 (see Note 4.1).

9.1 *Loans to Subsidiaries*

On September 1, 2015, the Company extended cash loans totaling P9.0 billion to its subsidiaries in varying terms of five, seven and 10 years as follows:

<u>Subsidiaries</u>	<u>Original Maturity Date</u>	<u>Amount</u>	<u>Outstanding Amount</u>
8990 HDC			
Tranche 1	10/16/2020	P 6,714,748,082	P -
Tranche 2	7/16/2022	375,500,000	-
Tranche 3	7/16/2025	218,910,000	218,910,000
8990 LHDC*	10/16/2020	697,784,788	322,027,924
8990 DHDC	10/16/2020	305,459,915	-
FHI*	10/16/2020	687,597,215	402,788,910
Total		<u>P 9,000,000,000</u>	<u>P 943,726,834</u>

The principal sum originally bears interest rates ranging from 12.42% to 13.73% per annum from September 1, 2015 to October 16, 2015. The principal amounts are payable at the maturity of the loans.

On October 17, 2015, the loan agreements were amended resulting in the loan becoming noninterest-bearing starting on that date. Accordingly, the said receivables were recognized at their present value using a discount rate of 6.21%, with the resulting discount amounting to P2,461.0 million representing the difference between the present value and face value recognized as an additional investment in the Company's subsidiaries (see Note 10).

*During 2022, loans extended to 8990 LHDC and FHI were extended until December 31, 2023. Subsequently in 2023, loans of 8990 LHDC and FHI were further extended until December 31, 2024.

Interest related to the accretion of discount from these loans receivables to subsidiaries amounted to P13.0 million and P24.3 million in 2023 and 2022, respectively, and is presented as part of Interest Income in the statements of comprehensive income.

9.2 *Syndicated Loan*

On December 29, 2017, a loan facility agreement between Dearborn Resources and Holdings, Inc. (Dearborn) and certain lenders was executed to provide a loan facility in the aggregate principal amount of P1.4 billion for the purpose of partially financing Dearborn's acquisition of certain contracts to sell of entities under the 8990 Group. Under the loan facility agreement, the Company committed to lend Dearborn the principal amount of up to but not in excess of P300.0 million which bears 16% interest per annum, payable monthly. On November 13, 2019, the Company agreed to extend the loan facility with Dearborn up to P665.0 million with no changes in the interest rate per annum. As of December 31, 2019, the Company further extended by P 82,947,517 resulting to receivables of P 396,953,400 as of December 31, 2022 and 2021.

The loan granted under the facility agreement is unsecured and has a term of five years counting from the date of initial drawdown. However, the principal amount of the loan and any related accrued interest will be due and demandable in the event of default.

In 2022, Dearborn Resources and Holdings, Inc. and 8990 Holdings, Inc. entered into a loan extension agreement, extending the maturity date to December 27, 2023.

During the year, Dearborn Resources settled its outstanding obligation maturing December 27, 2023 amounting to P396,953,440.

Interest earned from this loan receivable amounted to P39.4 million, P63.5 and P63.5 million in 2023, 2022, and 2021, respectively, and are presented as part of Interest income in the statements of comprehensive income. Interest receivable from this loan is nil and P3.6 million as of December 31, 2023 and 2022 and is presented as part of the Receivables account in the statements of financial position.

10 INVESTMENTS IN SUBSIDIARIES

The carrying amounts of the Company's investments in subsidiaries as of December 31, 2023 and 2022 are shown below.

Subsidiaries	% ownership	2023	2022
8990 HDC	100%	P 37,124,230,313	P 37,124,230,313
FHI	100%	5,065,823,989	5,065,823,989
8990 LHDC	100%	1,440,237,647	1,440,237,647
8990 DHDC	100%	317,246,364	317,246,364
8990 LRC	100%	39,227,936	39,227,936
8990 MHDC	100%	2,066,211	2,066,211
Piccadilly	68%	88,275,504	88,275,504
Total		P 44,077,107,964	P 44,077,107,964

All of the above subsidiaries are incorporated in the Philippines.

On June 9, 2022, the Company entered into an Investment Agreement with Piccadilly Premier Land, Inc, RDAK Land, Inc ("RDAK"), Acrissor Development Corporation ("Acrissor"), and certain individuals for its acquisition of 994,160 common shares, representing an aggregate of 68% of the issued and outstanding capital stock of Piccadilly, for an aggregate consideration of P88,275,504 for its purpose to own, use, improve, develop, subdivide, sell, exchange, lease and hold for investment or otherwise, real estate of all kinds, including buildings, houses, apartments and other structures.

The total carrying amount of the investments in subsidiaries which are wholly-owned includes P2,461.0 million discount on loans extended to certain subsidiaries (see Note 9).

There were no disposed investments made in 2023 and 2022.

In 2023, 2022 and 2021, the Company received cash dividends from HDC:

<u>Subsidiaries</u>	<u>No. of Shares</u>	<u>Amount</u>
<u>2023</u>		
8990 HDC	15,000,000,000	P 2,742,303,771
		P 2,742,303,771
<u>2022</u>		
8990 HDC	15,000,000,000	P 1,953,077,419
		P 1,953,077,419
<u>2021</u>		
8990 HDC	15,000,000,000	P 2,545,481,070
		P 2,545,481,070

11 INVESTMENTS IN ASSOCIATE

On March 15, 2021, 8990 Holdings Inc and Scheirman Construction Consolidated Incorporated (SCCI) entered into a Subscription agreement wherein the Company agreed to subscribed an aggregate of Forty-five thousand (45,000) common shares to be issued out of the unissued portion of the existing authorized capital stock and the increase authorized capital stock of SCCI at the aggregate issue price of Eighty Million Pesos (P80,000,000.00) or approximately One Thousand Seven Hundred Seventy-seven and 78/100 Pesos (P1,777.78) per shares. The Subscribed Shares constitutes 20% of the resulting total outstanding capital stock of SCCI.

On July 8, 2022, the company entered into a new Subscription Agreement with SCCI purchasing 60,000 common shares equivalent to Sixty Million Pesos (P60,000,000.00).

The total subscribed shares after the additional investment constitutes 20% of the resulting total outstanding capital stock of the SCCI after their increase in capital stock.

Investment in Associate from these subscriptions amounted to P140 million for both 2023 and 2022. The share in SCCI net income amounted to P45,858,106 and P67,950,366 for 2023 and 2022, respectively.

Movement of Investment in associate and share in net income are as follows:

	<u>Investment in associate</u>		<u>Share in net income of associate</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Beginning of year	P 140,000,000	P 80,000,000	P 81,164,876	P 13,214,510
Addition	-	60,000,000	45,858,106	67,950,366
Ending Balance	P 140,000,000	P 140,000,000	P 127,022,982	P 81,164,876

The following summarizes the financial information of the associate:

	2023	2022
Total assets	P 7,628,916,361	P 4,842,053,653
Total liabilities	6,389,254,686	3,838,423,634
Revenue	5,320,120,602	4,209,376,388
Profit for the year	215,538,321	339,751,828
Other comprehensive income	-	-

In 2023, included in the share in net income recognized is adjustment from 2022 amounting to P2.75 million, which result from adjustment made in book of associate resulting from adjusted profit of P353.5 million (previously at P339.8 million).

12 PROPERTY AND EQUIPMENT, Net

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2023 and 2022 are as follows:

	Leasehold Improvements	Furniture, Fixtures and Office Equipment	Transportation Equipment	Low Value Asset	Total
December 31, 2023					
Cost	P 1,380,881	P 1,482,692	P -	P 31,920	P 2,895,493
Accumulated depreciation	(1,380,881)	(1,482,692)	-	(31,920)	(2,895,493)
Net carrying amount	P -	P -	P -	P -	P -
December 31, 2022					
Cost	P 1,380,881	P 1,482,692	P 1,083,050	P 31,920	P 3,978,543
Accumulated depreciation	(1,380,881)	(1,475,291)	(1,083,050)	(31,920)	(3,971,142)
Net carrying amount	P -	P 7,401	P -	P -	P 7,401

In 2023, the Company disposed fully depreciated transportation equipment, with original cost of P1,083,050. Proceeds from disposal amounts to P225,000 wherein same amount is recognized as gain on disposal, presented as other income in the statement of comprehensive income.

The reconciliation of the carrying amounts of property and equipment at the beginning and end of 2023 and 2022 is shown below.

	Furniture, Fixtures and Office Equipment	Low Value Asset	Total
Balance at January 1, 2023, net of accumulated depreciation	P 7,401	P -	P 7,401
Additions	-	-	-
Depreciation charges for the year	(7,401)	-	(7,401)
Balance at December 31, 2023, net of accumulated depreciation	P -	P -	P -
	Furniture, Fixtures and Office Equipment	Low Value Asset	Total
Balance at January 1, 2022, net of accumulated depreciation	P 15,001	P -	P 15,001
Additions	-	31,920	31,920
Depreciation charges for the year	(7,600)	(31,920)	(39,520)
Balance at December 31, 2022, net of accumulated depreciation	P 7,401	P -	P 7,401

As of December 31, 2023 and 2022, the total cost of the fully amortized property and equipment, which are still being used by the Company, amounts to P2.9 million and P2.4 million, respectively.

13 INTANGIBLE ASSET, Net

Movement of intangible asset during the year are as follows:

	<u>2023</u>
Cost	
Beginning Balance	P -
Additions	297,000
Ending Balance	<u>P 297,000</u>
Accumulated amortization	
Beginning Balance	P -
Provisions	(19,800)
Ending Balance	<u>P (19,800)</u>
Carrying value	<u>P 277,200</u>

14 OTHER ASSETS, Net

Details of this account are presented below.

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Current:			
Input value-added tax (VAT)	P	14,970,814	P 13,347,144
Waterlines		7,621,790	7,621,790
Receivable from regulatory agencies		2,076,561	2,076,561
Others		1,474,400	1,258,401
Subtotal		26,143,565	24,303,896
Allowance for impairment		(4,143,917)	(4,143,917)
Total Current		21,999,648	20,159,979
Non- current:			
Lease deposits	16	393,891	393,891
Total		<u>P 22,393,539</u>	<u>P 20,553,870</u>

Movement of allowance for impairment is as follows:

	<u>2023</u>	<u>2022</u>
Beginning of year	P 4,143,917	P 2,885,517
Write off	-	-
Provision for the year	-	1,258,400
Ending balance	<u>P 4,143,917</u>	<u>P 4,143,917</u>

There is no impairment in 2023, whereas an additional impairment of P1,258,400 was recognized in 2022.

On December 29, 2016, the Company entered into a deed of assignment with 8990 HDC, 8990 MHDC, 8990 DHDC and FHI involving the sale of the said subsidiaries' waterlines to the Company.

Others refer to advances to suppliers and prepayments.

15 TRADE AND OTHER PAYABLES

This account consists of:

	Note	2023	2022
Dividends payable	20.4	P 50,875,000	P 50,875,000
Trade payables		9,545,849	10,150,911
Accrued expenses		1,655,178	1,608,133
Withholding taxes		63,074	1,707,840
Other payables		8,106,160	15,955,438
Total		P 70,245,261	P 80,297,322

Dividends payable refers to unpaid dividends relating to Preferred shares- Series B as disclosed in Note 20.4.

Other payables consist of various supplier of goods and services other than the Company's suppliers.

16 LEASES

16.1 Right-of-Use asset

The carrying amounts of the Company's right-of-use assets as of December 31, 2023 and 2022, and the movements during the years are shown below:

	2023	2022
Cost		
Beginning balance	P 3,633,778	P 3,633,778
New lease contract	-	-
Lease modifications	-	-
Ending balance	3,633,778	3,633,778
Amortization		
Beginning balance	(1,715,951)	(504,691)
Current provision	(1,211,259)	(1,211,260)
Ending balance	(2,927,210)	(1,715,951)
Carrying Values	P 706,568	P 1,917,827

The Company has leased for office and parking spaces on which the branch offices and extension offices are situated. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Both leases contain an option to extend the lease for a further term subject to mutual agreement. For the lease over the office premise, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

Amortization charged to operations amounted to P 1,211,259 and P 1,211,260 for 2023 and 2022, respectively.

Based on the impairment review of the assets, the Company believes that there is no impairment loss that occurred on its right-of-use asset for 2023 and 2022.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognized on balance sheet:

Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with options to purchase	No. of leases with variable payments linked to an index	No. of leases with termination options
Office premise	1	2-3 years	3.5 years	1	-	-	1
Parking space	2	2-3 years	3.5 years	1	-	-	1

16.2 Lease Liabilities

	2023	2022
Beginning balance	P 2,073,133	P 3,197,008
Addition	-	-
Accretion of interest	87,605	156,764
Payments	(1,357,478)	(1,280,639)
Ending balance	P 803,260	P 2,073,133

Lease liabilities are presented in the statements of financial position as follows:

Particulars	2023	2022
Current	P 803,260	P 1,269,873
Non-current	-	803,260
Total	P 803,260	P 2,073,133

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at December 31, 2023 are as follows:

	Within 1 year	1-2 years	Total
At December 31, 2023			
Lease payments	818,902	-	818,902
Finance charges	(15,642)	-	(15,642)
Net present values	803,260	-	803,260

Lease payments not recognized as a liability

The Company has elected not to recognize a lease liability for short term leases (leases with an expected term of 12 months or less). Payments made under such leases are expensed on a straight-line basis.

The expense relating to payments not included in the measurement of the lease liability and not recognize as ROUA/lease liabilities in 2023 and 2022:

Particulars	2023	2022
Short-term leases	P 156,000	P 156,000

17 NOTES PAYABLE

On October 8, 2020, a master note certificate is issued by 8990 Holdings with a principal amount of P 1,300,000,000 dated October 14, 2020. The Note was issued at 100% issue price and will be due on October 14, 2022 (two years from the issue date) with 4.0500% interest rate per annum. In 2021, the Company partially paid the liability amounting to P 800,000,000. In 2022, the Company settled a total of 500,000,000.

As of 2023 and 2022, notes payable are already settled.

Finance cost in 2023 and 2022 amounted to nil and P 15.2 million, respectively. Such amount is included under the total finance cost in the statements of comprehensive income.

18 BONDS PAYABLE

On July 16, 2015, the Company offered and issued to public an unsecured fixed-rate peso bonds with an aggregate principal amount of P5.0 billion with an oversubscription option up to P4.0 billion.

The offer comprises the following series:

Bond Series	Option Date	Principal Amount	
Series A - 6.2080% per annum, five-year and three months, due on October 16, 2020		P	8,405,590,000
Series B - 6.1310% per annum, seven-year fixed rate bonds, due on July 16, 2022 unless otherwise earlier redeemed by the Company	The third month after the fifth anniversary of issue date and the sixth anniversary of the issue date		375,500,000
Series C - 6.8666% per annum, ten-year, due on July 16, 2025 unless otherwise earlier redeemed by the Company	The seventh anniversary of issue date and each anniversary of the issue date thereafter		218,910,000
		P	9,000,000,000

Total transaction costs capitalized upon issuance of the bonds amounted to P122.3 million.

Interests on the bonds are payable quarterly in arrears starting on October 16, 2015 for the first interest payment date and on January 16, April 16, July 16, and October 16 of each year for each subsequent interest payment date.

The bonds shall be repaid at par, plus any outstanding interest on the relevant maturity date of each series, unless the Company exercises its early redemption option for Series B or C Bonds on the early redemption option dates.

In 2022, the Company settled its outstanding obligation maturing July 16, 2022 (Series B) and July 16, 2025 (Series C). Early redemption was made for Series C Bonds due on 2025 with an early redemption price of 102.5% of the principal amount. The carrying amount of bond is P 217.8 million (net of unamortized bond issue cost of P 1.1 million), accordingly, loss on early retirement of bonds was also recognized, amounting to P6.6 million.

The fair value and carrying value of the bonds amounts to nil as of December 31, 2023 and 2022, respectively. Amortization of bond issue costs amounted to nil and P0.66 million in 2023 and 2022, respectively, and are included as part of Finance Costs in the statements of comprehensive income.

Total finance costs incurred on these bonds, inclusive of the amortization of the debt issue costs, amounted to nil and P22.3 million in 2023 and 2022, respectively, and is presented as Finance cost in the statements of comprehensive income.

The Company and its subsidiaries are required under the terms of the bonds to observe certain covenants, including, among others, maintenance of financial ratios, incurrence or guarantee of additional debt, encumbrance for borrowed money and other covenants. These were complied with by the Company in 2022.

19 PENSION LIABILITY

The Company has an unfunded, non-contributory defined benefits pension plan covering its permanent employees. Retirement benefits cost and obligations are determined in accordance with an actuarial study made for the plan.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employees' retirement benefits under any collective bargaining agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The amount of pension liability recognized in the statements of financial position is determined as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Benefit obligation	P 1,044,088	P 429,702	P 359,321
Plan assets	<u>-</u>	<u>-</u>	<u>-</u>
Liability to be recognized in the statement of financial position	<u>P 1,044,088</u>	<u>P 429,702</u>	<u>P 359,321</u>

The amount recognized under "salaries, wages and employee benefits" in the profit or loss is as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Current service cost	P 51,512	P 47,524	P 81,742
Interest cost	31,024	18,254	21,523
Expense recognized during the year	<u>P 82,536</u>	<u>P 65,778</u>	<u>P 103,265</u>

Retirement expense charged to operations in 2023, 2022 and 2021 amounted to P82,536, P65,778, and P103,265, respectively.

The movements in the accrued retirement benefit cost in the statements of financial position are as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Beginning of year	P 429,702	P 359,321	P 546,258
Total expenses charged in the statements of comprehensive income	82,536	65,778	103,265
Remeasurement on Actuarial losses (gain) recognized during the year	531,850	4,603	(290,202)
Other	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>P 1,044,088</u>	<u>P 429,702</u>	<u>P 359,321</u>

The cumulative amount of actuarial loss (gain) recognized in the statements of comprehensive income follows:

	2023	2022	2021
Balances at beginning of year	P 66,945	P 62,342	P 352,544
Actuarial loss (gain) during the	531,850	4,603	(290,202)
Balance at end of year	598,795	66,945	62,342
Tax effect	(149,699)	(16,736)	(15,585)
Cumulative actuarial loss, net of	P 449,096	P 50,209	P 46,757

The following table sets forth the expected future settlements by the Plan of maturing defined benefit obligation as of December 31, 2023:

	Amount
1 to 5 years	27,126
6 to 10 years	55,568
11 to 15 years	103,272
16 years and up	12,355,591

The average duration of the defined benefit obligation at the end of the reporting period is 20 years.

The assumptions used to determine pension benefits for the years ended December 31 are as follows:

	2023	2022	2021
Discount rate	6.11%	7.22%	5.08%
Salary increase rate	5.00%	4.00%	2.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption of the defined benefit obligation as at the end of the reporting period, assuming if all other assumptions were held constant:

	2023	
	Increase(Decrease)	
Discount rate	1% (1%)	(194,685) 243,240
Future salary increases	1% (1%)	243,532 (198,378)
Improvement in employee turnover	10%	72,216
Increase in employee turnover	(10%)	(72,216)

Assumptions regarding future mortality experience are set based on advice from published statistics and mortality tables.

20 EQUITY

20.1 Capital Stock

Details of the Company's capital stock as of December 31, 2023 and 2022 are as follows:

	Shares			Amount		
	2023	2022	2021	2023	2022	2021
Preferred Shares- P.01 par value, voting Authorized – 5.00 billion shares						-
Issued and outstanding		-	-	-	-	
Preferred Shares Series A – P1 par value, cumulative, non-voting, non- participating, non-convertible, redeemable 6.0263% per annum Authorized – 50 million shares						
Issued and outstanding	-	-	50,000,000	P -	P -	P 50,000,000
Preferred Shares Series B – P1 par value, cumulative, non-voting, non-participating, non-convertible, redeemable 5..50% per annum Authorized – 50 million shares						
Issued and outstanding	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000
Treasury shares – at cost preferred Shares Series B (see Note 20.3)	(166,900)	-	-	(15,604,614)		
Balance at end of year	36,833,100	37,000,000	87,000,000	P 21,395,386	P 37,000,000	P 87,000,000
Common Shares – P1 par value Authorized shares – 6.850 billion shares						
Issued and outstanding:						
Balance at beginning of year	5,517,990,720	5,517,990,720	5,517,990,720	P 5,517,990,720	P 5,517,990,720	P 5,517,990,720
Treasury shares – at cost (see Note 20.3)	(126,591,700)	(126,591,700)	(126,591,700)	(1,806,540,154)	(1,806,540,154)	(1,806,540,154)
Balance at end of year	5,391,399,020	5,391,399,020	5,391,399,020	3,711,450,566	3,711,450,566	3,711,450,566
Total	5,428,232,120	5,428,399,020	5,478,399,020	P 3,732,845,952	P 3,748,450,566	P 3,798,450,566

20.2 Authorized Capital Stock

On October 20, 2010, the PSE approved the Company's application for the initial listing of 181.9 million common shares under the Second Board of the PSE.

On August 25, 2011, the Company entered into a Subscription Agreement (SA) with Intellectual Property Ventures Group (IPVG), wherein IPVG agrees to subscribe to 40.0 million shares of the common stock of the Company at a subscription price of P2.52 per share or a total subscription of P100.8 million. IPVG paid P25.0 million in cash as partial payment and agreed to pay the remaining balance of the subscription price upon call thereon by the Company's BOD.

As a result of an Asset Purchase Agreement dated September 28, 2011, the said SA and the related shares subscribed and partially paid were transferred to Intellectual Property Ventures, Inc. (IPVI).

On February 29, 2012, the stockholders approved the issuance of the 40.0 million shares in favor of IPVI. On the same date, the minority and unrelated stockholders waived the requirement to conduct a rights or public offering of the shares subscribed.

In April 2012, the Company received the remaining subscription receivable and issued the corresponding shares to IPVI. These shares were part of the shares acquired by the stockholders of the 8990 Group (former stockholders of the Company's subsidiaries). On May 6, 2013, the Company recognized deposits for future stock subscription amounting to P27.9 billion in exchange for its investments in subsidiaries through Share Swap with the stockholders of 8990 Group.

On September 23, 2013, the BOD of the Company approved the subscriptions and issuance of 465,580,467 shares at P1.00 per share to new public investors to comply with the minimum public ownership requirement of the PSE. Such issuance is subject to following conditions: (i) the approval of the SEC of the Company's application for the increase in authorized capital stock from P460.0 million to P7.0 billion and, (ii) the issuance of 3,968,357,534 shares to the stockholders of 8990 Group. The shares were issued subsequent to the approval by the SEC of the increase in authorized capital stock of the Company on October 1, 2013.

Subsequent also to the approval of the SEC of the increase in authorized capital stock, the deposits for future stock subscription of the Company was applied as payment for the issuance of shares which were recorded as part of the Company's Capital Stock and Additional Paid-in Capital accounts amounting to P4.0 billion and P23.9 billion, respectively.

On March 17, 2014, the Company's BOD approved the offering and issuance by way of a "follow-on" offering consisting of the following shares at an offer price of P6.50 per share:

Primary shares	862,186,050
Secondary shares	382,360,770
Over-all allotment shares	134,950,860

The registration by way of a follow-on offering of common shares was rendered effective by the SEC on April 15, 2014 and for which a Certificate of Permit to Offer Securities for Sale was issued by the SEC on April 30, 2014.

Total proceeds from the primary offer shares amounted to P5.6 billion and the related direct issue costs incurred in connection with the offering amounted to P341.9 million which were charged to additional paid-in capital.

As of December 31, 2023 and 2022, there are 5,428,232,120 and 5,428,399,020 listed shares, which are held by 32 and 30 holders (common shares), respectively. Such listed shares closed at P9.23 per share and P9.86 per share as of December 31, 2023 and 2022, respectively.

On January 31, 2017, the stockholders approved and ratified the creation of the preferred shares under the shelf registration. The SEC approved the Company's amended Articles of Incorporation creating the preferred shares on April 19, 2017.

On July 25, 2017, the BOD of the Company unanimously authorized the sale and offer of up to Ten Billion Pesos (P10,000,000,000) preferred shares, at an offer price of P100.00 per share, or 100,000,000 preferred shares with an initial tranche of 50,000,000 preferred shares, under a shelf registration to be issued within a period of three years.

The Company also applied with the PSE for the listing of the preferred shares, which the PSE approved for listing on the main board of the PSE on November 8, 2017. The PSE approval covers only the initial tranche of 50,000,000 preferred shares under the shelf registration.

The preferred shares were offered at the price of P100.00 per share resulting in an additional paid-in capital of P4.9 billion, net of direct share issuance cost. Direct issuance costs amounted to P46.5 million and listing fees paid to PSE amounted to P5.1 million.

On February 10, 2021, 37,000,000 Series B Preferred Shares were issued by the Company at P 100 per share. Said shares were listed at the Philippine Stock Exchange with ticket '8990B'. The APIC was further increased by P 3.6 billion (net of direct share issuance cost of P 59.90 million) as a result of shares offering.

On October 28, 2022, the Company's BOD approved the redemption of its 50,000,000 outstanding Series A Preferred Shares (8990P) at a redemption price of P 100 per share.

Total issued preferred shares by the Company is at 37,000,000 shares with market value of P3,515,000,000 and P3,626,000,000 as of December 31, 2023 and 2022, respectively, breakdown as follows:

	2023			2022		
	Shares	Closing Rate	Amount	Shares	Closing Rate	Amount
Series B	37,000,000	95.00	3,515,000,000	37,000,000	98.00	3,626,000,000
Total	37,000,000		P 3,515,000,000	37,000,000		P 3,626,000,000

20.3 Treasury Shares

Treasury shares are shares of stock of the Parent Company that were reacquired but not cancelled. These are carried at acquisition cost and are presented as a deduction from equity until the shares are cancelled, reissued or disposed. The portion of treasury shares in the retained earnings is not allowed for dividends declaration.

On February 6, 2019, the Company's BOD announced its P2.0 billion share buyback program which is to be implemented for a period of 18 months or until August 1, 2020. The said buyback program excludes the participation of the majority shareholders.

On April 26, 2023, the Company's BOD approved the adoption of a buyback program in the amount of up to Php 1 billion, for the Company's outstanding Series B Preferred Shares.

Summary of Treasury Share Buyback:

Date of Buyback	No. of Shares Repurchased	Price per Share	Amount
05/02/2023	12,760	P 93.00	P 1,186,680
05/04/2023	30,240	93.00	2,812,320
05/12/2023	60	93.00	5,580
05/16/2023	180	94.30	16,974
05/16/2023	41,340	95.00	3,927,300
05/17/2023	31,000	93.00	2,883,000
05/25/2023	13,420	93.00	1,248,060
08/31/2023	9,730	93.00	904,890
09/06/2023	8,800	93.00	818,400
10/02/2023	17,900	93.00	1,664,700
10/02/2023	1,470	93.00	136,710
Total	166,900		P 15,604,614

These repurchased shares are presented as Treasury Shares in the statements of financial position and do not form part of the outstanding shares. Below is the movement of treasury shares as at December 31, 2023 and 2022:

	2023		2022	
	Shares	Amount	Shares	Amount
Balance, January 1	126,591,700	P 1,806,540,154	126,591,700	P 1,806,540,154
Acquisition	-	-	-	-
Buyback	166,900	15,604,614	-	-
Balance, December 31	126,758,600	P 1,822,144,768	126,591,700	P 1,806,540,154

Under the Revised Corporation Code of the Philippines, a stock corporation can purchase or acquire its own shares provided that it has unrestricted retained earnings to cover the shares to be purchased or acquired. The equivalent amount of retained earnings is considered restricted.

20.4 Dividends

The Company's BOD approved the following cash dividend declarations in 2023, 2022 and 2021:

Amount Per Share	Date of			Amount
	Declaration	Record	Payment	
<u>2023</u>				
Preferred				
1.375	Feb. 7, 2023	Apr. 25, 2023	May. 10, 2023	50,875,000
1.375	Feb. 7, 2023	Jul. 27, 2023	Aug. 10, 2023	50,875,000
1.375	Feb. 7, 2023	Oct. 25, 2023	Nov. 10, 2023	50,875,000
1.375	Feb. 7, 2023	Jan. 29, 2024	Feb. 10, 2024	50,875,000
				P 203,500,000
Amount Per Share	Date of			Amount
	Declaration	Record	Payment	
<u>2022</u>				
Preferred				
1.506575	Feb. 17, 2022	Feb. 16, 2022	Mar. 1, 2022	P 75,328,750
1.506575	Feb. 17, 2022	May 18, 2022	Jun. 1, 2022	75,328,750
1.506575	Feb. 17, 2022	Aug. 18, 2022	Sep. 1, 2022	75,328,750
1.506575	Feb. 17, 2022	Nov. 17, 2022	Dec. 1, 2022	75,328,750
1.375	Feb. 17, 2022	Apr. 16, 2022	May. 10, 2022	50,875,000
1.375	Feb. 17, 2022	Jul. 27, 2022	Aug. 10, 2022	50,875,000
1.375	Feb. 17, 2022	Oct. 24, 2022	Nov. 10, 2022	50,875,000
1.375	Feb. 17, 2022	Jan. 26, 2023	Feb. 10, 2023	50,875,000
				P 504,815,000

	Declaration	Record	Payment	
2021				
Preferred				
1.506575	Feb. 16, 2021	Feb. 28, 2021	Mar. 1, 2021	P 75,328,750
1.506575	Feb. 16, 2021	May 18, 2021	Jun. 1, 2021	75,328,750
1.506575	Feb. 16, 2021	Aug. 18, 2021	Sep. 1, 2021	75,328,750
1.506575	Feb. 16, 2021	Nov. 18, 2021	Dec. 1, 2021	75,328,750
1.375	Feb. 24, 2021	Apr. 30, 2021	May. 10, 2021	50,875,000
1.375	Feb. 24, 2021	Jul. 30, 2021	Aug. 10, 2021	50,875,000
1.375	Feb. 24, 2021	Oct. 29, 2021	Nov. 10, 2021	50,875,000
1.375	Feb. 24, 2021	Jan. 31, 2022	Feb. 10, 2022	<u>50,875,000</u>
				<u>504,815,000</u>
Common				
P0.20	Nov. 3, 2021	Nov. 17, 2021	Dec. 10, 2021	<u>1,103,598,144</u>
				<u>P 1,608,413,144</u>

20.5 Capital Management

The primary objective of the Company's capital management is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Company establishes the appropriate capital structure for its business, and thus, allowing the necessary financial flexibility for its operations and providing sufficient cushion to absorb cyclical industry risks.

The Company is not subject to externally-imposed capital requirements, which considers its total liabilities and equity as its capital.

For 2022 and 2021, the bonds require the Company to observe certain covenants, including, among others, maintenance of financial ratios, incurrence or guarantee of additional debt, encumbrance for borrowed money, and other covenants. These were complied with by the Company.

21 INCOME TAXES

The components of tax expense (income) reported in the statements of comprehensive income are as follows:

	2023	2022	2021
<i>Reported in profit or loss:</i>			
Current tax expense (tax benefit):			
Minimum corporate income	P -	P 426,896	P 612,357
Tax MCIT) at applicable tax rate			
Regular corporate income	(5,417,171)	-	-
CREATE Adjustment	-	-	(310,578)
Final tax at 20%	<u>1,482</u>	<u>4,398</u>	<u>12,347</u>
Subtotal	<u>P (5,415,689)</u>	<u>P 431,294</u>	<u>P 314,126</u>
Deferred tax expense			
relating to origination and reversal of			
temporary differences	P 17,395,314	P 16,971,147	3,277,811
CREATE Adjustment	-	-	9,686
Subtotal	<u>P 17,395,314</u>	<u>P 16,971,147</u>	<u>P 3,287,497</u>
Total	<u><u>P 11,979,625</u></u>	<u><u>P 17,402,441</u></u>	<u><u>P 3,601,623</u></u>

	2023	2022	2021
<i>Reported in other comprehensive income :</i>			
Deferred tax expense (income)			
relating to remeasurement of post-			
retirement defined benefit plan	P (132,963)	P (1,151)	P 72,551
CREATE Adjustment	-	-	17,627
Total	P (132,963)	P (1,151)	P 90,178

The reconciliation of tax expense on pretax income at the applicable statutory rates to tax expense reported in the profit or loss section of statements of comprehensive income is shown below.

	2023	2022	2021
Income before tax at statutory tax rate	P 701,991,270	P 501,927,947	P 679,888,601
Adjustments for the income tax effects of:			
Dividend income exempt from income tax	(685,575,943)	(488,269,355)	(636,370,267)
Adjustment on CREATE	-	-	(300,892)
Application of NOLCO	(5,417,171)	-	-
Unrecognized deferred tax assets	521,081	8,476,245	13,252,945
Nontaxable income	(3,242,777)	(6,081,323)	(54,093,573)
Nondeductible expenses	3,704,631	1,350,163	1,227,895
Interest income subject to final tax	(1,466)	(1,236)	(3,086)
Tax expense	P 11,979,625	P 17,402,441	P 3,601,623

On March 26, 2021, the President signed into law the Republic Act (RA) 11534, also known as “Corporate Recovery and Tax Incentives for Enterprises Act or “CREATE” Act which reduced the corporate income tax rates and rationalized the current fiscal incentives by making it time bound, targeted and performance – based. CREATE Act introduces reforms in the areas of corporate income tax, value – added tax, and tax incentives, aside from providing COVID – 19 reliefs to taxpayers.

The salient provisions of the Create Act applicable to the Company are as follow:

1. Effective July 1, 2020, domestic corporation with total assets not exceeding P100 million and taxable income of P5 million and below shall be subject to 20% income tax rate while the other domestic corporations and resident foreign corporations will be subject to 25% income tax rate.
2. Minimum corporate income tax (MCIT) rate reduced from 2% to 1% effective July 1, 2020, to June 30, 2023. Accordingly, the rate shall now revert to 2% effective July 1, 2023;
3. The imposition of improperly accumulated earnings is repealed.

The estimated significant effects of the changes computed without regard to the specific date when specific revenue, expenses and other transactions occur as provided for under Section 27 (A) of the CREATE Act are as follows:

	As of December 31, 2020	Under CREATE Act	Impact
Income tax expense (P&L)	1,249,480	948,588	(300,892)
Income tax benefit (OCI)	(55,097)	(37,470)	17,627
Deferred tax asset	163,877	136,565	(27,312)
Prepaid income tax	22,563,628	22,874,205	310,577

Above net impact of CREATE was recognized in 2021.

Details of the Company's NOLCO are as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
2022	P 32,197,395	P -	P 32,197,395	2025
2021	50,562,351	-	50,562,351	2026
2020	450,088,862	(21,668,683)	428,420,179	2025
Total	P 532,848,608	P (21,668,683)	P 511,179,925	

NOLCO for 2021 and 2020 amounted to P 50,562,351 and P 428,420,179, which will expire in 2026 and 2025, respectively. NOLCO for 2021 and 2020 can be applied for five years instead of three years, in compliance with Revenue Regulation No. 25-2020 (issued last September 28, 2020) *“Notwithstanding the provision of existing laws to the contrary, the net operating loss of the business or enterprise for the taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive years immediately following the year of such loss; Provided that this subsection shall remain in effect even after the expiration of Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act;”*.

During the year, the Company applied its NOLCO amounting to P21,688,683 against its taxable income.

On the other hand, the details of the Company's MCIT are as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
2023	P 534,250	P -	P 534,250	2026
2022	426,896	-	426,896	2025
2021	612,357	-	612,357	2024
2020	1,242,310	(1,242,310)	-	2023
Total	P 2,815,813	P (1,242,310)	P 1,573,503	

The Company did not recognize deferred tax assets on the temporary differences presented below since the Company believes that it is not probable that the related benefits will be realized in the future.

	2023		2022		2021	
	Tax Base	Tax Effect	Tax Base	Tax Effect	Tax Base	Tax Effect
NOLCO	P 511,179,925	P 127,794,981	P 532,848,608	P 133,212,152	P1,028,581,360	P 257,145,340
Impairment loss	283,820	70,955	313,621	78,405	1,512,419	378,105
Excess of depreciation and interest expense over lease payments	9,307	2,327	155,305	38,826	67,921	16,980
Excess MCIT over RCIT	1,573,503	1,573,503	2,281,563	2,281,563	2,927,178	2,927,178
	P 513,046,555	P 129,441,766	P 535,599,097	P 135,610,946	P1,033,088,878	P 260,467,603

The components of recognized net deferred income tax liabilities are as follows:

	2023	2022	2021
Deferred tax asset			
Remeasurement of pension liability	P 261,022	P 107,426	P 89,830
Deferred tax liability			
Share in earnings of associate	(31,755,745)	(20,291,219)	(3,303,627)
Net, deferred tax asset (liability)	P (31,494,723)	P (20,183,793)	P (3,213,797)

22 COMMITMENT AND CONTINGENCIES

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

23 RELATED PARTY TRANSACTIONS

The Company's transactions with related parties consist of granting of loans and advances and reimbursement of expenses, which can be settled in cash or through offsetting arrangement.

A summary of the Company's transactions and the related outstanding balance with its related parties is shown below.

		2023			Terms and Conditions
Category	Amount of Transaction		Outstanding Balance		
Subsidiaries					
Due from related parties	P -		P 354,839,923		Noninterest-bearing, receivable on demand, unsecured, no impairment
Due to related parties	5,942,623		1,387,894,726		Noninterest-bearing, payable on demand, unsecured
Loans receivables (Note 9)					
Principal	-		943,726,834		Noninterest-bearing, payable on December 31, 2024 and July 16, 2025, unsecured, no impairment
Accretion of discount	12,971,105		(21,832,638)		
Dividend income (Note 10)	2,742,303,771		-		Dividend declared by 8990 HDC
Key Management Personnel	3,724,356		-		
		2022			Terms and Conditions
Category	Amount of Transaction		Outstanding Balance		
Subsidiaries					
Due from related parties	P (432,021,780)		P 354,839,923		Noninterest-bearing, receivable on demand, unsecured, no impairment
Due to related parties	5,338,714,977		4,291,235,562		Noninterest-bearing, payable on demand, unsecured
Loans receivables (Note 9)					
Principal	-		943,726,834		Noninterest-bearing, payable on December 31, 2023, and July 16, 2025, unsecured, no impairment
Accretion of discount	24,325,293		(34,803,743)		
Dividend income (Note 10)	1,953,077,419		-		Dividend declared by 8990 HDC
Key Management Personnel	3,112,438		-		

		2021		
Category	Amount of Transaction	Outstanding Balance	Terms and Conditions	
Subsidiaries				
Due from related parties	P 1,102,160,712	P 1,102,160,712	Noninterest-bearing, receivable on demand, unsecured, no impairment	
Due to related parties	(2,596,103,115)	1,175,932,157	Noninterest-bearing, payable on demand, unsecured	
Loans receivables (Note 9)				
Principal		1,926,862,003	Noninterest-bearing, payable on July 16, 2022, December 31, 2022 and July 16, 2025, unsecured, no impairment	
Accretion of discount	216,374,291	(59,129,036)		
Dividend income (Note 10)	2,545,481,070	-	Dividend declared by 8990 HDC	
Key Management Personnel	3,146,089	-		

The Company's accounting and administrative functions are being handled by the subsidiaries at no cost to the Company.

The total remuneration of the key management personnel of the Company, which is composed of short-term benefits, amounted to P3.7 million and P3.1 million in 2023 and 2022, respectively, and is presented as Salaries and wages under Expenses section in the statements of comprehensive income.

24 MISCELLANEOUS EXPENSE

This account pertains to infrequent transactions that are insignificant to have their own account, which are lumped into one general account. 2023 transactions include settlement of LOA for taxable years 2021 and 2022 and reimbursement of out-of-pocket expenses. Meanwhile, 2022 transactions involve settlement of LOA for taxable year 2020, fines and penalties, and reimbursements.

The following are the amounts recorded on this account as of December 31:

	2023	2022	2021
Miscellaneous Expense	P 19,299,526	P 19,857,553	P 18,560,867

25 EARNINGS PER SHARE

Basic EPS is calculated by dividing the net profit for the year (after subtracting preferred dividends) by the weighted average number of common shares outstanding during the reporting period.

The following table reflect the net profit and share data used in the basic/diluted EPS computations:

	2023	2022	2021
Net profit attributable to equity holders of 8990 Holdings, Inc.	P 2,795,985,455	P 1,990,309,348	P 2,715,952,781
Less: preferred dividends	<u>203,500,000</u>	<u>504,815,000</u>	<u>504,815,000</u>
Net profit after preferred dividends	<u>2,592,485,455</u>	1,485,494,348	2,211,137,781
Divided by weighted average number of common shares	<u>5,391,399,020</u>	<u>5,391,399,020</u>	<u>5,391,399,020</u>
Basic/diluted EPS	<u>P .48</u>	<u>P .28</u>	<u>P .41</u>

There were no potential dilutive common shares in 2023, 2022, and 2021.

26 INFORMATION ON STATEMENTS OF CASH FLOWS

26.1 Reconciliation of Liabilities from Financing Activities

Presented below is the reconciliation of the Company's liabilities arising from financing activities, which includes both cash and non-cash changes.

	Due to Related Parties	Bonds Payable	Total
Balance at January 1, 2023	P 4,291,235,562	P -	P 4,291,235,562
Cash flows from a financing activities:			
Advances obtained	5,942,623	-	5,942,623
Repayment of advances obtained	(402,058,459)	-	(402,058,459)
Non-cash financing activity - Advances offset	(2,507,225,000)		(2,507,225,000)
Balance at December 31, 2023	P 1,387,894,726	P -	P 1,387,894,726

	Due to Related Parties	Bonds Payable	Total
Balance at January 1, 2022	P 1,175,932,157	P 592,631,999	P 1,768,564,156
Cash flows from a financing activities:			
Advances obtained	5,338,714,977	-	5,338,714,977
Repayment of advances obtained	(1,044,069,003)	-	(1,044,069,003)
Payment of bonds		(599,882,750)	(599,882,750)
Loss on early redemption of bonds		6,592,275	6,592,275
Non-cash financing activity - Amortization of bond issue costs	-	658,476	658,476
Advances offset	(1,179,342,569)		(1,179,342,569)
Balance at December 31, 2022	P 4,291,235,562	P -	P 4,291,235,562

	Due to Related Parties	Bonds Payable	Total
Balance at January 1, 2021	P 3,772,035,272	P 591,475,044	P 4,363,510,316
Cash flows from a financing activities:			
Advances obtained	-	-	-
Repayment of advances obtained	(2,596,103,115)	-	(2,596,103,115)
Non-cash financing activity - Amortization of bond issue costs	-	1,156,955	1,156,955
Balance at December 31, 2021	P 1,175,932,157	P 592,631,999	P 1,768,564,156

26.2 Supplemental Information on Non-cash Financing Activities of the Company

The Company's non-cash financing activity relates to the incurred interest expense amounting to nil and P37.5 million in 2023 and 2022, respectively.

27 SUBSEQUENT EVENTS

27.1 Optional Redemption of Series B Preferred Shares

On January 11, 2024, the Board of Directors approved the Company's Optional Redemption of its outstanding Series B Non-voting, Non-Convertible, Non-Participating, Redeemable, and Perpetual Preferred Shares ("Series B Preferred Shares" or "8990B") listed on the Philippine Stock Exchange. The redemption, in accordance with the terms outlined in the Prospectus dated January 26, 2021, will take effect on February 10, 2024, the third anniversary of the Issue Date.

The redemption price per share is Php100.00, plus any accrued and unpaid cash dividends and arrears of dividends, less applicable transfer costs. Payment will be made through check starting February 10, 2024, to shareholders of record as of January 29, 2024. The redeemed shares will be recorded as treasury stock of the Company. Upon redemption, the Series B Preferred Shares shall be considered retired.

On February 10, 2024, the Parent Company completed the redemption of all Series B Preferred Shares. The cost amounted to P 3,693,700,000.

27.2 Expansion of Share Buyback Program

On February 20, 2024, the Board of Directors approved the expansion and extension of the Company's existing share buyback program, initially sanctioned on February 1, 2019 ("Share Buyback Program").

The revised terms are as follows:

- Period - Up to twelve (12) months from the date of board approval (or until 20 February 2025), unless period is otherwise extended or shortened by the Board of Directors
- Amount Allocated - Up to Php7 Billion worth of common shares
- Conditions:
 - The share Buyback program will not involve any active and widespread solicitation of stockholders of the Company to sell their shares.
 - The Share Buyback Program will be implemented in the open market through the trading facilities of the Philippine Stock Exchange.
 - The Company shall repurchase shares using cash and book them as treasury shares.
 - The share buyback program will be implemented in an orderly manner and will not (and should not) affect any of the Company's prospective and existing projects and investments.
 - Any share buyback implemented shall take into account the need to maintain the liquidity of the Company's stock in the market, as well as public ownership requirements.

28 SUPPLEMENTARY INFORMATION REQUIRED UNDER REVENUE REGULATION (RR) 15-2010

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR No. 15-2010 are presented as follows:

(a) Value-Added tax

The NIRC of 1997 provides for the imposition of VAT on sales of goods and services. Accordingly, the Company's purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is set at 12%.

The Company did not declare output VAT as it did not enter into transactions subject to output VAT during the year.

The movement in input VAT in 2023 are summarized below (see Note 14).

Balance at beginning of year	P 13,156,234
From domestic purchase of services	1,556,462
From domestic purchase of goods other than capital goods	<u>67,207</u>
Balance at end of year	<u><u>P 14,779,903</u></u>

(b) Taxes on Importations

The Company did not have any importation in 2023.

(c) Excise Tax

The Company did not have any transactions in 2023 that are subject to excise tax.

(d) Documentary Stamp Taxes

The Company's documentary stamp tax paid in 2023 amounts to P 689,376.

(e) Taxes and Licenses

The Company's taxes and licenses for the year ended December 31, 2023 consist of license and permit fees amounting to P1,449,105 and is presented as Taxes and licenses under the Expenses in the 2023 statement of comprehensive income.

Documentary stamp tax	P 689,376
Licenses and Permit Fees	<u>759,729</u>
Total	<u><u>P 1,449,105</u></u>

(f) *Withholding Taxes*

Withholding taxes paid and accrued and/or withheld by the Company for the year ended December 31, 2023 consists of:

Final withholding tax	P 14,317,965
Withholding tax on compensation	877,520
Expanded withholding taxes	<u>261,969</u>
Total	<u>P 15,457,454</u>

(g) *Deficiency Tax Assessment and Tax Cases*

As of December 31, 2023, the Company has no outstanding tax assessments.

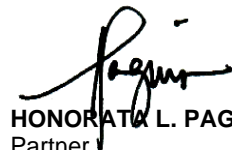
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Shareholders and Board of Directors
8990 HOLDINGS, INC.
11TH Floor Liberty Center
104 H.V. Dela Costa, Salcedo Village
Makati City

We have audited in accordance with Philippine Standards on Auditing, the separate financial statements of **8990 HOLDINGS, INC.** ("the Parent Company"), as at and for the year ended December 31, 2023 and issued our report thereon dated April 24, 2024. Our audits were made for the purpose of forming an opinion on the separate financial statements taken as a whole. The schedules listed in the Index to the separate Financial Statements and Supplementary Schedules are the responsibility of the Parent Company's Management. These schedules are presented for purpose of complying with the Securities Regulation Code (SRC) 68, as amended, and are not part of the separate financial statements. These supplementary schedules have been subjected to the auditing procedures applied in the audit of the separate financial statements and in our opinion, the information fairly states in all material respects the financial data required to be set forth therein in relation to the separate financial statements taken as a whole.

RAMON F. GARCIA & CO., CPAs

By:



HONORATA L. PAGUIO

Partner

CPA Certificate No. 0078850

PTR No. 10109963, January 25, 2024, Makati City

TIN 105-540-683-000

BOA/PRC Accreditation No. 0207 (April 9, 2023 to October 5, 2025)

Partner's BIR Accreditation No. 08-001759-003-2020 (March 13, 2023 to March 12, 2026)

Partner's SEC Accreditation No. 78850, Group A (Valid for the audit of 2019 to 2023 financial statements)

Firm's BIR Accreditation No. 08-001759-000-2020 (March 13, 2023 to March 12, 2026)

Firm's SEC Accreditation No. 0207-SEC-A (Valid for the audit of 2021 to 2025 financial statements)

April 24, 2024
Makati City

8990 HOLDINGS INC.
INDEX TO PARENT COMPANY FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2023

Schedules Required under Annex 68-E of the Securities Regulation Code Rule 68

Schedule	Description	Page No.
A	Financial Assets	
	Financial Assets at Fair Value Through Other Comprehensive Income	None
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	1
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	2
D	Long-Term Debt	None
E	Indebtedness to Related Parties	3
F	Guarantees of Securities of Other Issuers	None
G	Capital Stock	4

Other Required Schedules/Information

Financial Indicators	5
Reconciliation of Retained Earnings Available for Dividend Declaration	6 - 7
Map Showing the Relationship Between and Among Related Entities	8 - 10

8990 HOLDINGS, INC.
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES,
AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2023

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts Collected	Amounts written off	Current	Non-Current	Balance at end of period
Roan Torregosa	P -	P 39,665,663	P 10,800,000	P -	P 28,865,663	P -	P 28,865,663
Teresa Secuya	500,000	382,600	500,000		382,600		382,600
TOTAL	P 500,000	P 40,048,263	P 11,300,000	P -	P 29,248,263	P -	P 29,248,263

8990 HOLDINGS, INC.
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED
DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2023

Name and Designation of Debtor	Balance at Beginning of Year	Additions	Deductions		December 31, 2023		Balance at December 31, 2023
			Amounts Collected	Amounts Written-off	Current	Not Current	
Primex Land, Inc.	P 54,839,923	P -	P -	P -	P 54,839,923	P -	P 54,839,923
Piccadilly Premier Land Inc.	<u>300,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000,000</u>	<u>-</u>	<u>300,000,000</u>
TOTAL	<u>P 354,839,923</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P 354,839,923</u>	<u>P -</u>	<u>P 354,839,923</u>

8990 HOLDINGS, INC.
SCHEDULE F – INDEBTEDNESS TO RELATED PARTIES (Long-Term Loans from Related Parties)
DECEMBER 31, 2023

Name of related party		Balance at beginning of period	Balance at end of period
8990 Housing Development Corporation	P	3,716,385,578	P 813,044,742
Tondo Holdings Corporation		187,087,957	187,087,957
Euson Realty and Dev't Corporation		113,800,000	113,800,000
8990 Davao Housing Development Corporation		189,895,361	189,895,361
8990 Mindanao Housing Development Corporation		80,066,666	80,066,666
8990 Monterrazas Development Corporation		<u>4,000,000</u>	<u>4,000,000</u>
Total	P	<u>4,291,235,562</u>	<u>P 1,387,894,726</u>

8990 HOLDINGS, INC.
SCHEDULE H - CAPITAL STOCK
DECEMBER 31, 2023

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by		Others
				Related parties	Directors, Officers and Employees	
Common Shares at ₱1 par value	6,850,000,000	5,391,399,020	—	3,611,241,620	432,021,796	1,348,135,604
Preferred Shares Series A at ₱1 par value	50,000,000	—	—	—	—	—
Preferred Shares Series B at ₱1 par value	50,000,000	37,000,000	—	—	—	37,000,000
Preferred Shares ₱0.01 par value	5,000,000,000	—	—	—	—	—

8990 HOLDINGS, INC.
Supplemental Schedule of Financial Soundness Indicators
December 31, 2023 and 2022

Ratio	Formula	Dec-23	Ratio	Formula	Dec-22
Current ratio	Total Current Assets Divided by Total Current Liabilities	1,166,158,726 1,458,943,247 0.80	Current ratio	Total Current Assets Divided by Total Current Liabilities	1,550,301,977 4,372,802,757 0.35
Acid test ratio	Total Current Assets Less: Inventories Other Current Assets	1,166,158,726 51,103,850	Acid test ratio	Total Current Assets Less: Inventories Other Current Assets	1,550,301,977 50,406,024
	Quick Assets Divide by: Total Current Liabilities	1,115,054,876 1,458,943,247		Quick Assets Divide by: Total Current Liabilities	1,426,345,953 4,372,802,757
	Acid test ratio	0.76		Acid test ratio	0.34
Solvency ratio	Total Liabilities Divided by Total Assets	1,491,482,058 45,708,744,693 0.03	Solvency ratio	Total Liabilities Divided by Total Assets	4,394,219,512 46,035,000,193 0.10
Debt-to-equity ratio	Total Liabilities Divided by Total Equity	1,491,482,058 44,217,262,635 0.03	Debt-to-equity ratio	Total Liabilities Divided by Total Equity	4,394,219,512 41,640,780,681 0.11
Assets-to- equity ratio	Total Assets Divided by Total Equity	45,708,744,693 44,217,262,635 1.03	Assets-to- equity ratio	Total Assets Divided by Total Equity	46,035,000,193 41,640,780,681 1.11
Interest rate coverage ratio	Earnings before interest and taxes (EBIT) Divide by: Interest Expense	2,808,052,685 87,605 32,053.57	Interest rate coverage ratio	Earnings before interest and taxes (EBIT) Divide by: Interest Expense	2,045,386,976 37,675,187 54.29
Return on equity	Net Profit Divide by: Total Equity	2,795,985,455 44,217,262,635 0.06	Return on equity	Net Profit Divide by: Total Equity	1,990,309,348 41,640,780,681 0.05
Return on assets	Net Profit Divide by: Total Assets	2,795,985,455 45,708,744,693 0.06	Return on assets	Net Profit Divide by: Total Assets	1,990,309,348 46,035,000,193 0.04
Net profit margin	Net Profit Divide by: Total Revenue	2,795,985,455 2,842,225,648 0.98	Net profit margin	Net Profit Divide by: Total Revenue	1,990,309,348 2,108,888,166 0.94

Schedule I

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND
DECLARATION**

FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2023

8990 HOLDINGS, INC.

11th Floor Liberty Center, 104 H.V. Dela Costa

Salcedo Village, Makati City

Unappropriated Retained Earnings, beginning of reporting period		3,967,665,943
(See footnote 2)		
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	—	
Effect of restatements or prior-period adjustments	—	
Others (describe nature)	—	
		—
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(203,500,000)	
Retained Earnings appropriated during the reporting period	—	
Effect of restatements or prior-period adjustments	—	
Others (describe nature)		(203,500,000)
Unappropriated Retained Earnings, as adjusted		3,764,165,943
Add/Less: Net Income (loss) for the current year		2,795,985,456
Less: Category C.1: Unrealized Income recognized in the profit or loss during the reporting period (Net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	(34,393,580)	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	—	
Unrealized fair value through profit or loss (FVTPL)	—	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	—	
Sub-total		(34,393,580)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax).		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	—	
Realized fair value adjustments (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Realized fair value gain of Investment property	—	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	—	
Sub-total		—
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	—	
Reversal of previously recorded fair value adjustment (mark-to-mark gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Reversal of previously recorded fair value gain of investment property	—	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature).	—	
Sub-total		—

Adjusted Net Income/Loss **2,761,591,876**

Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	-	
Sub-total		-

Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP

(See Footnote 3)		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	
Sub-total		-

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up right of use asset and lease liability, set-up asset and concession payable.	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others (Tax effect of accumulated share in net income of associate as of December 31, 2022)	20,291,219.00	20,291,219
Sub-total		20,291,219

Total Retained Earnings, end of the reporting period available for dividend

6,546,049,038

Footnotes:

(1) The amount of retained earnings of a company should be based on its separate ("Star financial statements.

(2) Unappropriated Retained Earnings, beginning of reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.

(3) Adjustments related to the relief provided by the SEC and BSP pertain to accounting relief (e.g. losses that are reported on a staggered basis) granted by regulators. However, these are actual losses sustained by the company and must be adjusted in the reconciliation to reflect the actual distributable amount.

(4) This reconciliation of Retained Earnings Available for Dividend Declaration is pursuant to Sec. 42 of the Revised Corporation Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this reconciliation of Retained Earnings should not be used by the REIT companies as a basis to determine the amount of its distributable income should be in accordance with the REIT Act and its Implementing Rules and Regulations.

Schedule III
8990 HOLDINGS, INC. AND SUBSIDIARIES
MAP SHOWING THE RELATIONSHIP BETWEEN AND AMONG
THE PARENT COMPANY AND ITS SUBSIDIARIES
DECEMBER 31, 2023

