

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended June 30, 2023

2. Commission identification number CS 2005 11 816

3. BIR Tax Identification No 239-508-223-000

4. Exact name of issuer as specified in its charter

8990 HOLDINGS, INC.

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

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code

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

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

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

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	5,391,399,020
Preferred Shares	37,000,000
Fixed Rate Bonds	0

11. Are any or all of the securities listed on a Stock Exchange?

Yes [☒] No [☐]

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

Name of Stock Exchange: **Philippine Stock Exchange**

Class of Securities Listed: **Common Shares**

Name of Stock Exchange: **Philippine Stock Exchange**

Class of Securities Listed: **Preferred Shares**

12. Indicate by check mark whether the registrant:

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

Yes ☒ No ☐

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

Yes ☒ No ☐

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

8990 HOLDINGS, INC AND SUBSIDIARIES

Unaudited Consolidated Statements of Financial Position (in Philippine Peso)

	30-Jun		31-Dec	
	2023	2022	2022	2021
	Unaudited	Unaudited	Audited	Audited
ASSETS				
CURRENT ASSETS				
Cash on hand and in banks (note 5)	847,032,703	1,376,375,137	1,482,231,058	1,655,736,073
Current portion of trade and other receivables (note 6)	6,006,372,244	6,345,030,224	5,868,736,522	4,351,320,159
Inventories (note 7)	47,245,460,980	43,221,076,605	46,721,266,042	41,704,768,481
Due from related parties (note 23)	2,443,672,970	1,808,064,328	2,044,601,483	1,329,051,204
Other current assets (note 9)	5,676,683,047	5,470,599,230	5,532,281,150	5,175,213,415
Total Current Assets	62,219,221,944	58,221,145,524	61,649,116,255	54,216,089,332
NON-CURRENT ASSETS				
Trade and other receivables - net of current portion (note 6)	44,722,308,596	34,470,736,958	38,035,151,992	31,922,025,883
Investment securities at fair value through OCI (note 8)	1,352,155,026	1,276,692,847	1,352,155,027	1,276,692,847
Investment in associates	250,036,486	130,677,415	221,164,876	93,214,510
Property and equipment, net (note 10)	795,081,131	740,891,716	806,045,355	732,260,247
Investment properties (note)	318,061,648	338,384,704	321,117,811	341,522,984
Goodwill (note 9)	526,474,833	526,474,833	526,474,833	526,474,833
Other noncurrent assets (note 9)	428,087,010	468,009,921	426,006,786	449,551,009
Total Noncurrent Assets	48,392,204,731	37,951,868,394	41,688,116,681	35,341,742,312
Total Assets	110,611,426,675	96,173,013,918	103,337,232,936	89,557,831,644
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Current portion of trade and other payables (note 12)	10,352,952,197	11,732,250,195	8,786,051,299	9,181,985,640
Current portion of loans payable (note 15)	9,672,110,119	17,688,748,873	20,654,332,925	17,818,386,428
Notes payable (note 13)		500,000,000		500,000,000
Bonds payable (note 14)		375,500,000		375,019,694
Deposits from customers (note 16)	3,691,817,328	2,167,559,691	1,064,929,315	875,858,780
Due to related parties (note 23)	242,253,973	330,185,455	289,460,197	81,857,852
Income tax payable	73,935,318	52,199,008	60,619,149	50,421,831
Total Current Liabilities	24,033,068,936	32,846,443,222	30,855,392,884	28,883,530,224
NON-CURRENT LIABILITIES				
Trade and other payables - net of current portion (note 12)	655,798,039	935,868,518	938,614,270	934,065,292
Loans payable - net of current portion (note 15)	31,873,748,178	11,089,105,097	21,325,019,516	12,050,788,298
Bonds payable (note 14)		217,612,305		217,612,305
Deferred tax liability	1,605,125,618	1,181,822,330	1,560,759,293	1,112,713,723
Total Noncurrent Liabilities	34,134,671,834	13,424,408,250	23,824,393,078	14,315,179,617
Total Liabilities	58,167,740,770	46,270,851,472	54,679,785,962	43,198,709,841
EQUITY				
Capital Stock (note 17)	5,554,990,720	5,604,990,720	5,554,990,720	5,604,990,720
Additional paid-in capital (note 17)	7,956,748,668	12,906,748,668	7,956,748,668	12,906,748,668
Treasury Shares (note 17)	(1,806,540,154)	(1,806,540,154)	(1,806,540,154)	(1,806,540,154)
Revaluation reserve	941,630,048	864,446,096	941,630,048	864,446,096
Retained earnings	39,696,800,493	32,332,517,115	35,920,105,691	28,789,476,472
Total	52,343,629,775	49,902,162,445	48,566,934,973	46,359,121,802
Non-Controlling Interests	100,056,130		90,511,998	
Total Equity	52,443,685,905	49,902,162,445	48,657,446,971	46,359,121,802
	110,611,426,675	96,173,013,917	103,337,232,933	89,557,831,643

(see notes to unaudited consolidated financial statements)

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

	For six months ended June 30		For three months ended June 30	
	2023	2022	2023	2022
	Unaudited	Unaudited	Unaudited	Unaudited
REVENUES (note 18)				
Real Estate Operations				
Real estate sales	9,916,026,052	9,959,636,068	4,645,840,432	4,761,712,413
Rental income	49,800	1,068,385	21,000	294,949
	9,916,075,852	9,960,704,453	4,645,861,432	4,762,007,362
Hotel operations	120,573,694	52,851,935	73,915,392	36,296,502
Equity share in net profits of associate	28,871,611	37,462,905	8,655,438	435,851
	10,065,521,157	10,051,019,293	4,728,432,262	4,798,739,715
COST OF SALES AND SERVICES (note 19)				
Real Estate Operations				
Cost of real estate sales	5,126,568,863	5,015,578,100	2,462,151,893	2,278,778,524
Cost of rental services	-	-	-	-
	5,126,568,862	5,015,578,099	2,462,151,892	2,278,778,523
Hotel Operations	63,913,270	12,191,927	40,443,318	10,590,332
	5,190,482,132	5,027,770,026	2,502,595,210	2,289,368,855
Gross Income	4,875,039,026	5,023,249,267	2,225,837,052	2,509,370,861
Operating Expenses (note 20)	1,438,337,270	1,306,343,425	756,046,229	595,090,963
Other Operating Income (Expense) (note 22)	1,443,491,391	902,286,559	634,596,008	183,992,763
Finance Costs (note 21)	887,855,443	748,205,352	282,719,205	221,938,352
Operating Income	3,992,337,703	3,870,987,048	1,821,667,625	1,876,334,308
GAIN ON ACQUISITION OF BUSINESS				
Other Income/Expense	-	-	-	-
Income Before Income Tax from Continuing Operations	3,992,337,703	3,870,987,048	1,821,667,625	1,876,334,308
Provision for Income Tax	206,098,769	179,215,952	126,854,117	116,006,383
Income from Continuing Operations	3,786,238,934	3,691,771,096	1,694,813,508	1,760,327,925
Income from Discontinuing Operations	-	-	-	-
Net Income	3,786,238,934	3,691,771,096	1,694,813,508	1,760,327,925
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,786,238,934	3,691,771,096	1,694,813,508	1,760,327,925
NET PROFIT ATTRIBUTABLE TO:				
Equity Holders of 8990 Holdings Inc.	3,776,694,802	3,691,771,096	1,691,403,742	1,760,327,925
Non-controlling Interests	9,544,132		3,409,766	
	3,786,238,934	3,691,771,096	1,694,813,508	1,760,327,925
Basic/Diluted Earnings Per Share	0.70	0.68	0.31	0.33

(see notes to unaudited consolidated financial statements)

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

For six months ended June 30, 2023										
	Capital Stock	Treasury Shares	Additional Paid in Capital	Actuarial Gain on Post-employment Benefit Plan	Fair Value Gain on Investment Securities through FVOCI	Subtotal	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance at January 1, 2023	5,554,990,720	(1,806,540,154)	7,956,748,668	1,094,965	940,535,083	941,630,048	35,920,105,691	48,566,934,973	90,511,998	48,657,446,971
Cash dividends declared by the Parent Company	-	-	-	-	-	-	-	-	-	-
Issuance of preferred shares	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	-	-	-	3,776,694,802	3,776,694,802	9,544,132	3,786,238,934
Balance at June 30, 2023	5,554,990,720	(1,806,540,154)	7,956,748,668	1,094,965	940,535,083	941,630,048	39,696,800,493	52,343,629,775	100,056,130	52,443,685,905

	Capital Stock	Treasury Shares	Additional Paid in Capital	Actuarial Gain on Post-employment Benefit Plan	Fair Value Gain on Investment Securities through FVOCI	Subtotal	Retained Earnings	Total	Non-Controlling Interests	Total Equity
Balances at January 1, 2022	5,604,990,720	(1,806,540,154)	12,906,748,668	(626,807)	865,072,903	864,446,096	28,789,476,472	46,359,121,802	-	46,359,121,802
Cash dividends declared by the Parent Company	-	-	-	-	-	-	(504,815,000)	(504,815,000)	-	(504,815,000)
Redemption of Preferred Shares	(50,000,000)	-	(4,950,000,000)	-	-	-	-	(5,000,000,000)	-	(5,000,000,000)
Non-controlling interest	-	-	-	-	-	-	-	-	72,612,918	72,612,918
Treasury Shares	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	1,721,772	75,462,180	77,183,952	-	77,183,952	-	77,183,952
Net profit for the year	-	-	-	-	-	-	7,635,444,219	7,635,444,219	17,899,080	7,653,343,299
Balance at December 31, 2022	5,554,990,720	(1,806,540,154)	7,956,748,668	1,094,965	940,535,083	941,630,048	35,920,105,691	48,566,934,973	90,511,998	48,657,446,971

For the year ended December 31, 2021									
	Capital Stock	Treasury Shares	Capital	Post-employment	Investment Securities	Equity Reserve	Retained Earnings		
	(see Note 19)	(see Note 19)	(see Note 19)	(see Note 25)	(see Note 10)		(see Notes 2 and 19)	Subtotal	Total Equity
Balances at January 1, 2021	5,567,990,720.00	(1,806,540,154.00)	9,303,641,204.00	(6,798,117.33)	800,559,036.00	-	793,760,918.67	23,182,957,408.90	37,041,810,098
Cash dividends declared by the Parent Company	-	-	-	-	-	-	(1,608,413,144)	(1,608,413,144)	(1,608,413,144)
Issuance of Preferred Shares	37,000,000.00	-	3,603,107,464.00	-	-	-	-	-	3,640,107,464
Treasury Shares	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	6,171,310.00	64,513,867.00	-	70,685,177.00	70,685,177.00	70,685,177.00
Net profit for the year	-	-	-	-	-	-	7,214,932,207	7,214,932,207	7,214,932,208
Balance at December 31, 2021	5,604,990,720	(1,806,540,154)	12,906,748,668	(626,807)	865,072,903	-	864,446,096	28,789,476,472	46,359,121,802

	For six months ended June 30, 2022								
	Capital Stock	Treasury Shares	Capital	Post-employment	Investment Securities	Equity Reserve	Subtotal	Retained Earnings	Total
Balance at January 1, 2022	5,604,990,720	(1,806,540,154)	12,906,748,668	(626,807)	865,072,903		864,446,096	28,789,476,472	46,359,121,802
Cash dividends declared by the Parent Company							-	(252,452,875)	(252,452,875)
Issuance of preferred shares							-	103,722,422	103,722,422
Treasury Shares							-		-
Other Comprehensive Income							-		-
Comprehensive income for the year							-	3,691,771,096	3,691,771,096
Balance at June 30, 2022	5,604,990,720	(1,806,540,154)	12,906,748,668	(626,807)	865,072,903	-	864,446,096	30,594,670,518	49,902,162,445

8990 HOLDINGS, INC. AND SUBSIDIARIES

Unaudited Consolidated Statements of Cash Flows (in Philippine Peso)

	For six months ended June 30		For years ended December 31	
	2023	2022	2022	2021
	Unaudited	Unaudited	Audited	Audited
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	3,992,337,703	3,870,987,048	8,439,414,260	7,663,956,531
Adjustments for:				
Interest income	(1,501,447,957)	(754,485,086)	(1,811,254,938)	(1,296,434,917)
Interest costs	887,696,965	748,110,938	1,909,513,201	1,671,222,849
Losses from assets written-off	-	-	-	-
Provision for credit and impairment losses	-	(5,437,884)	413,300,244	379,690,694
Depreciation and amortization	49,373,193	43,124,830	106,202,854	96,794,315
Gain on acquisition of business	-	-	(66,026,947)	-
Loss on early redemption of bonds	-	-	6,592,275	-
Amortization of bond issue costs	-	480,306	658,476	1,156,954
Provision for inventory write-down	-	-	-	-
Loss (gain) on repossession	(110,330,556)	129,603,759	(520,391,151)	(121,459,771)
Gain on sale of AFS	-	-	-	-
Gain on sale of property and equipment	-	-	-	-
Equity in net earnings of associate	(28,871,611)	(37,462,905)	(67,950,366)	(13,214,510)
Retained Earnings from new subsidiary at 68%	-	103,722,422	-	-
Unrealized foreign exchange loss	-	-	-	-
Retirement expense	-	-	2,648,376	3,465,015
Loss on sale of a subsidiary	-	-	-	-
Gain on sale of unquoted debt security classified as loans	-	-	-	-
Operating income before changes in working capital	3,288,757,739	4,098,643,428	8,412,706,285	8,385,177,160
Changes in operating assets and liabilities				
Decrease (increase) in:				
Trade and other receivables	(6,824,561,051)	(4,536,751,981)	(7,852,911,968)	(7,701,615,560)
Inventories	(413,864,382)	(1,645,911,883)	(4,481,977,797)	(1,771,341,943)
Other assets	(147,316,325)	(310,511,662)	(127,707,148)	(1,101,649,829)
Increase (decrease) in:				
Trade and other payables	967,016,242	2,399,327,665	(222,185,551)	3,780,022,658
Deposits from customers	2,626,888,013	1,291,700,911	193,420,418	16,954,715
Net cash provided by (used in) operations	(503,079,765)	1,296,496,478	(4,078,655,762)	1,607,547,202
Interest received	1,501,447,957	754,485,086	1,747,742,388	1,232,922,366
Income tax paid	(192,782,600)	(177,438,775)	(775,873,643)	(473,101,985)
Net cash from (used in) operating activities	805,585,591	1,873,542,787	(3,106,787,018)	2,367,367,582
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash advances to related parties	-	-	(900,335,484)	-
Loans granted to a third party	-	-	-	-
Collections of advances to related parties	-	-	35,342	129,262,088
Interest received from loans to a third party	-	-	59,874,503	59,000,495
Acquisition of a new subsidiary	-	-	(88,275,504)	-
Cash advances granted to/collected from related parties	-	-	-	(307,115,403)
Loans granted to a third party	-	-	-	-
Interest received from loans to a third party	-	-	-	-
Acquisitions of:				
Property and equipment	(34,749,879)	(52,182,361)	(159,505,120)	(69,820,197)
Investment in associates	-	-	(60,000,000)	(80,000,000)
Investment properties	-	(0)	-	(16,360)
Net cash used in investing activities	(34,749,877)	(52,182,360)	(1,148,206,263)	(268,689,376)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of cash dividends	-	(252,452,875)	(504,815,000)	(1,557,538,144)
Availment (retirement) of loans payable	(433,494,144)	(1,091,320,755)	12,110,177,715	(1,343,730,529)
Interest paid on loans and bonds	(526,262,214)	(526,262,214)	(1,670,883,669)	(1,426,393,988)
Cash advances from related parties	-	-	207,726,125	1,554,822
Availment (Repayment) of advances from related parties	(446,277,710)	(230,685,520)	(123,780)	(153,182,981)
Repayment of leasing liabilities	-	-	(15,781,559)	(13,094,103)
Issuance of corporate bonds	-	-	(599,882,750)	-
Issuance of preferred shares	-	-	(5,000,000,000)	3,640,107,464
Payment of notes	-	-	(500,000,000)	(800,000,000)
Buyback of shares (treasury stocks)	-	-	-	-
Net cash provided by (used in) financing activities	(1,406,034,069)	(2,100,721,364)	4,026,417,082	(1,652,277,459)
Effect of changes in foreign exchange rates on hand and in banks	-	-	-	-
Net increase (decrease) in cash on hand and in banks	(635,198,355)	(279,360,937)	(228,576,199)	446,400,747
Cash and Cash Equivalents of Newly Acquired Subsidiary	-	-	55,071,183	-
Cash Balance at the beginning of the year	1,482,231,058	1,655,736,074	1,655,736,074	1,209,335,327
Cash Balance at the end of the year	847,032,703	1,376,375,137	1,482,231,058	1,655,736,074

(see notes to unaudited consolidated financial statements)

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

1. Summary of Significant Accounting Policies

Basis of Preparation

The accompanying unaudited financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, Interim Financial Reporting. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2022.

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

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

2. Basis of Consolidation

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

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

Also included in the consolidation are the financial statements of the wholly owned subsidiaries of 8990 Housing Development Corporation as follows:

- Euson Realty and Development Corporation
- Tondo Holdings Corporation
- Primex Land, Inc.
- 8990 Coastal Estates, Inc.
- 8990 Monterrazas Corporation (formerly Genvi Development Corporation)

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

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

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

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

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

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

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

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

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

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

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

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

3. Segment Information

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

Low-cost mas Mass Housing

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

Medium-rise Condominium Units

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

High-rise Condominium Units

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

Hotel Operations

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

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

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

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

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

4. Cash on Hand and in Banks

This account consists of:

	30-Jun		31-Dec	
	2023	2022	2022	2021
	Unaudited	Unaudited	Audited	Audited
Cash on hand	58,600,285	37,423,305	51,869,866	33,736,447
Cash in banks	788,360,824	1,321,684,531	1,430,289,598	1,591,856,278
Short-term placements	71,593	17,267,301	71,593	30,143,349
	847,032,703	1,376,375,137	1,482,231,058	1,655,736,073

5. Trade and Other Receivables

This account consists of:

	30-Jun		31-Dec	
	2023	2022	2022	2021
	Unaudited	Unaudited	Audited	Audited
Current:				
Trade Receivables				
Installment contract receivables	1,450,897,887	1,997,641,839	1,801,284,956	1,006,619,166
Finance lease receivables	151,590,005	183,326,198	187,443,805	216,761,058
Advances to external marketing managers	60,856,698	60,856,698	60,856,698	60,856,698
Retention Receivables	2,200,600,147	1,970,308,243	2,212,824,836	1,684,683,308
Receivables from employees	1,134,960,571	1,578,627,279	924,631,541	1,037,406,161
Contract Assets	74,030,402	102,421,138	74,030,402	102,421,138
Loans Receivables	396,953,440		396,953,440	
Other Receivables	1,408,698,752	1,170,101,933	1,024,949,321	966,263,620
	6,878,587,901	7,063,283,328	6,682,975,000	5,075,011,148
Less: Allowance for impairment losses	872,215,657	718,253,105	814,238,478	723,690,989
	6,006,372,244	6,345,030,224	5,868,736,522	4,351,320,159
Non-current:				
Trade Receivables				
Installment contract receivables	44,001,762,513	33,332,023,238	37,340,371,318	30,783,312,161
Finance lease receivables	720,546,085	741,760,281	694,780,674	741,760,281
Loans Receivables		396,953,440		396,953,440
	44,722,308,597	34,470,736,959	38,035,151,992	31,922,025,882
	50,728,680,841	40,815,767,183	43,903,888,514	36,273,346,041

Eighty eight percent (88%) of total receivables of the Company are on long-term basis. Current portion of installment contract receivables stands at PhP1,545.01 million which pertains to portion of receivables from buyers due within one (1) year.

6. Inventories

This account consists of:

	30-Jun		31-Dec	
	2023	2022	2022	2021
	Unaudited	Unaudited	Audited	Audited
Real estate inventories				
Low-cost mass housing	16,884,622,629	15,081,198,920	16,697,285,401	14,552,111,117
Medium-rise condominium units	2,251,285,371	2,085,783,157	2,226,307,048	2,012,608,442
High-rise condominium units	22,938,177,441	21,262,890,297	22,683,675,183	20,516,932,634
Developed subdivision lots	5,171,375,539	4,791,204,232	5,113,998,411	4,623,116,288
	47,245,460,980	40,001,993,795	46,721,266,042	41,704,768,481

7. Investment Securities at FVOCI

The amount is composed of unquoted equity securities in the following investee entities:

	30-Jun	
	2023	2022
	Unaudited	Unaudited
ALRC	1,323,409,527	1,247,947,347
ARVI	28,112,000	28,112,000
Pico de Loro	633,500	633,500
	1,352,155,027	1,276,692,847

Investment securities at FVOCI of the Group represent investments in preferred shares of ALRC and Azalea Resort and Vacation Club, Inc. (ARVI), and shares of stock of Pico de Loro Beach and Country Club (Pico de Loro).

ALRC's primary purpose is to operate, maintain and/or manage a membership club. ALRC's preferred shares represent membership rights to the club including the right to use a specific unit of the building acquired from the Group and other facilities/amenities for one day per calendar year.

8. Other Assets

This account consists of:

	30-Jun		31-Dec	
	2023	2022	2022	2021
	Unaudited	Unaudited	Audited	Audited
Current				
Advances to contractors	2,955,449,697	3,410,272,455	3,415,256,484	3,387,450,908
Advances to brokers	150,091,063	114,613,478	134,566,370	68,831,826
Input tax	1,299,054,406	826,230,542	885,302,486	671,153,435
Advances to landowners	157,974,773	157,974,773	157,974,773	157,974,773
Creditable withholding tax	765,551,207	807,079,787	689,844,241	695,819,231
Prepaid expenses	349,277,001	149,488,297	266,613,339	168,033,183
Others	67,247,909	71,644,507	50,686,464	92,654,667
	5,744,646,056	5,537,303,839	5,600,244,158	5,241,918,024
Less: Allowance for impairment losses	67,963,009	66,704,609	67,963,009	66,704,609
	5,676,683,047	5,470,599,230	5,532,281,150	5,175,213,415
Non-current				
Deposits	209,056,093	197,356,197	204,495,456	189,279,842
Goodwill	526,474,833	526,474,833	526,474,833	526,474,833
Software cost	-	58,250,024	-	58,250,024
Investment in joint operations	193,521,578	182,856,423	190,181,631	175,525,350
Right-of-use assets net	22,796,314	26,834,252	28,616,672	23,782,767
Others	5,225,000	5,225,000	5,225,000	5,225,000
	957,073,817	996,996,728	954,993,593	978,537,816
Less: Allowance for impairment losses	2,511,974	2,511,974	2,511,974	2,511,974
	954,561,843	994,484,754	952,481,619	976,025,842
	6,631,244,890	6,465,083,984	6,484,762,768	6,151,239,257

9. Property and Equipment

This account consists of:

	30-Jun-23 Unaudited										
	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Software and Licenses	Construction in Progress	Low Value Asset	Total
Cost											
Balances at beginning of year	107,405,010	613,941,700	11,230,076	34,696,217	166,025,594	135,357,509	196,823,647	84,801,485	56,491,347	2,826,201	1,409,598,786
Additions	-	377,778	-	-	12,405,110	482,143	17,424,980	904,908	2,759,854	395,107	34,749,879
Transfers/Disposals	-	-	-	-	-	-	-	-	-	-	-
Balances at end of year	107,405,010	614,319,478	11,230,076	34,696,217	178,430,704	135,839,651	214,248,627	85,706,393	59,251,200	3,221,308	1,444,348,665
Accumulated Depreciation and Amortization											
Balances at beginning of year	-	151,991,968	10,530,647	30,605,422	123,880,254	104,163,489	149,452,553	21,735,498	-	2,223,599	594,583,431
Depreciation and Amortization	-	15,454,026	15,429	1,295,270	6,490,434	4,140,865	10,185,720	7,190,059	-	942,303	45,714,104
Transfers/Disposals	-	-	-	-	-	-	-	-	-	-	-
Balances at end of year	-	167,445,993	10,546,076	31,900,692	130,370,687	108,304,354	159,638,274	28,925,557	-	3,165,902	640,297,534
Accumulated Impairment Losses											
Balances at beginning of year	8,970,000	-	-	-	-	-	-	-	-	-	8,970,000
Provision for impairment loss	-	-	-	-	-	-	-	-	-	-	-
Balances at end of year	8,970,000	-	-	-	-	-	-	-	-	-	8,970,000
Net Book Value	98,435,010	446,873,485	684,000	2,795,525	48,060,017	27,535,298	54,610,353	56,780,837	59,251,200	55,407	795,081,131

30-Jun-22											
Unaudited											
	Land	Building	Improvements	Improvements	Fixtures	Equipment	Vehicles	Software and Licenses	Progress	Asset	Total
Cost											
Balances at beginning of year	107,405,010	611,562,076	11,230,076	34,696,217	154,291,657	119,395,009	164,596,505	-	45,644,134	1,272,981	1,250,093,665
Additions	-	6,866,718	-	-	6,373,030	12,525,000	16,281,321	-	9,676,610	459,682	52,182,361
Transfers/Disposals	-	-	-	-	-	-	-	-	-	-	-
Balances at end of year	107,405,010	618,428,794	11,230,076	34,696,217	160,664,687	131,920,009	180,877,827	-	55,320,744	1,732,662	1,302,276,026
Accumulated Depreciation and Amortization											
Balances at beginning of year	-	121,520,361	10,458,647	27,106,275	114,111,959	95,830,148	138,774,497	-	-	1,061,530	508,863,418
Depreciation and Amortization	-	22,060,285	56,571	2,089,195	9,071,092	3,853,588	5,882,338	-	-	537,823	43,550,892
Transfers/Disposals	-	-	-	-	-	-	-	-	-	-	-
Balances at end of year	-	143,580,646	10,515,219	29,195,470	123,183,051	99,683,736	144,656,835	-	-	1,599,353	552,414,310
Accumulated Impairment Losses											
Balances at beginning of year	8,970,000	-	-	-	-	-	-	-	-	-	8,970,000
Provision for impairment loss	-	-	-	-	-	-	-	-	-	-	-
Balances at end of year	8,970,000	-	-	-	-	-	-	-	-	-	8,970,000
Net Book Value	98,435,010	474,848,149	714,857	5,500,747	37,481,636	32,236,273	36,220,992	-	55,320,744	133,309	740,891,716

31-Dec-22											
Audited											
	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Software and Licenses	Construction in Progress	Low Value Assets	Total
Cost											
Balances at beginning of year	107,405,010	611,562,076	11,230,076	34,696,217	154,291,657	119,395,009	164,596,505	-	45,644,134	1,272,981	1,250,093,665
Additions	-	2,379,624	-	-	11,733,937	15,962,500	32,227,141	84,801,485	10,847,213	1,553,221	159,505,120
Transfers/Disposals/Reclass	-	-	-	-	-	-	-	-	-	-	-
Balances at end of year	107,405,010	613,941,700	11,230,076	34,696,217	166,025,594	135,357,509	196,823,647	84,801,485	56,491,347	2,826,201	1,409,598,786
Accumulated Depreciation and Amortization											
Balances at beginning of year	-	121,520,361	10,458,647	27,106,275	114,111,959	95,830,148	138,774,497	-	-	1,061,530	508,863,418
Depreciation and Amortization	-	30,471,607	72,000	3,499,147	9,768,295	8,333,341	10,678,056	21,735,498	-	1,162,068	85,720,013
Transfers/Disposals/Reclass	-	-	-	-	-	-	-	-	-	-	-
Balances at end of year	-	151,991,968	10,530,647	30,605,422	123,880,254	104,163,489	149,452,553	21,735,498	-	2,223,599	594,583,431
Accumulated Impairment Losses											
Balances at beginning of year	8,970,000	-	-	-	-	-	-	-	-	-	8,970,000
Provision for impairment loss	-	-	-	-	-	-	-	-	-	-	-
Balances at end of year	8,970,000	-	-	-	-	-	-	-	-	-	8,970,000
Net Book Value	98,435,010	461,949,732	699,428	4,090,795	42,145,340	31,194,019	47,371,093	63,065,987	56,491,347	602,602	806,045,355

31-Dec-21

Audited

	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Low Value Assets	Total
Cost										
Balances at beginning of year	107,405,010	611,552,255	11,230,076	32,759,993	148,876,710	114,944,950	153,049,006	455,470	-	1,180,273,468
Additions	-	9,821	771,429	1,936,224	5,414,947	4,450,059	11,547,500	45,188,664	1,272,981	70,591,626
Transfers/Disposals/Reclass	-	-	-	-	-	-	-	-	-	-
Balances at end of year	107,405,010	611,562,076	11,230,076	34,696,217	154,291,657	119,395,009	164,596,505	45,644,134	1,272,981	1,250,865,094
Accumulated Depreciation and Amortization				0						
Balances at beginning of year	-	88,485,089	10,458,648	22,439,690	101,230,481	84,682,581	124,736,267	-	-	432,032,755
Depreciation and Amortization	-	33,035,272	(0)	4,666,585	12,881,478	11,147,568	14,038,231	-	1,061,530	76,830,663
Transfers/Disposals/Reclass	-	-	-	-	-	-	-	-	-	-
Balances at end of year	-	121,520,361	10,458,647	27,106,275	114,111,959	95,830,148	138,774,497	-	1,061,530	508,863,418
		121,520,361	10,458,647	27,106,275	114,111,959	95,830,148	138,774,497		1,061,530	507,801,888
Accumulated Impairment Losses										
Balances at beginning of year	8,970,000	-	-	-	-	-	-	-	-	8,970,000
Provision for impairment loss	-	-	-	-	-	-	-	-	-	-
Balances at end of year	8,970,000	-	-	-	-	-	-	-	-	8,970,000
Net Book Value	98,435,010	490,041,716	771,428	7,589,942	40,179,698	23,564,860	25,822,008	45,644,134	211,450	732,260,247

10. Investment Properties

This account consists of:

	30-Jun-23 Unaudited			
	Land	Building	Land Improvements	Total
Cost				
Balances at beginning of year	254,184,748	8,832,630	120,220,209	397,366,200
Additions	-	-	-	-
Transfers/Reclassification to REI	-	-	-	-
Balances at end of year	254,184,748	8,832,630	120,220,209	397,366,199
Accumulated Depreciation and Amortization				
Balances at beginning of year	-	5,708,127	56,411,649	62,119,776
Depreciation and Amortization	-	220,816	2,835,346	3,056,162
Balances at end of year	-	5,928,943	59,246,994	65,175,938
Net Book Value	254,184,748	2,903,687	60,973,214	318,061,648

	30-Jun-22 Unaudited			
	Land	Building	Land Improvements	Total
Cost				
Balances at beginning of year	268,313,360	8,832,630	120,220,209	397,366,200
Additions	0	-	0	0
Transfers/Reclassification to REI	-	-	-	-
Balances at end of year	268,313,360	8,832,630	120,220,209	397,349,839
Accumulated Depreciation and Amortization				
Balances at beginning of year	-	5,266,496	50,576,720	55,843,216
Depreciation and Amortization	-	220,816	2,917,464	3,138,279
Balances at end of year	-	5,487,311	53,494,183	58,981,495
Net Book Value	268,313,360	3,345,319	66,726,025	338,384,704

	31-Dec-22 Audited			
	Land	Building	Land Improvements	Total
Cost				
Balances at beginning of year	268,313,360	8,832,630	120,220,209	397,366,200
Additions	-	-	-	-
Transfers/Reclassification to REI	(14,128,613)	-	-	(14,128,613)
Balances at end of year	254,184,748	8,832,630	120,220,209	383,237,586
Accumulated Depreciation and Amortization				
Balances at beginning of year	-	5,266,496	50,576,720	55,843,216
Depreciation and Amortization	-	441,631	5,834,928	6,276,560
Balances at end of year	-	5,708,127	56,411,649	62,119,776
Net Book Value	254,184,748	3,124,503	63,808,561	321,117,810

	31-Dec-21			
	Audited			
	Land	Building	Land Improvements	Total
Cost				
Balances at beginning of year	268,313,360	8,832,630	120,203,849	397,349,840
Additions	-	-	16,360	16,360
Transfers/Reclassification to REI		-		-
Balances at end of year	268,313,360	8,832,630	120,220,209	397,366,200
Accumulated Depreciation and Amortization				
Balances at beginning of year	-	4,824,864	44,563,006	49,387,870
Depreciation and Amortization	-	441,631	6,013,714	6,455,346
Balances at end of year	-	5,266,496	50,576,720	55,843,216
		5,266,496	50,576,720	
Net Book Value	268,313,360	3,566,134	69,643,489	341,522,984

11. Trade and Other Payables

This account consists of:

	30-Jun		31-Dec	
	2023	2022	2022	2021
	Unaudited	Unaudited	Audited	Audited
Current				
Trade and accounts payables	2,590,486,708	1,950,752,410	1,199,088,346	682,023,802
Accrued expenses	1,572,000,974	1,510,839,012	2,405,677,805	2,317,792,081
Interest Payable	232,898,624	88,181,309	238,629,532	244,828,861
Retention payables	1,098,110,431	978,251,114	1,018,193,461	923,418,635
Withholding tax payables	36,730,567	18,822,720	17,962,773	87,652,152
Construction bonds	101,023,186	94,496,062	96,630,891	92,504,764
Net out put tax	493,937,700	207,191,196	18,887,249	140,677,113
Lease liabilities	3,916,790	12,776,259	11,951,066	10,624,614
Contract Liabilities		1,553,279		1,553,279
Deposits	145,586,809	145,586,809	145,586,809	145,586,809
Others	4,078,260,406	6,723,800,023	3,633,443,367	4,535,323,530
	10,352,952,197	11,732,250,195	8,786,051,299	9,181,985,640
Non-current				
Pension Liability	15,239,026	14,176,306	15,536,785	14,176,306
Contract Liabilities	620,615,168	906,194,448	906,194,448	906,194,448
Retention payables			-	-
Lease liabilities	19,943,845	15,497,766	16,883,037	13,694,540
	655,798,038	935,868,520	938,614,270	934,065,295
	11,008,750,235	12,668,118,715	9,724,665,569	10,116,050,934

12. Loans Payable

This account consists of:

	30-Jun		31-Dec	
	2023	2022	2022	2021
	Unaudited	Unaudited	Audited	Audited
Short-term loans payable	9,672,110,119	17,688,748,873	20,654,332,925	17,818,386,428
Long-term loans payable	31,873,748,178	11,089,105,097	21,325,019,516	12,050,788,298
	41,545,858,297	28,777,853,971	41,979,352,441	29,869,174,726

13. Deposits from Customers

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

14. Revenue

This account consists of:

	Six Months Ended June 30		Three Months Ended June 30	
	2023	2022	2023	2022
	Unaudited	Unaudited	Unaudited	Unaudited
Real estate				
Low-cost mass housing	3,636,718,163	3,881,746,430	1,715,935,196	1,704,445,960
Medium-rise condominium units	471,086,745	686,575,099	322,138,062	159,700,901
High-rise condominium units	5,502,319,330	5,119,596,943	2,534,929,674	2,769,992,299
Developed subdivision lots	305,901,814	271,717,596	72,837,500	127,573,253
	9,916,026,052	9,959,636,068	4,645,840,432	4,761,712,413
Rental income	49,800	1,068,385	21,000	294,949
Equity share in net profits of assoc	28,871,611	37,462,905	8,655,438	435,851
	9,944,947,463	9,998,167,358	4,654,516,870	4,762,443,213
Hotel Operations	120,573,694	52,851,935	73,915,392	36,296,502
	10,065,521,157	10,051,019,293	4,728,432,262	4,798,739,715

15. Cost of Sales and Services

This account consists of:

	Six Months Ended June 30		Three Months Ended June 30	
	2023	2022	2023	2022
	Unaudited	Unaudited	Unaudited	Unaudited
Real estate				
Low-cost mass housing	1,823,381,531	1,661,745,525	972,384,463	753,033,898
Medium-rise condominium units	262,815,112	550,039,076	167,528,204	146,075,485
High-rise condominium units	2,938,595,693	2,710,073,581	1,298,930,846	1,342,296,497
Developed subdivision lots	101,776,526	93,719,917	23,308,381	37,372,643
	5,126,568,863	5,015,578,100	2,462,151,893	2,278,778,524
Cost of rental services	-	-	-	-
	5,126,568,862	5,015,578,099	2,462,151,892	2,278,778,523
Hotel operations				
Cost of hotel operations	63,913,270	12,191,927	40,443,318	10,590,332
	5,190,482,132	5,027,770,026	2,502,595,210	2,289,368,855

16. Operating Expenses

This account consists of:

	Six Months Ended June 30		Three Months Ended June 30	
	2023	2022	2023	2022
	Unaudited	Unaudited	Unaudited	Unaudited
Marketing and selling	447,162,953	438,674,420	238,351,909	192,293,541
Documentation	226,012,331	228,636,718	111,660,522	103,319,386
Taxes and licenses	314,454,177	195,166,343	168,903,161	67,988,809
Salaries and employee benefits	108,062,545	94,192,877	53,213,111	41,314,678
Depreciation and amortization	49,604,470	43,356,107	27,283,345	24,432,166
Security, messengerial and janitorial	38,024,283	46,647,721	21,970,545	24,063,219
Management and professional fees	19,883,196	40,911,758	7,985,904	32,231,912
Communication, light and water	21,090,753	30,174,317	9,663,160	16,786,371
Expected credit and impairment losses			-	-
Entertainment, amusement and representation	49,201,577	15,861,835	30,740,968	10,930,389
Repairs and maintenance	21,893,735	33,422,606	3,505,889	19,445,016
Supplies	13,974,723	11,884,736	7,246,054	6,012,146
Rent	5,184,091	9,375,920	609,435	4,204,837
Transportation and travel	20,718,095	13,243,917	14,092,695	6,832,367
Insurance	16,588,736	9,392,595	13,022,120	3,728,222
Subscription dues and fees	2,669,902	5,295,258	(176,523)	2,683,655
Miscellaneous	83,811,703	90,106,297	47,973,933	38,824,250
	1,438,337,269	1,306,343,424	756,046,229	595,090,963

17. Finance Costs

This account consists of:

	Six Months Ended June 30		Three Months Ended June 30	
	2023	2022	2023	2022
	Unaudited	Unaudited	Unaudited	Unaudited
Borrowings	887,696,965	707,522,938	282,683,295	198,827,520
Accretion	52,927	-	24,255	-
Bonds & Notes		40,588,000	-	23,021,204
Bank charges	105,551	94,414	11,655	89,628
Net interest expense on pension obligation			-	-
	887,855,443	748,205,352	282,719,205	221,938,352

18. Other Operating Income

This account consists of:

	Six Months Ended June 30		Three Months Ended June 30	
	2023	2022	2023	2022
	Unaudited	Unaudited	Unaudited	Unaudited
Interest Income from:				
Installment contract receivables	1,500,996,412	753,702,399	661,737,001	146,302,392
Cash in banks and long term investments	451,545	782,687	242,663	429,837
Loans Receivable	-	-	-	-
Reversal of credit loss			-	-
Penalties	29,065,744	6,327,835	16,177,988	3,254,992
Gain on repossession of inventories	(110,330,556)	129,603,759	(57,141,128)	85,389,342
Miscellaneous Income (Expense)	23,308,247	11,869,879	13,579,484	(51,383,801)
	1,443,491,391	902,286,559	634,596,008	183,992,763

19. Related Party Transactions

30-Jun-23

Unaudited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	2,443,672,970	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	parties	242,253,973	bearing, payable on	Unsecured

30-Jun-22

Unaudited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	1,808,064,328	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	parties	330,185,455	bearing, payable on	Unsecured

31-Dec-22

Audited

Related Party	Transaction	Account	Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	2,044,601,483	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	289,460,197	Non-interest bearing, payable on demand	Unsecured

31-Dec-21

Audited

Related Party	Transaction	Account	Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	1,329,051,204	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	81,857,852	Non-interest bearing, payable on demand	Unsecured

Item 2. Management Discussions and Analysis

Financial Highlights and Key Performance Indicators

Table below shows comparative consolidated balance sheet financial highlights of 8990 Holdings, Inc. for six months ended June 30, 2023 and 2022, both unaudited.

Consolidated Balance Sheet	As of June 30, 2023 Unaudited	As of June 30, 2022 Unaudited	Increase Amount	%
Total Assets	110,611,426,675	96,173,013,918	14,438,412,757	15.01%
Current Assets	62,219,221,944	58,221,145,524	3,998,076,420	6.87%
Trade Receivables	50,728,680,840	40,815,767,182	9,912,913,658	24.29%
Total Liabilities	58,167,740,770	46,270,851,472	11,896,889,298	25.71%
Current Liabilities	24,033,068,936	32,846,443,222	(8,813,374,286)	-26.83%
Loans Payable	41,545,858,297	28,777,853,971	12,768,004,326	44.37%
Stockholder's Equity	52,343,629,775	49,902,162,445	2,441,467,330	4.89%

Table below shows comparative consolidated statement of income financial highlights of 8990 Holdings, Inc. for six months ended June 30, 2023 and 2022, both unaudited.

Consolidated Statements of Income	As of June 30, 2023 Unaudited	As of June 30, 2022 Unaudited	Increase Amount	%
Revenue	10,065,521,157	10,051,019,293	14,501,864	0.14%
Gross Income	4,875,039,026	5,023,249,267	(148,210,242)	-2.95%
Operating Expenses	1,438,337,270	1,306,343,425	131,993,844	10.10%
Net Operating Income	3,436,701,756	3,716,905,842	(280,204,086)	-7.54%
EBITDA	4,929,797,618	4,662,548,509	267,249,109	5.73%
Net Income Before Tax	3,992,337,703	3,870,987,048	121,350,655	3.13%
Net Income After Tax	3,786,238,934	3,691,771,096	94,467,838	2.56%

Tables below show quarter two 2023 key performance indicators of the Company, with relevant comparative figures.

Key Performance Indicators	As of June 30, 2023 Unaudited	As of June 30, 2022 Unaudited
Current Ratio	2.59	1.77
Book Value Per Share	9.02	7.64
Debt to Equity Ratio	1.11	0.93
Net Debt to Equity Ratio	0.78	0.55
Asset to Equity Ratio	2.11	1.93
Asset to Debt Ratio	1.90	2.08
Interest Coverage Ratio	3.87	5.25

Key Performance Indicators	As of June 30, 2023 Unaudited	As of June 30, 2022 Unaudited
Gross Margin	48.43%	49.98%
EBITDA Margin	48.98%	46.39%
Net Income Margin	37.62%	36.73%
Earnings per share	0.70	0.68

Description of Consolidated Statements of Comprehensive Income Line Items

Revenue

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

Cost of Sales and Services

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

Operating Expenses

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

Finance Costs

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

Other Income

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

Provision for Income Tax

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

Results of Operations

Six months ended June 30, 2023 compared to six months ended June 30, 2022

Revenue

For the six months ended June 30, 2023, the Company recorded consolidated revenue of PhP10,065.5 million, relatively flat growth from consolidated revenue of PhP10,051.0 million recorded for the six months ended June 30, 2022. The increase was mainly attributable to the increased sales in NCR, Bulacan and Davao.

Cost of Sales and Services

The Company's consolidated cost of sales and services for the six months ended June 30, 2023 was PhP5,190.5 million, an increase of 3% from consolidated cost of sales and services of PhP5,027.8 million recorded for the six months ended June 30, 2022. The increase was mainly attributable to higher level of resale which normally carries higher cost of sales than fresh units.

Gross Income

The Company's consolidated gross income for the six months ended June 30, 2023 was PhP4,875.0 million, a decrease from consolidated gross income of PhP5,023.2 million recorded for the six months ended June 30, 2022. The Company's gross income margin for the six months ended June 30, 2023 was 48.4%, compared to a gross income margin of 50.0% recorded for the six months ended June 30, 2022. The Company attributes its strong and maintained gross income margin to its sound internal financial planning policies with respect to land banking activities and project budgeting process.

Operating Expenses

For the six months ended June 30, 2023, the Company recorded consolidated operating expenses of PhP1,438.3 million, an increase from consolidated operating expenses of PhP1,306.3 million recorded for the six months ended June 30, 2022.

Finance Costs

The Company's consolidated finance costs for the six months ended June 30, 2023 were PhP887.9 million, an increase from consolidated finance costs of PhP748.2 million recorded for the six months ended June 30, 2022. The increase was mainly attributable to increased level of loans as well as increased interest rate charged compared to same period last year.

Other Operating Income

For the six months ended June 30, 2023, the Company recorded consolidated other income of PhP1,443.5 million, a significant increase from the consolidated other income of PhP902.3 million recorded for the six months ended June 30, 2022. Interest income on the Company's installment contract receivables under its CTS In-house financing program contributes to the majority of the other income.

Income before Income Tax

The Company's consolidated income before income tax for the six months ended June 30, 2023 was PhP3,992.3 million, a 3% increase from consolidated income before income tax of PhP3,871.0 million recorded for the six months ended June 30, 2022.

Provision for Income Tax

The Company's consolidated provision for income tax for the six months ended June 30, 2023 was PhP206.1 million, an increase from consolidated provision for income tax of PhP179.2 million recorded for the six months ended June 30, 2022. The increase was mainly attributable to the Company's increased other income which are subject to income tax as well as sales from projects not accredited with Board of Investments for income tax holiday such as but not limited to Urban Deca Homes Manila and Urban Deca Homes Ortigas.

Net Income

As a result of the foregoing, the Company's consolidated net income for the six months ended June 30, 2023 was PhP3,786.2 million, a 3% increase from consolidated net income of PhP3,691.8 million recorded for the six months ended June 30, 2022. The Company's consolidated net income margin for the six months ended June 30, 2023 was 37.5%, compared to a consolidated net income margin of 36.7% for the six months ended June 30, 2022.

Financial Position

As at June 30, 2023 compared to as at June 30, 2022

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were PhP847.0 million as at June 30, 2023, a decrease from consolidated cash on hand and in banks of PhP1,376.4 million as at June 30, 2022. Decrease in cash is due to efficient management of cash levels for the period.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were PhP6,006.4 million as at June 30, 2023, a decrease from consolidated current portion of trade and other receivables of PhP6,345.0 million as at June 30, 2022.

Inventories

The Company's consolidated inventories were PhP47,245.5 million as at June 30, 2023, an increase from consolidated inventories of PhP43,221.1 million as at June 30, 2022. The increase is due to increased work in progress inventory for high rise condominium projects.

Due from related parties

The Company's consolidated due from related parties were PhP2,443.7 million as at June 30, 2023, an increase from consolidated due from related parties of PhP1,808.1 million as at June 30, 2022.

Other current assets

The Company's consolidated other current assets were PhP5,676.7 million as at June 30, 2023, an increase from consolidated other current assets of PhP5,470.6 million as at June 30, 2022, primarily due to increased advances to contractors in relation to construction on the Company's development projects.

Trade and other receivables – net of current portion

The Company's consolidated trade and other receivables-net of current portion were PhP44,722.3 million as at June 30, 2023, an increase from consolidated trade and other receivables - net of current portion of PhP34,470.7 million as at June 30, 2022. The increase was due to additional sales which availed of CTS in-house financing scheme.

Property and equipment

The Company's consolidated property and equipment was PhP795.1 million as at June 30, 2023, an increase from consolidated property and equipment of PhP740.9 million as at June 30, 2022.

Investment properties

The Company's consolidated investment properties were PhP318.1 million as at June 30, 2022, a decrease from consolidated investment properties of PhP338.4 million as at June 30, 2022.

Other noncurrent assets

The Company's other noncurrent assets including goodwill were PhP954.6 million as at June 30, 2023, a decrease from other noncurrent assets of PhP994.5 million as at June 30, 2022.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were PhP10,353.0 million as at June 30, 2023, a decrease from consolidated current portion of trade and other payables of PhP11,732.3 million as at June 30, 2022. The decrease is mainly due to decreased advances to contractors for downpayment of projects as well as decreased accrued expenses for the accruals made in relation to recognition of sales.

Current portion of loans payable

The Company's consolidated current portion of loans payable were PhP9,672.1 million as at June 30, 2023, a significant decrease from consolidated current portion of loans payable of PhP17,688.7 million as at June 30, 2022. The decrease was due to conversion of short term borrowings to medium to long term borrowings.

Deposits from customers

The Company's consolidated deposits from customers were PhP3,691.8 million as at June 30, 2023, an increase from consolidated deposits from customers of PhP2,167.6 million as at June 30, 2022. Increase were due to increased equity collections from Urban Deca Homes Ortigas, Urban Deca Homes Commonwealth, Urban Deca Homes Banilad, Deca Homes Pampanga and Urban Deca Tower Cubao projects.

Due to related parties

The Company's consolidated due to related parties were PhP242.3 million as at June 30, 2023, a decrease from consolidated due to related parties of PhP330.2 as at June 30, 2022.

Income tax payable

The Company's consolidated income tax payable was PhP73.9 million as at June 30, 2023, an increase from consolidated income tax payable of PhP52.2 million as at June 30, 2022.

Trade and other payables - net of current portion

The Company's consolidated trade and other payables - net of current portion were PhP655.8 million as at June 30, 2023, an increase from consolidated trade and other payables - net of current portion of PhP935.9 million as at June 30, 2022. The increase is due to increased lease liabilities for the period.

Loans payable - net of current portion

The Company's consolidated loans payable - net of current portion was PhP31,873.8 million as at June 30, 2023, an increase from consolidated loans payable - net of current portion of PhP11,089.1 million as at June 30, 2022. The increase is due to conversion of short term borrowings to medium to long term borrowings.

Deferred tax liability

The Company's consolidated deferred tax liability was PhP1,605.1 million as at June 30, 2023, an increase from consolidated deferred tax liability of PhP1,181.8 million as at June 30, 2022. This deferred tax liability was attributable to uncollected revenue as most of the revenue recognition were under CTS in-house financing scheme.

Liquidity and Capital Resources

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

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

Cash Flows

Cash flow used in operating activities

The Company's consolidated net cash from operating activities is primarily affected by the revenues generated from its operations, primarily the sale of residential housing units, subdivision lots, medium rise and high-rise condominium units. The Company's consolidated net cash from operating activities were PhP805.6 million for the period ended June 30, 2023 and consolidated net cash from operating activities were PhP1,873.5 million for the period ended June 30, 2022.

Cash flows used in investing activities

Consolidated net cash flow used in investing activities for the period ended June 30, 2023 were PhP34.7 million, and consolidated net from investing activities for the period ended June 30, 2022 were PhP52.2 million.

For the six months ended June 30, 2023, consolidated net cash flow used in investing activities reflected acquisitions of property, plant and equipment, investment in shares, as well as loans granted to third party.

Cash flow provided by financing activities

Consolidated net cash flow used in financing activities for the period ended June 30, 2023 were PhP1,406.0 million, and consolidated net cash flow used in financing activities for the period ended June 30, 2022 were PhP2,100.7 million. Amounts used for financing activities are mainly for payment of bank borrowings.

PART II--OTHER INFORMATION

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

SIGNATURES

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

Issuer: 8990 Holdings, Inc.

By:

Roan B. Torregosa

ROAN BUENAVENTURA-TORREGOZA
Chief Finance Officer

Date:

Subscribed and Sworn to before me this
AUG 09 2023 at PASIG CITY, affiant
exhibiting to me his/her ID No. _____

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Book No. 19
Series of 2023

Darian Rave
ATTY. DARIAN RAVE, S. AQUINO
NOTARY PUBLIC FOR AND IN THE CITY OF PASIG
Appointment No. 28 (2022-2023), until 31 December 2023
IBF No. 257748; 2 Jan 23; Isabela
PTR No. 0112684; 4 Jan 23; Pasig City
MCLE Compliance No. VII-0016232, 14 April 2025
Roll No. 72050



Jeffrey Capelo <jeffreycapelo.8990holdings@gmail.com>

CGFD_8990 Holdings, Inc._SEC Form 17Q_11August2023

2 messages

Jeffrey Capelo <jeffreycapelo.8990holdings@gmail.com>
 To: ictdsubmission@sec.gov.ph

Fri, Aug 11, 2023 at 9:59 AM

Hi Sir/Maám,

Please see attached SEC 17Q for the 2nd Quarter of 2023 of 8990 Holdings Inc.

Regards,**Jeffrey Capelo**

Assistant General Manager-Accounting
 8990 Holdings Inc. and Subsidiaries
 02-8533-3915



8990 Holdings_17Q_2023_Q2_08.01.2023 notarized.pdf
 1051K

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>
 To: jeffreycapelo.8990holdings@gmail.com

Fri, Aug 11, 2023 at 9:59 AM

Thank you for reaching out to ictdsubmission@sec.gov.ph!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at <https://secexpress.ph/>. For further clarifications, please call (02) 8737-8888.

----- NOTICE TO
 COMPANIES -----

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through <https://efast.sec.gov.ph/user/login>.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance

5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors
(Appointment)

6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the ictdsubmission@sec.gov.ph shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at <https://efast.sec.gov.ph/user/login> :

1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link – <https://apps010.sec.gov.ph/>

For your information and guidance.

Thank you.