

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2024**

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	0
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)

	31-Mar		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
ASSETS				
CURRENT ASSETS				
Cash on hand and in banks (note 5)	1,477,801,003	825,717,925	2,453,315,111	1,482,231,058
Current portion of trade and other receivables (note 6)	11,737,117,885	5,815,734,416	8,001,352,477	5,868,736,522
Inventories (note 7)	52,175,747,621	48,013,614,910	52,330,267,709	46,721,266,042
Due from related parties (note 23)	3,239,742,476	2,472,117,284	3,261,651,942	2,044,601,483
Other current assets (note 9)	6,727,989,980	5,922,730,941	5,874,365,517	5,532,281,150
Total Current Assets	75,358,398,965	63,049,915,476	71,920,952,756	61,649,116,255
NON-CURRENT ASSETS				
Trade and other receivables - net of current portion (note 6)	31,265,402,798	41,617,704,274	33,163,681,721	38,035,151,992
Investment securities at fair value through OCI (note 8)	1,363,276,385	1,352,155,026	1,363,276,386	1,352,155,027
Investment in associates	284,728,856	241,381,049	267,022,982	221,164,876
Property and equipment, net (note 10)	748,416,456	798,773,601	732,460,135	806,045,355
Investment properties (note)	525,446,143	319,589,729	526,974,226	321,117,811
Intangible Assets (note 9)	586,205,325	526,474,833	586,205,325	526,474,833
Other noncurrent assets (note 9)	433,960,740	435,870,418	425,837,287	426,006,786
Total Noncurrent Assets	35,207,436,705	45,291,948,931	37,065,458,062	41,688,116,681
Total Assets	110,565,835,670	108,341,864,407	108,986,410,818	103,337,232,936
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Current portion of trade and other payables (note 12)	8,508,174,484	11,032,997,285	8,303,455,961	8,786,051,299
Current portion of loans payable (note 15)	14,016,701,875	19,459,430,761	18,423,483,279	20,654,332,925
Notes payable (note 13)	459,211,387		459,211,387	
Deposits from customers (note 16)	887,025,233	2,139,931,607	899,319,514	1,064,929,315
Due to related parties (note 23)	239,207,016	247,613,607	272,567,480	289,460,197
Income tax payable	76,030,942	71,718,450	93,633,513	60,619,149
Total Current Liabilities	24,186,350,938	32,951,691,710	28,451,671,133	30,855,392,884
NON-CURRENT LIABILITIES				
Trade and other payables - net of current portion (note 12)	953,786,112	941,745,642	378,949,578	938,614,270
Loans payable - net of current portion (note 15)	24,233,452,018	22,368,105,357	17,095,069,286	21,325,019,516
Notes payable (note 13)	5,929,084,724		6,040,788,613	
Deferred tax liability	1,958,333,770	1,531,245,452	1,690,308,640	1,560,759,293
Total Noncurrent Liabilities	33,074,656,623	24,841,096,451	25,205,116,116	23,824,393,078
Total Liabilities	57,261,007,561	57,792,788,161	53,656,787,249	54,679,785,962
EQUITY				
Capital Stock (note 17)	5,517,990,720	5,554,990,720	5,554,990,720	5,554,990,720
Additional paid-in capital (note 17)	4,293,748,668	7,956,748,668	7,956,748,668	7,956,748,668
Treasury Shares (note 17)	(1,806,540,154)	(1,806,540,154)	(1,822,144,768)	(1,806,540,154)
Revaluation reserve	936,192,978	941,833,897	936,192,978	941,630,048
Retained earnings	44,253,892,786	37,805,396,751	42,601,141,729	35,920,105,691
Total	53,195,284,998	50,452,429,882	55,226,929,327	48,566,934,973
Non-Controlling Interests	109,543,112	96,646,364	102,694,240	90,511,998
Total Equity	53,304,828,110	50,549,076,246	55,329,623,567	48,657,446,971
	110,565,835,671	108,341,864,407	108,986,410,816	103,337,232,933

(see notes to unaudited consolidated financial statements)

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

	For three months ended March 31		For the year ended December 31	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
REVENUES (note 18)				
Real Estate Operations				
Real estate sales	5,107,662,281	5,270,185,620	22,338,303,137	21,412,882,642
Rental income	2,312,852	28,800	6,695,405	7,782,638
	5,109,975,134	5,270,214,420	22,344,998,542	21,420,665,280
Hotel operations	67,388,106	46,658,302	273,702,876	148,056,099
Equity share in net profits of associate	22,521,323	20,216,173	45,858,106	67,950,366
	5,199,884,563	5,337,088,895	22,664,559,524	21,636,671,744
COST OF SALES AND SERVICES (note 19)				
Real Estate Operations				
Cost of real estate sales	2,881,497,406	2,664,416,970	12,604,416,231	10,827,698,098
Cost of rental services	-	-	-	423,269
	2,881,497,405	2,664,416,969	12,604,416,230	10,828,121,367
Hotel Operations	30,763,536	23,469,952	130,674,075	75,472,950
	2,912,260,941	2,687,886,920	12,735,090,305	10,903,594,316
Gross Income	2,287,623,622	2,649,201,975	9,929,469,219	10,733,077,428
Operating Expenses (note 20)	668,452,944	682,291,041	2,953,822,749	3,197,250,922
Other Operating Income (Expense) (note 22)	781,486,585	808,895,383	3,318,451,357	2,757,099,200
Finance Costs (note 21)	624,662,488	805,136,238	2,197,244,765	1,912,946,118
Operating Income	1,775,994,774	1,970,670,078	8,096,853,061	8,379,979,586
GAIN ON ACQUISITION OF BUSINESS				66,026,947
Other Income/Expense	-	-	(243,212,456)	(6,592,275.26)
Income Before Income Tax from Continuing Operations	1,775,994,774	1,970,670,078	7,853,640,605	8,439,414,257
Provision for Income Tax	65,519,845	79,244,652	956,922,325	786,070,961
Income from Continuing Operations	1,710,474,929	1,891,425,426	6,896,718,280	7,653,343,297
Income from Discontinuing Operations	-	-		
Net Income	1,710,474,929	1,891,425,426	6,896,718,280	7,653,343,297
Other Comprehensive Income	-	-	5,437,070	77,277,789
Total Comprehensive Income	1,710,474,929	1,891,425,426	6,891,281,210	7,730,621,086
NET PROFIT ATTRIBUTABLE TO:				
Equity Holders of 8990 Holdings Inc.	1,703,626,057	1,885,291,060	6,884,536,038	7,635,444,219
Non-controlling Interests	6,848,871	6,134,365	12,182,242	17,899,080
	1,710,474,929	1,891,425,426	6,896,718,279	7,653,343,299
Basic/Diluted Earnings Per Share	0.32	0.35	1.31	1.31

(see notes to unaudited consolidated financial statements)

8990 HOLDINGS, INC. AND SUBSIDIARIES

Unaudited Consolidated Statements of Changes in Equity (in Philippine Peso)

For three months ended March 31, 2024

	Capital Stock	Treasury Shares	Additional Paid in Capital	Actuarial Gain on Post-employment Benefit Plan	Fair Value Gain on Investment Securities thorough FVOCI	Subtotal	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance at January 1, 2024	5,554,990,720	(1,822,144,768)	7,956,748,668.00	(15,463,464)	951,656,442	936,192,978	42,601,141,729	55,226,929,327	102,694,240	55,329,623,567
Cash dividends declared by the Parent Company						-	(50,875,000)	(50,875,000)		(50,875,000)
Issuance of preferred shares	(37,000,000)	15,604,614	(3,663,000,000)					(3,684,395,386)		(3,684,395,386)
Other Comprehensive Income						-		-		-
Comprehensive income for the year						-	1,703,626,057	1,703,626,057	6,848,871	1,710,474,929
Balance at March 31, 2024	5,517,990,720	(1,806,540,154)	4,293,748,668	(15,463,464)	951,656,442	936,192,978	44,253,892,786	53,195,284,998	109,543,112	53,304,828,109

For three months ended March 31, 2023

	Capital Stock	Treasury Shares	Additional Paid in Capital	Actuarial Gain on Post-employment Benefit Plan	Fair Value Gain on Investment Securities thorough 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				203,849		203,849		203,849		203,849
Comprehensive income for the year						-	1,885,291,060	1,885,291,060	6,134,365	1,891,425,426
Balance at March 31, 2023	5,554,990,720	(1,806,540,154)	7,956,748,668	1,298,814	940,535,083	941,833,897	37,805,396,751	50,452,429,882	96,646,364	50,549,076,246

Attributable to equity holders of 8990 Holdings, Inc.

	<u>Capital Stock</u> <u>(see Note 20)</u>	<u>Treasury Shares</u> <u>(see Note 20)</u>	<u>Actuarial Gain on Post-employment Benefit Plan</u> <u>(see Note 26)</u>	<u>Fair Value Gain on Investment Securities through FVOCI</u> <u>(see Note 10)</u>	Equity Reserve	<u>Revaluation Reserves</u> <u>Subtotal</u>	<u>Retained Earnings</u> <u>(see Note 20)</u>	<u>Total</u>	<u>Non-Controlling Interests</u> <u>(see Note 1.3)</u>	<u>Total Equity</u>
Balance at January 1, 2020, as previously reported										
Effect of restatement of accounts										
Balances at January 1, 2023	5,554,990,720	(1,806,540,154)	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	-	-	-	-		-	(203,500,000)	(203,500,000)	-	(203,500,000)
Reacquisition of Preferred Shares		(15,604,614)	-	-		-	-	(15,604,614)	-	(15,604,614)
Non-controlling interest							-	-		-
Treasury Shares		-	-	-		-	-	-		-
Other Comprehensive Income	-	-	(16,558,429)	11,121,359		(5,437,070)	-	(5,437,070)	-	(5,437,070)
Net profit for the year	-	-	-	-		-	6,884,536,038	6,884,536,038	12,182,242	6,896,718,280
Balance at December 31, 2023	5,554,990,720	(1,822,144,768)	(15,463,464)	951,656,442	-	936,192,978	42,601,141,729	55,226,929,327	102,694,240	55,329,623,567

	Capital Stock	Treasury Shares	Additional Paid in Capital	Actuarial Gain on Post-employment Benefit Plan	Fair Value Gain on Investment Securities thorough 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

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

	For three months ended March 31		For years ended December 31	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	1,775,994,774	1,970,670,078	7,853,640,605	8,439,414,260
Adjustments for:				
Interest income	(736,652,991)	(839,468,293)	(2,914,452,993)	(1,811,254,938)
Interest costs	624,555,343	805,013,670	2,194,363,343	1,909,513,201
Losses from assets written-off	-	-	-	-
Provision for credit and impairment losses	-	-	470,905,069	413,300,244
Depreciation and amortization	29,033,394	22,089,848	109,045,748	106,202,854
Gain on acquisition of business	-	-	(225,000)	(66,026,947)
Loss on early redemption of bonds	-	-	-	6,592,275
Amortization of bond issue costs	-	-	-	658,476
Provision for inventory write-down	-	-	-	-
Loss (gain) on repossession	5,190,690	(53,189,428)	243,212,456	(520,391,151)
Gain on sale of AFS	-	-	-	-
Gain on sale of property and equipment	-	-	-	-
Equity in net earnings of associate	(17,705,874)	(20,216,173)	(45,858,106)	(67,950,366)
Unrealized foreign exchange loss	-	-	-	-
Retirement expense	-	-	2,547,059	2,648,376
Loss on sale of a subsidiary	-	-	-	-
Gain on sale of unquoted debt security classified as loans	-	-	-	-
Operating income before changes in working capital	1,680,415,335	1,884,899,703	7,913,178,181	8,412,706,285
Changes in operating assets and liabilities				
Decrease (increase) in:				
Trade and other receivables	(1,725,551,322)	(3,529,318,900)	3,629,057,873	(7,852,911,968)
Inventories	149,329,399	(1,239,159,440)	(5,852,214,123)	(4,481,977,797)
Other assets	(872,916,942)	(400,660,197)	(656,642,145)	(127,707,148)
Increase (decrease) in:				
Trade and other payables	949,287,058	1,942,015,911	(915,817,364)	(222,185,551)
Deposits from customers	(12,294,280)	1,075,002,292	(165,609,802)	193,420,418
Net cash provided by (used in) operations	168,269,248	(267,220,631)	3,951,952,620	(4,078,655,762)
Interest received	736,652,991	839,468,293	1,666,188,124	1,747,742,388
Income tax paid	(83,122,417)	(68,145,351)	(923,907,961)	(775,873,643)
Net cash from (used in) operating activities	821,799,822	504,102,310	4,694,232,782	(3,106,787,018)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash advances to related parties			(1,276,352,378)	(900,335,484)
Loans granted to a third party				
Collections of advances to related parties				35,342
Interest received from loans to a third party			39,403,926	59,874,503
Acquisition of a new subsidiary				(88,275,504)
Cash advances granted to/collected from related parties				
Disposal of a property			225,000	
Interest received from loans to a third party				
Acquisitions of:				
Property and equipment	(32,523,886)	(13,174,517)	(65,090,165)	(159,505,120)
Investment in associates	-	-		(60,000,000)
Intangible asset	-	-	(14,175,758)	
Net cash used in investing activities	(32,523,884)	(13,174,515)	(1,315,989,375)	(1,148,206,263)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of cash dividends	(50,875,000)	-	(203,500,000)	(504,815,000)
Availment (retirement) of loans payable	2,619,897,441	(151,816,323)	(6,477,710,079)	12,110,177,715
Interest paid on loans and bonds	(526,262,214)	(526,262,214)	(2,193,451,945)	(1,670,883,669)
Cash advances from related parties			511,975	207,726,125
Availment (Repayment) of advances from related parties	(11,450,997)	(469,362,390)	(17,404,692)	(123,780)
Repayment of leasing liabilities				(15,781,559)
Issuance of corporate bonds				(599,882,750)
Issuance of preferred shares	(3,700,000,000)	-		(5,000,000,000)
Payment of notes	(111,703,888)		6,500,000,000	(500,000,000)
Buyback of shares (treasury stocks)	15,604,614	-	(15,604,614)	
Net cash provided by (used in) financing activities	(1,764,790,044)	(1,147,440,927)	(2,407,159,356)	4,026,417,082
Effect of changes in foreign exchange rates on hand and in banks	-	-		
Net increase (decrease) in cash on hand and in banks	(975,514,106)	(656,513,132)	971,084,051	(228,576,199)
Cash and Cash Equivalents of Newly Acquired Subsidiary				55,071,183
Cash Balance at the beginning of the year	2,453,315,109	1,482,231,058	1,482,231,058	1,655,736,074
Cash Balance at the end of the year	1,477,801,003	825,717,926	2,453,315,109	1,482,231,058

(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, 2023.

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:

	31-Mar		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Cash on hand	89,600,981	57,064,335	59,733,065	51,869,866
Cash in banks	1,388,200,022	768,581,998	2,393,582,046	1,430,289,598
Short-term placements	-	71,593	-	71,593
	1,477,801,003	825,717,925	2,453,315,111	1,482,231,058

5. Trade and Other Receivables

This account consists of:

	31-Mar		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Current:				
Trade Receivables				
Installment contract receivables	4,226,121,641	1,545,006,387	1,356,258,965	1,801,284,956
Finance lease receivables	167,973,405	167,973,405	178,162,306	187,443,805
Advances to external marketing managers	60,856,698	60,856,698	60,856,698	60,856,698
Retention Receivables	2,218,788,797	2,248,260,933	2,070,504,858	2,212,824,836
Receivables from employees	2,459,343,876	1,104,324,267	1,786,440,281	924,631,541
Contract Assets	60,184,625	74,030,402	60,184,625	74,030,402
Loans Receivables	-	396,953,439	-	396,953,440
Other Receivables	3,676,744,709	1,048,198,375	3,621,840,609	1,024,949,321
	12,870,013,751	6,645,603,908	9,134,248,343	6,682,975,000
Less: Allowance for impairment losses	1,132,895,866	829,869,492	1,132,895,866	814,238,478
	11,737,117,885	5,815,734,416	8,001,352,477	5,868,736,522
Non-current:				
Trade Receivables				
Installment contract receivables	30,579,805,618	40,922,923,600	32,478,084,540	37,340,371,318
Finance lease receivables	685,597,181	694,780,674	685,597,181	694,780,674
Loans Receivables			-	
	31,265,402,799	41,617,704,275	33,163,681,721	38,035,151,992
	43,002,520,684	47,433,438,690	41,165,034,197	43,903,888,514

Seventy three percent (73%) of total receivables of the Company are on long-term basis. Current portion of installment contract receivables stands at PhP4,226.12 million which pertains to portion of receivables from buyers due within one (1) year.

6. Inventories

This account consists of:

	31-Mar		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Real estate inventories				
Low-cost mass housing	18,646,612,621	17,159,146,128	18,701,835,140	16,697,285,401
Medium-rise condominium units	2,486,217,615	2,287,888,542	2,493,580,625	2,226,307,048
High-rise condominium units	25,331,884,423	23,311,124,403	25,406,905,581	22,683,675,183
Developed subdivision lots	5,711,032,962	5,255,455,837	5,727,946,363	5,113,998,411
	52,175,747,621	48,013,614,910	52,330,267,709	46,721,266,042

7. Investment Securities at FVOCI

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

	31-Mar		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
ALRC	1,363,276,386	1,323,409,527	1,323,409,527	1,323,409,527
ARVI	28,112,000	28,112,000	28,112,000	28,112,000
Pico de Loro	633,500	633,500	633,500	633,500
	1,392,021,886	1,352,155,027	1,352,155,027	1,352,155,027

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:

	31-Mar		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Current				
Advances to contractors	3,455,695,354	3,450,755,632	3,365,646,199	3,415,256,484
Advances to brokers	211,142,306	140,785,456	200,723,907	134,566,370
Input tax	1,267,007,194	1,055,556,357	1,172,968,980	885,302,486
Advances to landowners	157,974,773	157,974,773	157,974,773	157,974,773
Creditable withholding tax	900,187,280	788,723,364	658,545,788	689,844,241
Prepaid expenses	432,167,073	327,704,457	316,960,920	266,613,339
Others	371,779,011	69,193,911	69,507,959	50,686,464
	6,795,952,989	5,990,693,950	5,942,328,525	5,600,244,158
Less: Allowance for impairment losses	67,963,009	67,963,009	67,963,009	67,963,009
	6,727,989,980	5,922,730,941	5,874,365,517	5,532,281,150
Non-current				
Deposits	213,197,666	209,566,646	207,247,507	204,495,456
Goodwill	586,205,325	526,474,833	586,205,325	526,474,833
Software cost	-	-	-	-
Investment in joint operations	201,842,980	192,543,115	200,982,322	190,181,631
Right-of-use assets net	16,207,069	31,047,631	14,894,433	28,616,672
Others	5,225,000	5,225,000	5,225,000	5,225,000
	1,022,678,040	964,857,225	1,014,554,587	954,993,593
Less: Allowance for impairment losses	2,511,974	2,511,974	2,511,974	2,511,974
	1,020,166,066	962,345,251	1,012,042,613	952,481,619
	7,748,156,046	6,885,076,193	6,886,408,130	6,484,762,768

9. Property and Equipment

This account consists of:

	31-Mar-24 Unaudited									
	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Low Value Asset	Total
Cost										
Balances at beginning of year	107,405,010	632,503,044	11,230,076	34,775,119	177,725,146	142,881,879	221,482,676	57,353,141	4,747,374	1,390,103,464
Additions	-	1,547,995	-	12,750	22,086,233	14,799,866	(6,680,620)	-	757,661	32,523,886
Transfers/Disposals	-	-	-	-	-	-	-	-	-	-
Balances at end of year	107,405,010	634,051,039	11,230,076	34,787,869	199,811,379	157,681,746	214,802,057	57,353,141	5,505,035	1,422,627,350
Accumulated Depreciation and Amortization										
Balances at beginning of year	-	183,876,720	10,561,505	32,785,228	141,903,825	113,444,837	162,675,911	-	3,425,304	648,673,329
Depreciation and Amortization	-	7,692,575	7,714	223,661	3,947,101	825,284	3,000,693	-	870,535	16,567,565
Transfers/Disposals	-	-	-	-	-	-	-	-	-	-
Balances at end of year	-	191,569,295	10,569,219	33,008,889	145,850,926	114,270,121	165,676,604	-	4,295,839	665,240,893
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	442,481,744	660,857	1,778,980	53,960,453	43,411,625	49,125,452	57,353,141	1,209,196	748,416,456

	31-Mar-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	-	-	-	-	2,927,129	98,214	8,772,473	481,862	624,918	269,921	13,174,517
Transfers/Disposals	-	-	-	-	-	-	-	-	-	-	-
Balances at end of year	107,405,010	613,941,700	11,230,076	34,696,217	168,952,724	135,455,723	205,596,120	85,283,347	57,116,265	3,096,122	1,422,773,303
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	-	7,730,040	7,714	659,440	3,740,914	2,194,185	1,843,214	3,583,868	-	686,897	20,446,271
Transfers/Disposals	-	-	-	-	-	-	-	-	-	-	-
Balances at end of year	-	159,722,007	10,538,362	31,264,862	127,621,168	106,357,674	151,295,767	25,319,366	-	2,910,495	615,029,702
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	454,219,693	691,714	3,431,355	41,331,556	29,098,049	54,300,353	59,963,981	57,116,265	185,626	798,773,601

	31-Dec-23										
	Audited										
	Land	Building	Improvements	Improvements	Fixtures	Equipment	Vehicles	Low Value Assets	Licenses	Progress	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	2,826,201	84,801,485	56,491,347	1,409,598,786
Additions	-	18,561,344	-	78,902	11,699,551	7,308,371	24,659,030	1,921,173	-	861,794	65,090,164
Transfers/Disposals/Reclass	-	-	-	-	-	216,000	-	-	(84,801,485)	-	(84,585,485)
Balances at end of year	107,405,010	632,503,044	11,230,076	34,775,119	177,725,146	142,881,879	221,482,676	4,747,374	-	57,353,141	1,390,103,464
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	2,223,599	21,735,498	-	594,583,431
Depreciation and Amortization	-	31,884,752	30,857	2,179,806	18,023,571	9,170,308	13,223,358	1,201,705	(0)	-	75,714,356
Transfers/Disposals/Reclass	-	-	-	-	-	111,040	-	-	(21,735,498)	-	(21,624,458)
Balances at end of year	-	183,876,720	10,561,505	32,785,228	141,903,825	113,444,837	162,675,911	3,425,304	-	-	648,673,329
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	448,626,324	668,571	1,989,891	35,821,321	29,437,042	58,806,765	1,322,070	-	57,353,141	732,460,135

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											
				0							
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

10. Investment Properties

This account consists of:

31-Mar-24 Unaudited				
	Land	Building	Land Improvements	Total
Cost				
Balances at beginning of year	466,153,486	8,832,630	120,220,209	397,366,200
Additions	-	-	-	-
Transfers/Reclassification to REI	-	-	-	-
Balances at end of year	466,153,486	8,832,630	120,220,209	397,366,199
Accumulated Depreciation and Amortization				
Balances at beginning of year	-	6,149,758	62,082,341	68,232,100
Depreciation and Amortization	-	110,408	1,417,673	1,528,081
Balances at end of year	-	6,260,166	63,500,014	69,760,181
Net Book Value	466,153,486	2,572,464	56,720,195	525,446,143

31-Mar-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	-	110,408	1,417,673	1,528,081
Balances at end of year	-	5,818,535	57,829,321	63,647,857
Net Book Value	254,184,748	3,014,095	62,390,888	319,589,729

31-Dec-23 Audited				
	Land	Building	Land Improvements	Total
Cost				
Balances at beginning of year	254,184,748	8,832,630	120,220,209	383,237,587
Additions	-	-	-	-
Transfers/Reclassification to REI	211,968,738	-	-	211,968,738
Balances at end of year	466,153,486	8,832,630	120,220,209	595,206,325
Accumulated Depreciation and Amortization				
Balances at beginning of year	-	5,708,127	56,411,649	62,119,776
Depreciation and Amortization	-	441,631	5,670,693	6,112,324
Balances at end of year	-	6,149,758	62,082,341	68,232,100
Net Book Value	466,153,486	2,682,872	58,137,868	526,974,226

	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

11. Trade and Other Payables

This account consists of:

	31-Mar		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Current				
Trade and accounts payables	1,189,599,355	2,280,042,268	1,323,989,735	1,199,088,346
Accrued expenses	1,520,952,308	1,631,642,833	2,121,707,770	2,405,677,805
Interest Payable	98,085	232,898,624	911,398	238,629,532
Retention payables	1,079,392,857	1,073,924,284	1,185,018,098	1,018,193,461
Withholding tax payables	24,099,213	32,399,127	28,773,886	17,962,773
Construction bonds	113,383,172	99,129,180	109,721,172	96,630,891
Net out put tax	9,809,570	278,243,330	-	18,887,249
Lease liabilities	6,058,124	12,031,491	7,968,215	11,951,066
Contract Liabilities	1,553,279	1,553,279		
Deposits	145,586,809	145,586,809	145,586,809	145,586,809
Others	4,417,641,710	5,245,546,060	3,379,778,878	3,633,443,367
	8,508,174,484	11,032,997,285	8,303,455,962	8,786,051,299
Non-current				
Pension Liability	35,905,012	15,239,026	35,905,012	15,536,785
Contract Liabilities	906,194,448	906,194,448	335,035,888	906,194,448
Retention payables			-	-
Lease liabilities	11,686,650	20,312,167	8,008,678	16,883,037
	953,786,111	941,745,641	378,949,578	938,614,270
	9,461,960,595	11,974,742,926	8,682,405,540	9,724,665,569

12. Loans Payable

This account consists of:

	31-Mar		31-Dec	
	2024	2023	2022	2022
	Unaudited	Unaudited	Audited	Audited
Short-term loans payable	14,475,913,262	19,459,430,761	18,423,483,279	20,654,332,925
Long-term loans payable	30,162,536,743	22,368,105,357	17,095,069,286	21,325,019,516
	44,638,450,005	41,827,536,118	35,518,552,564	41,979,352,441

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:

	Three Months Ended March 31		Years Ended December 31	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Real estate				
Low-cost mass housing	1,498,384,144	1,920,782,967	6,780,506,170	5,962,515,999
Medium-rise condominium units	422,682,216	148,948,683	1,938,945,257	2,959,242,663
High-rise condominium units	3,125,148,162	2,967,389,657	12,612,260,154	12,040,544,290
Developed subdivision lots	61,447,759	233,064,314	1,006,591,557	450,579,690
	5,107,662,281	5,270,185,620	22,338,303,137	21,412,882,642
Rental income	2,312,852	28,800	6,695,405	7,782,638
Equity share in net profits of assoc	22,521,323	20,216,173	45,858,106	67,950,366
	5,132,496,457	5,290,430,593	22,390,856,648	21,488,615,646
Hotel Operations	67,388,106	46,658,302	273,702,876	148,056,099
	5,199,884,563	5,337,088,895	22,664,559,524	21,636,671,744

15. Cost of Sales and Services

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Real estate				
Low-cost mass housing	808,790,228	850,997,069	3,143,804,058	2,529,495,159
Medium-rise condominium units	269,851,660	95,286,909	1,018,921,172	1,394,142,737
High-rise condominium units	1,800,162,782	1,639,664,848	8,173,885,282	6,762,145,267
Developed subdivision lots	2,692,736	78,468,145	267,805,719	141,914,935
	2,881,497,406	2,664,416,970	12,604,416,231	10,827,698,098
Cost of rental services	-	-	-	423,269
	2,881,497,405	2,664,416,969	12,604,416,230	10,828,121,367
Hotel operations				
Cost of hotel operations	30,763,536	23,469,952	130,674,075	75,472,950
	2,912,260,941	2,687,886,920	12,735,090,305	10,903,594,316

16. Operating Expenses

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Marketing and selling	182,477,420	208,811,044	623,034,691	790,234,194
Documentation	74,156,940	114,351,809	292,171,959	488,398,203
Taxes and licenses	190,862,988	145,551,017	476,293,926	517,422,853
Salaries and employee benefits	74,273,400	54,849,434	295,271,504	255,002,312
Depreciation and amortization	29,264,671	22,321,125	109,156,788	109,660,981
Security, messengerial and janitorial	20,484,649	16,053,738	94,381,177	88,847,144
Management and professional fees	4,201,288	11,897,292	52,248,750	103,531,858
Communication, light and water	10,391,262	11,427,593	46,767,916	61,347,104
Expected credit and impairment losses			470,905,069	413,300,244
Entertainment, amusement and representation	4,103,720	18,460,608	62,330,285	45,739,903
Repairs and maintenance	21,133,055	18,387,846	58,446,616	63,559,786
Supplies	6,833,654	6,728,669	28,465,598	29,443,101
Rent	2,089,879	4,574,656	22,333,410	15,938,599
Transportation and travel	8,846,132	6,625,400	39,929,037	28,015,908
Insurance	15,962,533	3,566,616	35,424,361	26,041,238
Subscription dues and fees	1,492,627	2,846,425	5,983,370	8,713,517
Miscellaneous	21,878,728	35,837,770	240,678,296	152,053,981
	668,452,943	682,291,040	2,953,822,753	3,197,250,923

17. Finance Costs

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Borrowings	624,555,343	805,013,670	2,194,363,343	1,874,255,207
Accretion	-	28,672	831,069	658,476
Bonds & Notes			-	36,859,947
Bank charges	107,145	93,896	940,555	464,656
Net interest expense on pension obligation			1,109,798	707,832
	624,662,488	805,136,238	2,197,244,765	1,912,946,118

18. Other Operating Income

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2024	2023	2022	2022
	Unaudited	Unaudited	Audited	Audited
Interest Income from:				
Installment contract receivables	734,993,021	839,259,411	2,873,872,378	1,746,159,730
Cash in banks and long term investments	1,659,970	208,882	1,176,689	1,582,658
Loans Receivable	-	-	39,403,926	63,512,550
Reversal of credit loss			-	-
Penalties	29,835,327	12,887,755	74,859,672	16,064,940
Gain on repossession of inventories	5,190,690	(53,189,428)	(243,212,456)	520,391,151
Miscellaneous Income (Expense)	9,807,577	9,728,763	329,138,692	409,388,171
	781,486,585	808,895,383	3,075,238,901	2,757,099,200

19. Related Party Transactions

31-Mar-24

Unaudited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	3,239,742,476	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	parties	239,207,016	bearing, payable on	Unsecured

31-Mar-23

Unaudited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	2,472,117,284	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	parties	247,613,607	bearing, payable on	Unsecured

31-Dec-23

Audited

Related Party	Transaction	Account	Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	3,261,651,942	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	272,567,480	Non-interest bearing, payable on demand	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

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 three months ended March 31, 2024 and 2023, both unaudited.

Consolidated Balance Sheet	As of March 31, 2024 Unaudited	As of March 31, 2023 Unaudited	Increase Amount	%
Total Assets	110,565,835,670	108,341,864,407	2,223,971,263	2.05%
Current Assets	75,358,398,965	63,049,915,476	12,308,483,489	19.52%
Trade Receivables	43,002,520,683	47,433,438,689	(4,430,918,006)	-9.34%
Total Liabilities	57,261,007,561	57,792,788,161	(531,780,600)	-0.92%
Current Liabilities	24,186,350,938	32,951,691,710	(8,765,340,772)	-26.60%
Loans Payable	38,250,153,893	41,827,536,118	(3,577,382,225)	-8.55%
Stockholder's Equity	53,195,284,998	50,452,429,882	2,742,855,116	5.44%

Table below shows comparative consolidated statement of income financial highlights of 8990 Holdings, Inc. for three months ended March 31, 2024 and 2023, both unaudited.

Consolidated Statements of Income	As of March 31, 2024 Unaudited	As of March 31, 2023 Unaudited	Increase Amount	%
Revenue	5,199,884,563	5,337,088,895	(137,204,332)	-2.57%
Gross Income	2,287,623,622	2,649,201,975	(361,578,352)	-13.65%
Operating Expenses	668,452,944	682,291,041	(13,838,097)	-2.03%
Net Operating Income	1,619,170,678	1,966,910,934	(347,740,256)	-17.68%
EBITDA	2,429,921,934	2,798,127,442	(368,205,508)	-13.16%
Net Income Before Tax	1,775,994,774	1,970,670,078	(194,675,304)	-9.88%
Net Income After Tax	1,710,474,929	1,891,425,426	(180,950,497)	-9.57%

Tables below show quarter one 2024 key performance indicators of the Company, with relevant comparative figures.

Key Performance Indicators	As of March 31, 2024 Unaudited	As of March 31, 2023 Unaudited
Current Ratio	3.12	1.91
Book Value Per Share	9.87	8.67
Debt to Equity Ratio	1.08	1.15
Net Debt to Equity Ratio	0.80	0.81
Asset to Equity Ratio	2.08	2.15
Asset to Debt Ratio	1.93	1.87
Interest Coverage Ratio	2.59	2.44

Key Performance Indicators	As of March 31, 2024 Unaudited	As of March 31, 2023 Unaudited
Gross Margin	43.99%	49.64%
EBITDA Margin	46.73%	52.43%
Net Income Margin	32.89%	35.44%
Earnings per share	0.32	0.35

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

Three months ended March 31, 2024 compared to three months ended March 31, 2023

Revenue

For the three months ended March 31, 2024, the Company recorded consolidated revenue of PhP5,199.9 million, a slight decrease from consolidated revenue of PhP5,337.1 million recorded for the three months ended March 31, 2023. The decrease was mainly attributable to the decreased sales in General Santos and Ormoc, due to limited units available.

Cost of Sales and Services

The Company's consolidated cost of sales and services for the three months ended March 31, 2024 was PhP2,912.3 million, an increase from consolidated cost of sales and services of PhP2,687.9 million recorded for the three months ended March 31, 2023. 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 three months ended March 31, 2024 was PhP2,287.6 million, a decrease from consolidated gross income of PhP2,649.2 million recorded for the three months ended March 31, 2023. The Company's gross income margin for the three months ended March 31, 2024 was 44.0%, compared to a gross income margin of 49.6% recorded for the three months ended March 31, 2023. The Company attributes its strong and maintained gross income margin to its sound internal financial planning policies with respect to land banking activities and project budgeting process.

Operating Expenses

For the three months ended March 31, 2024, the Company recorded consolidated operating expenses of PhP668.5 million, a decrease of from consolidated operating expenses of PhP682.3 million recorded for the three months ended March 31, 2023.

Finance Costs

The Company's consolidated finance costs for the three months ended March 31, 2024 were PhP624.7 million, a decrease from consolidated finance costs of PhP805.1 million recorded for the three months ended March 31, 2023. The decrease was mainly attributable to decreased level of loans as well as decreased interest charged compared to same period last year.

Other Operating Income

For the three months ended March 31, 2024, the Company recorded consolidated other income of PhP781.5 million, a decrease from the consolidated other income of PhP808.9 million recorded for the three months ended March 31, 2023. 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 three months ended March 31, 2024 was PhP1,776.0 million, a decrease from consolidated income before income tax of PhP1,970.7 million recorded for the three months ended March 31, 2023.

Provision for Income Tax

The Company's consolidated provision for income tax for the three months ended March 31, 2024 was PhP65.5 million, a decrease from consolidated provision for income tax of PhP79.2 million recorded for the three months ended March 31, 2023. The decrease was mainly attributable to the Company's decreased other income which are subject to income tax.

Net Income

As a result of the foregoing, the Company's consolidated net income for the three months ended March 31, 2024 was PhP1,710.5 million, a slight decrease from consolidated net income of PhP1,891.4 million recorded for the three months ended March 31, 2023. The Company's consolidated net income margin for the three months ended March 31, 2024 was 32.9%, compared to a consolidated net income margin of 35.4% for the three months ended March 31, 2023.

Financial Position

As at March 31, 2024 compared to as at March 31, 2023

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were PhP1,477.8 million as at March 31, 2024, an increase from consolidated cash on hand and in banks of PhP825.7 million as at March 31, 2023. Increase in cash is due to year end crediting of bank and HDMF loan proceeds of buyer's loan applications.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were PhP11,737.1 million as at March 31, 2024, an increase from consolidated current portion of trade and other receivables of PhP5,815.7 million as at March 31, 2023.

Inventories

The Company's consolidated inventories were PhP52,175.7 million as at March 31, 2024, an increase from consolidated inventories of PhP48,013.6 million as at March 31, 2023. The increase is due to increased inventory for high rise condominium projects, as well as additional raw land for the period.

Due from related parties

The Company's consolidated due from related parties were PhP3,239.7 million as at March 31, 2024, an increase from consolidated due from related parties of PhP2,472.1 million as at March 31, 2023.

Other current assets

The Company's consolidated other current assets were PhP6,728.0 million as at March 31, 2024, an increase from consolidated other current assets of PhP5,922.7 million as at March 31, 2023, 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 PhP31,265.4 million as at March 31, 2024, a decrease from consolidated trade and other receivables - net of current portion of PhP41,617.7 million as at March 31, 2023. 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 PhP748.4 million as at March 31, 2024, a decrease from consolidated property and equipment of PhP798.8 million as at March 31, 2023.

Investment properties

The Company's consolidated investment properties were PhP525.4 million as at March 31, 2024, an increase from consolidated investment properties of PhP319.6 million as at March 31, 2023.

Other noncurrent assets

The Company's other noncurrent assets including goodwill were PhP1,020.2 million as at March 31, 2024, an increase from other noncurrent assets of PhP962.3 million as at March 31, 2023.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were PhP8,508.2 million as at March 31, 2024, a decrease from consolidated current portion of trade and other payables of PhP11,033.1 million as at March 31, 2023. 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 PhP14,016.7 million as at March 31, 2024, a decrease from consolidated current portion of loans payable of PhP19,459.4 million as at March 31, 2023. The decrease was due to payments of the Company's short term loans.

Deposits from customers

The Company's consolidated deposits from customers were PhP887.0 million as at March 31, 2024, a decrease from consolidated deposits from customers of PhP2,139.9 million as at March 31, 2023. Decrease were due to recognition of sales from presale of Urban Deca Homes Ortigas projects.

Due to related parties

The Company's consolidated due to related parties were PhP239.2 million as at March 31, 2024, a decrease from consolidated due to related parties of PhP247.6 million as at March 31, 2023.

Income tax payable

The Company's consolidated income tax payable was PhP76.0 million as at March 31, 2024, an increase from consolidated income tax payable of PhP71.7 million as at March 31, 2023.

Trade and other payables - net of current portion

The Company's consolidated trade and other payables - net of current portion were PhP953.8 million as at March 31, 2024, an increase from consolidated trade and other payables - net of current portion of PhP941.7 million as at March 31, 2023. 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 PhP24,233.5 million as at March 31, 2024, an increase from consolidated loans payable - net of current portion of PhP22,368.1 million as at March 31, 2023.

Deferred tax liability

The Company's consolidated deferred tax liability was PhP1,958.3 million as at March 31, 2024, an increase from consolidated deferred tax liability of PhP1,531.2 million as at March 31, 2023. 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 PhP821.8 million for the period ended March 31, 2024 and consolidated net cash from operating activities were PhP504.1 million for the period ended March 31, 2023.

Cash flows used in investing activities

Consolidated net cash flow used in investing activities for the period ended March 31, 2024 were PhP32.5 million, and consolidated net cash flow used in investing activities for the period ended March 31, 2023 were PhP13.2 million.

For the three months ended March 31, 2024, 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 March 31, 2024 were PhP1,764.8 million, and consolidated net cash flow used in financing activities for the period ended March 31, 2023 were PhP1,147.4 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:

A handwritten signature in black ink, appearing to read "Roan B. Torregoza". The signature is written in a cursive, flowing style.

ROAN BUENAVENTURA-TORREGOZA
Chief Finance Officer

Date: