

28 July 2022

THE PHILIPPINE STOCK EXCHANGE, INC.

6/F Philippine Stock Exchange Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City
Metro Manila, Philippines 1634

Attention: **ALEXANDRA D. TOM WONG**
OIC, Disclosure Department

Re: **8990 Holdings, Inc. - Quarterly Report**
=====

Dear Ms. Tom Wong:

Attached herein is a copy of 8990 Holdings Inc's Quarterly Financial Statements for the Period Ending June 30, 2022.

Thank you very much for your usual assistance.

Very truly yours,



PATRICIA VICTORIA G. ILAGAN
Company Approver

HOUSING THE FILIPINO PEOPLE

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **28 July 2022**
Date of Report (Date of earliest event reported)
2. SEC Identification Number **CS200511816** 3. BIR Tax Identification No. **239-508-223-000**
4. **8990 HOLDINGS, INC.**
Exact name of issuer as specified in its charter
5. **Metro Manila, Philippines** 6. (SEC Use Only)
Province, country or other jurisdiction of incorporation Industry Classification Code:
7. **11th Floor, Liberty Center, HV Dela Costa, Salcedo Village, Makati City** **1227**
Address of principal office Postal Code
8. **(+632) 8478-9659**
Issuer's telephone number, including area code
9. **NA**
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<u>Common Shares</u>	<u>5,391,399,020</u>
<u>Series A Preferred Shares</u>	<u>50,000,000</u>
<u>Series B Preferred Shares</u>	<u>37,000,000</u>
<u>Corporate Bonds Series A, B, C</u>	<u>9,000,000,000</u>

11. Indicate the item numbers reported herein:

Item 9. Other Items

Submission of 8990 Holdings Inc's Quarterly Financial Statements for the Period Ending June 30,2022.

Please see attached SEC Form 17-Q

SIGNATURE

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 hereunto duly authorized.

8990 Holdings, Inc

Issuer

28 July 2022

By:

A handwritten signature in black ink, appearing to read 'P. Ilagan', written over a horizontal line.

PATRICIA G. ILAGAN
Investor Relations Officer

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, 2022**

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	87,000,000
Fixed Rate Bonds	594,410,000

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

Yes [☒] No [☐]

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

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

Class of Securities Listed: **Common Shares**

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	
	2022	2021	2021	2020
	Unaudited	Unaudited	Audited	Audited
ASSETS				
CURRENT ASSETS				
Cash on hand and in banks (note 5)	1,376,375,137	913,694,269	1,655,736,073	1,209,335,327
Current portion of trade and other receivables (note 6)	6,345,030,224	7,540,531,462	4,351,320,159	3,064,791,865
Inventories (note 7)	43,221,076,605	41,200,901,448	41,704,768,481	39,811,966,767
Due from related parties (note 23)	1,808,064,328	1,395,807,729	1,329,051,204	1,194,643,949
Other current assets (note 9)	5,427,800,390	4,293,795,878	5,175,213,415	4,117,299,584
Total Current Assets	58,178,346,684	55,344,730,786	54,216,089,332	49,398,037,492
NON-CURRENT ASSETS				
Trade and other receivables - net of current portion (note 8)	34,470,736,958	24,915,587,214	31,922,025,883	25,838,671,196
Investment securities at fair value through OCI (note 8)	1,276,692,847	1,211,728,980	1,276,692,847	1,211,728,980
Investment in associates	130,677,415		93,214,510	
Property and equipment, net (note 10)	740,891,716	749,082,948	732,260,247	739,270,713
Investment properties (note)	338,384,704	344,956,874	341,522,984	347,961,969
Goodwill (note 9)	526,474,833	526,474,833	526,474,833	526,474,833
Other noncurrent assets (note 9)	468,009,921	711,011,202	449,551,009	419,773,318
Total Noncurrent Assets	37,951,868,394	28,458,842,050	35,341,742,312	29,083,881,009
Total Assets	96,130,215,077	83,803,572,836	89,557,831,644	78,481,918,501
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Current portion of trade and other payables (note 12)	11,732,250,195	6,410,447,740	9,181,985,640	5,362,253,908
Current portion of loans payable (note 15)	17,688,748,873	21,462,122,734	17,818,386,428	19,742,369,670
Notes payable (note 13)	500,000,000	-	500,000,000	
Bonds payable (note 14)	375,500,000	375,500,000	375,019,694	-
Deposits from customers (note 16)	2,167,559,691	530,805,157	875,858,780	858,904,065
Due to related parties (note 23)	330,185,455	233,613,928	81,857,852	233,486,011
Income tax payable	52,199,008	121,587,297	50,421,831	74,499,492
Total Current Liabilities	32,846,443,222	29,134,076,856	28,883,530,224	26,271,513,146
NON-CURRENT LIABILITIES				
Trade and other payables - net of current portion (note 1)	935,868,518	1,069,040,861	934,065,292	926,129,506
Loans payable - net of current portion (note 15)	11,089,105,097	7,018,290,859	12,050,788,298	11,470,535,585
Notes payable (note 13)		1,300,000,000		1,300,000,000
Bonds payable (note 14)	217,612,305	215,975,045	217,612,305	591,475,045
Deferred tax liability	1,181,822,330	1,068,191,564	1,112,713,723	880,455,121
Total Noncurrent Liabilities	13,424,408,250	10,671,498,329	14,315,179,617	15,168,595,257
Total Liabilities	46,270,851,472	39,805,575,185	43,198,709,841	41,440,108,403
EQUITY				
Capital Stock (note 17)	5,604,990,720	5,567,990,720	5,604,990,720	5,567,990,720
Additional paid-in capital (note 17)	12,906,748,668	13,003,641,204	12,906,748,668	9,303,641,204
Treasury Shares (note 17)	(1,806,540,154)	(1,806,540,154)	(1,806,540,154)	(1,806,540,154)
Revaluation reserve	864,446,096	793,588,049	864,446,096	793,760,919
Retained earnings	32,289,718,275	26,439,317,833	28,789,476,472	23,182,957,409
Total Equity	49,859,363,605	43,997,997,652	46,359,121,802	37,041,810,098
	96,130,215,077	83,803,572,837	89,557,831,643	78,481,918,501

(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	
	2022	2021	2022	2021
	Unaudited	Unaudited	Unaudited	Unaudited
REVENUES (note 18)				
Real Estate Operations				
Real estate sales	9,959,636,068	9,931,384,189	4,761,712,413	5,454,745,245
Rental income	1,068,385	80,539,396	294,949	80,539,396
	9,960,704,453	10,011,923,585	4,762,007,362	5,535,284,641
Hotel operations	52,851,935	-	36,296,502	-
Equity share in net profits of associate	37,462,905	-	435,851	-
	10,051,019,293	10,011,923,585	4,798,739,715	5,535,284,641
COST OF SALES AND SERVICES (note 19)				
Real Estate Operations				
Cost of real estate sales	5,015,578,100	5,015,354,722	2,278,778,525	2,801,944,076
Cost of rental services	-	42,478,912	-	42,478,912
	5,015,578,099	5,057,833,634	2,278,778,525	2,844,422,988
Hotel Operations	12,191,927	251,001	10,590,331	251,001
	5,027,770,026	5,058,084,635	2,289,368,856	2,844,673,989
Gross Income	5,023,249,267	4,953,838,950	2,509,370,859	2,690,610,652
Operating Expenses (note 20)	1,306,343,426	1,244,345,719	595,090,962	677,833,849
Other Operating Income (Expense) (note 22)	902,286,559	676,424,952	183,992,763	364,737,675
Finance Costs (note 21)	748,205,352	833,922,413	221,938,352	430,515,960
Operating Income	3,870,987,047	3,551,995,770	1,876,334,307	1,946,998,517
Other Income	-	-	-	-
Income Before Income Tax from Continuing Operations	3,870,987,047	3,551,995,770	1,876,334,307	1,946,998,517
Provision for Income Tax	222,014,791	94,101,922	158,805,222	41,099,741
Income from Continuing Operations	3,648,972,256	3,457,893,849	1,717,529,085	1,905,898,777
Income from Discontinuing Operations	-	-	-	-
Net Income	3,648,972,256	3,457,893,849	1,717,529,085	1,905,898,777
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,648,972,256	3,457,893,849	1,717,529,085	1,905,898,777
Basic/Diluted Earnings Per Share	0.68	0.64	0.32	0.35
(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 June 30, 2022							
	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
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)
Retained Earnings from new subsidiary at 68%							103,722,422	103,722,422
Issuance of preferred shares						-		-
Other Comprehensive Income						-		-
Comprehensive income for the year						-	3,648,972,256	3,648,972,256
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	32,289,718,275	49,859,363,605

	For the year ended December 31, 2021							
	Capital Stock	Treasury Shares	Capital	Post-employment	Investment Securities		Retained Earnings	Total Equity
	(see Note 19)	(see Note 19)	(see Note 19)	(see Note 25)	(see Note 10)	Subtotal	19)	
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)
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
Net profit for the year						-	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
Balance at January 1, 2020	5,567,990,720	(1,266,523,478)	9,303,641,204	(5,680,563)	800,559,036	794,878,473	18,652,388,504	33,052,375,422
Cash dividends declared by the Parent Company						-	(301,314,973)	(301,314,973)
Treasury Shares		(540,016,676)				-		(540,016,676)
Other Comprehensive Income				(1,117,554)	-	(1,117,554)		(1,117,554)
Comprehensive income for the year						-	4,831,883,878	4,831,883,878
Balance at December 31, 2020	5,567,990,720	(1,806,540,154)	9,303,641,204	(6,798,117)	800,559,036	793,760,919	23,182,957,409	37,041,810,098

	For the years ended June 30, 2021							
	Capital Stock	Treasury Shares	Capital	Post-employment	Investment Securities	Subtotal	Retained Earnings	Total
Balance at January 1, 2021	5,567,990,720	(1,806,540,154)	9,303,641,204	(6,798,117)	800,559,036	-	23,182,957,409	37,041,810,097
Cash dividends declared by the Parent Company						-	(201,533,425)	(201,533,425)
Preferred shares issuance	37,000,000.00		3,663,000,000.00			-		3,700,000,000
Treasury Shares						-		-
Other Comprehensive Income					(172,869)	-		(172,869)
Comprehensive income for the year						-	3,457,893,849	3,457,893,849
Balance at June 30, 2021	5,604,990,720	(1,806,540,154)	12,966,641,204	(6,798,117)	800,386,167	-	26,439,317,833	43,997,997,652

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	
	2022	2021	2021	2020
	Unaudited	Unaudited	Audited	Audited
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	3,870,987,047	3,550,611,733	7,663,956,531	4,949,786,878
Adjustments for:				
Interest income	(754,485,086)	(666,344,661)	(1,296,434,917)	(850,832,875)
Interest costs	748,110,938	821,011,308	1,671,222,849	1,669,896,964
Provision for credit and impairment losses	(5,437,884)	-	379,690,694	89,499,597
Depreciation and amortization	43,124,830	42,794,938	96,794,315	95,699,129
Amortization of bond issue costs	480,306	-	1,156,954	20,930,305
Loss (gain) on repossession	129,603,759	1,562,734	(121,459,771)	(228,979,046)
Gain on sale of AFS	-	-	-	(3,322,025)
Equity in net earnings of associate	(37,462,905)	-	(13,214,510)	-
Retained Earnings from new subsidiary at 68%	103,722,422	-	-	-
Retirement expense	-	-	3,465,015	4,046,601
Operating income before changes in working capital	4,098,643,427	3,749,636,051	8,385,177,160	5,746,725,529
Changes in operating assets and liabilities				
Decrease (increase) in:				
Trade and other receivables	(4,536,751,981)	(3,552,655,617)	(7,701,615,560)	(7,118,816,369)
Inventories	(1,645,911,883)	(1,389,113,376)	(1,771,341,943)	(2,537,062,584)
Other assets	(267,712,823)	(478,769,953)	(1,101,649,829)	255,015,711
Increase (decrease) in:				
Trade and other payables	2,399,327,665	1,056,308,524	3,780,022,658	(447,713,254)
Deposits from customers	1,291,700,911	(328,098,908)	16,954,715	185,211,321
Net cash provided by (used in) operations	1,339,295,316	(942,693,278)	1,607,547,202	(3,916,639,647)
Interest received	754,485,086	666,344,661	1,232,922,366	787,250,581
Income tax paid	(220,237,614)	140,722,326	(473,101,985)	(65,658,423)
Net cash from (used in) operating activities	1,873,542,787	(135,626,292)	2,367,367,582	(3,195,047,489)
CASH FLOWS FROM INVESTING ACTIVITIES				
Collections of advances to related parties			129,262,088	
Interest received from loans to a third party			59,000,495	
Acquisition of a new subsidiary				(410,000,000)
Cash advances granted to/collected from related parties			(307,115,403)	(198,094,854)
Interest received from loans to a third party				54,703,416
Acquisitions of:				
Property and equipment	(52,182,361)	(38,566,301)	(69,820,197)	(31,066,008)
Investment in associates	-		(80,000,000)	
Investment properties	(0)	-	(16,360)	(734,746)
Net cash used in investing activities	(52,182,360)	(38,566,300)	(268,689,376)	(580,735,593)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of cash dividends	(252,452,875)	(201,533,425)	(1,557,538,144)	(301,314,973)
Availment (retirement) of loans payable	(1,091,320,755)	(2,732,491,663)	(1,343,730,529)	13,248,512,205
Interest paid on loans and bonds	(526,262,214)	(686,387,516)	(1,426,393,988)	(1,510,804,310)
Cash advances from related parties			1,554,822	151,382,487
Availment (Repayment) of advances from related parties	(230,685,520)	(201,035,862)	(153,182,981)	(481,819)
Repayment of leasing liabilities			(13,094,103)	
Issuance of corporate bonds				(8,405,590,000)
Issuance of preferred shares	-	3,700,000,000	3,640,107,464	
Payment of notes			(800,000,000)	1,300,000,000
Buyback of shares (treasury stocks)	-	-		(540,016,676)
Net cash provided by (used in) financing activities	(2,100,721,364)	(121,448,466)	(1,652,277,459)	3,941,686,914
Effect of changes in foreign exchange rates on hand and in banks	-	-	-	-
Net increase (decrease) in cash on hand and in banks	(279,360,937)	(295,641,058)	446,400,747	165,903,831
Cash Balance at the beginning of the year	1,655,736,074	1,209,335,327	1,209,335,327	1,043,431,496
Cash Balance at the end of the year	1,376,375,137	913,694,269	1,655,736,074	1,209,335,327
(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, 2021.

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	
	2022	2021	2021	2020
	Unaudited	Unaudited	Audited	Audited
Cash on hand	37,423,305	55,370,704	33,736,447	121,896,088
Cash in banks	1,321,684,531	858,323,565	1,591,856,278	1,069,293,162
Short-term placements	17,267,301	-	30,143,349	18,146,077
	1,376,375,137	913,694,269	1,655,736,073	1,209,335,327

5. Trade and Other Receivables

This account consists of:

	30-Jun		31-Dec	
	2022	2021	2021	2020
	Unaudited	Unaudited	Audited	Audited
Current:				
Trade Receivables				
Installment contract receivables	1,997,641,839	3,169,739,979	1,006,619,166	313,057,548
Finance lease receivables	183,326,198	55,125,305	216,761,058	5,116,093
Advances to external marketing managers	60,856,698	60,856,698	60,856,698	60,856,698
Retention Receivables	1,970,308,243	1,355,350,790	1,684,683,308	1,141,341,903
Receivables from employees	1,578,627,279	947,060,290	1,037,406,161	867,313,590
Contract Assets	102,421,138	70,052,479	102,421,138	101,803,550
Other Receivables	1,170,101,933	2,195,853,760	966,263,620	974,078,245
	7,063,283,328	7,854,039,303	5,075,011,148	3,463,567,627
Less: Allowance for impairment losses	718,253,105	313,507,841	723,690,989	398,775,762
	6,345,030,224	7,540,531,462	4,351,320,159	3,064,791,865
Non-current:				
Trade Receivables				
Installment contract receivables	33,332,023,238	23,957,049,070	30,783,312,161	24,572,014,637
Finance lease receivables	741,760,281	561,584,704	741,760,281	869,703,119
Loans Receivables	396,953,440	396,953,440	396,953,440	-
	34,470,736,959	24,915,587,214	31,922,025,882	25,838,671,196
	40,815,767,183	32,456,118,676	36,273,346,041	28,903,463,061

Eighty four percent (874%) of total receivables of the Company are on long-term basis. Current portion of installment contract receivables stands at PhP1,997.64 million which pertains to portion of receivables from buyers due within one (1) year.

6. Inventories

This account consists of:

	30-Jun		31-Dec	
	2022	2021	2021	2020
	Unaudited	Unaudited	Audited	Audited
Real estate inventories				
Low-cost mass housing	15,081,198,920	22,459,939,863	14,552,111,117	12,215,209,382
Medium-rise condominium units	2,085,783,157	2,009,139,925	2,012,608,442	1,865,567,846
High-rise condominium units	21,262,890,297	15,251,510,577	20,516,932,634	21,092,938,371
Developed subdivision lots	4,791,204,232	1,480,311,083	4,623,116,288	4,638,251,168
	43,221,076,605	41,200,901,448	41,704,768,481	39,811,966,767

7. Investment Securities at FVOCI

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

	30-Jun		31-Dec	
	2022	2021	2021	2020
	Unaudited	Unaudited	Audited	Audited
ALRC	1,247,947,347	1,182,983,480	1,247,947,347	1,182,983,480
ARVI	28,112,000	28,112,000	28,112,000	28,112,000
Pico de Loro	633,500	633,500	633,500	633,500
	1,276,692,847	1,211,728,980	1,276,692,847	1,211,728,980

8. Other Assets

This account consists of:

	30-Jun		31-Dec	
	2022	2021	2021	2020
	Unaudited	Unaudited	Audited	Audited
Current				
Advances to contractors	3,410,272,455	3,493,755,375	3,387,450,908	3,493,188,930
Advances to brokers	114,613,478	52,077,424	68,831,826	47,143,399
Input tax	826,230,542	370,476,664	671,153,435	142,956,233
Advances to landowners	157,974,773	157,974,773	157,974,773	157,974,773
Creditable withholding tax	764,280,948	376,852,292	695,819,231	183,008,572
Prepaid expenses	149,488,297	31,673,491	168,033,183	15,286,037
Others	71,644,507	83,309,440	92,654,667	133,116,843
	5,494,504,999	4,566,119,458	5,241,918,024	4,172,674,787
Less: Allowance for impairment losses	66,704,609	272,323,580	66,704,609	55,375,203
	5,427,800,390	4,293,795,878	5,175,213,415	4,117,299,584
Non-current				
Deposits	197,356,197	184,976,615	189,279,842	186,924,166
Goodwill	526,474,833	526,474,833	526,474,833	526,474,833
Software cost	58,250,024	58,250,024	58,250,024	58,250,024
Investment in joint operations	182,856,423	64,079,024	175,525,350	160,512,116
Right-of-use assets net	26,834,252	15,198,601	23,782,767	11,373,986
Others	5,225,000	391,018,912	5,225,000	5,225,000
	996,996,728	1,239,998,009	978,537,816	948,760,125
Less: Allowance for impairment losses	2,511,974	2,511,974	2,511,974	2,511,974
	994,484,754	1,237,486,035	976,025,842	946,248,151
	6,422,285,145	5,531,281,913	6,151,239,257	5,063,547,735

9. Property and Equipment

This account consists of:

	30-Jun-22 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	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
		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

	30-Jun-21 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	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	-	1,900,510	-	427,279	(4,100,043)	(23,978,307)	(229,884)	59,330,993	5,215,753	38,566,301
Transfers/Disposals	-									-
Balances at end of year	107,405,010	613,452,765	11,230,076	33,187,272	144,776,666	90,966,642	152,819,122	59,786,463	5,215,753	1,218,839,769
Accumulated Depreciation and Amortization				-						
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	-	18,162,463	-	2,256,823	5,215,235	(4,895,040)	7,972,784	-	41,800	28,754,066
Transfers/Disposals	-							-	-	-
Balances at end of year	-	106,647,552	10,458,648	24,696,513	106,445,716	79,787,541	132,709,051	-	41,800	460,786,821
		106,647,552	10,458,648	24,696,513	106,445,716	79,787,541	132,709,051			460,745,021
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	506,805,213	771,428	8,490,758	38,330,950	11,179,102	20,110,071	59,786,463	5,173,953	749,082,948

	31-Dec-21									
	Audited									
	Land	Building	Improvements	Improvements	Fixtures	and Equipment	Vehicles	Progress	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
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

	31-Dec-20 Audited								
	Land	Building	Improvements	Improvements	Fixtures	and Equipment	Vehicles	Progress	Total
Cost									
Balances at beginning of year	107,405,010	610,023,699	10,458,647	31,152,995	132,116,056	111,283,708	146,311,875	5,250,087	1,094,813,682
Additions	-	1,528,556	771,429	1,606,998	16,760,654	3,661,242	6,737,131		78,241,258
Transfers/Disposals	-							(4,794,617)	-
Balances at end 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	1,173,054,940
Accumulated Depreciation and Amortization									
Balances at beginning of year	-	58,139,997	10,458,648	18,394,818	80,012,721	75,001,686	106,526,011	-	259,369,532
Depreciation and Amortization	-	30,345,092	-	4,044,872	21,217,760	9,680,894	18,210,256	-	96,248,999
Transfers/Disposals	-							-	-
Balances at end of year	-	88,485,089	10,458,648	22,439,690	101,230,481	84,682,581	124,736,267	-	355,618,531
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	523,067,166	771,428	10,320,303	47,646,229	30,262,369	28,312,739	455,470	739,270,713

10. Investment Properties

This account consists of:

30-Jun-22 Unaudited				
	Land	Building	Land Improvements	Total
Cost				
Balances at beginning of year	268,313,360	8,832,630	120,220,209	397,349,840
Additions	-	-	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

30-Jun-21 Unaudited				
	Land	Building	Land Improvements	Total
Cost				
Balances at beginning of year	268,313,360	8,832,630	120,203,849	397,349,840
Additions	0	-	0	0
Transfers/Reclassification to REI	-	-	-	-
Balances at end of year	268,313,360	8,832,630	120,203,849	397,349,840
Accumulated Depreciation and Amortization				
Balances at beginning of year	-	4,824,864	44,563,006	49,387,870
Depreciation and Amortization	-	-	3,005,096	3,005,096
Balances at end of year	-	4,824,864	47,568,102	52,392,966
Net Book Value	268,313,360	4,007,766	72,635,747	344,956,874

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
Net Book Value	268,313,360	3,566,134	69,643,489	341,522,984

	31-Dec-20			
	Audited			
	Land	Building	Land Improvements	Total
Cost				
Balances at beginning of year	267,587,747	8,832,630	120,194,716	396,615,093
Additions	725,614	-	9,133	734,747
Transfers/Reclassification to REI		-		-
Balances at end of year	268,313,360	8,832,630	120,203,849	397,349,840
Accumulated Depreciation and Amortization				
Balances at beginning of year	-	4,383,233	38,552,928	42,936,160
Depreciation and Amortization	-	441,631	6,010,078	6,451,710
Balances at end of year	-	4,824,864	44,563,006	49,387,870
Net Book Value	268,313,360	4,007,766	75,640,843	347,961,969

11. Trade and Other Payables

This account consists of:

	30-Jun		31-Dec	
	2022	2021	2021	2020
	Unaudited	Unaudited	Audited	Audited
Current				
Trade and accounts payables	1,950,752,410	3,119,728,981	682,023,802	1,342,731,519
Accrued expenses	1,510,839,012	1,224,335,001	2,317,792,081	2,094,584,837
Interest Payable	88,181,309	78,008,948	244,828,861	159,092,654
Retention payables	978,251,114	649,631,340	923,418,635	827,903,673
Withholding tax payables	18,822,720	87,575,502	87,652,152	30,166,033
Construction bonds	94,496,062	89,810,306	92,504,764	88,796,718
Net out put tax	207,191,196	73,166,067	140,677,113	154,610,131
Lease liabilities	12,776,259	-	10,624,614	8,364,332
Contract Liabilities	1,553,279	12,706,514	1,553,279	1,553,279
Deposits	145,586,809	323,732,684	145,586,809	145,753,250
Others	6,723,800,023	751,752,396	4,535,323,530	508,697,483
	11,732,250,195	6,410,447,740	9,181,985,641	5,362,253,908
Non-current				
Pension Liability	14,176,306	16,649,917	14,176,306	16,755,805
Contract Liabilities	906,194,448	858,291,119	906,194,448	906,098,242
Retention payables		191,006,930	-	-
Lease liabilities	15,497,766	3,092,896	13,694,540	3,275,459
	935,868,520	1,069,040,861	934,065,295	926,129,506
	12,668,118,715	7,479,488,601	10,116,050,935	6,288,383,414

12. Loans Payable

This account consists of:

	30-Jun		31-Dec	
	2022	2021	2021	2020
	Unaudited	Unaudited	Audited	Audited
Short-term loans payable	17,688,748,873	21,462,122,734	17,818,386,428	19,742,369,670
Long-term loans payable	11,089,105,097	7,018,290,859	12,050,788,298	11,470,535,585
	28,777,853,971	28,480,413,592	29,869,174,726	31,212,905,255

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	
	2022	2021	2022	2021
	Unaudited	Unaudited	Unaudited	Unaudited
Real estate				
Low-cost mass housing	3,881,746,430	6,816,626,349	1,704,445,959	4,493,053,361
Medium-rise condominium units	686,575,099	685,975,082	159,700,901	150,258,915
High-rise condominium units	5,119,596,943	2,375,842,758	2,769,992,300	775,279,469
Developed subdivision lots	271,717,596	52,940,000	127,573,253	36,153,500
	9,959,636,068	9,931,384,189	4,761,712,413	5,454,745,245
Rental income	1,068,385	80,539,396	294,949	80,539,396
Equity share in net profits of ass	37,462,905	-	435,851	-
	9,998,167,358	10,011,923,585	4,762,443,213	5,535,284,641
Hotel Operations	52,851,935	-	36,296,502	-
	10,051,019,293	10,011,923,585	4,798,739,715	5,535,284,641

15. Cost of Sales and Services

This account consists of:

	Six Months Ended June 30		Three Months Ended June 30	
	2022	2021	2022	2021
	Unaudited	Unaudited	Unaudited	Unaudited
Real estate				
Low-cost mass housing	1,661,745,525	1,733,672,246	753,033,899	834,962,907
Medium-rise condominium units	550,039,076	466,782,954	146,075,485	145,738,610
High-rise condominium units	2,710,073,581	2,684,110,954	1,342,296,497	1,697,971,487
Developed subdivision lots	93,719,917	130,788,568	37,372,643	123,271,072
	5,015,578,100	5,015,354,722	2,278,778,525	2,801,944,076
Cost of rental services	-	42,478,912	-	42,478,912
	5,015,578,100	5,057,833,634	2,278,778,525	2,844,422,988
Hotel operations				
Cost of hotel operations	12,191,927	251,001	10,590,331	251,001
	5,027,770,027	5,058,084,635	2,289,368,856	2,844,673,989

16. Operating Expenses

This account consists of:

	Six Months Ended June 30		Three Months Ended June 30	
	2022	2021	2022	2021
	Unaudited	Unaudited	Unaudited	Unaudited
Marketing and selling	438,674,420	384,627,332	192,293,541	178,912,469
Documentation	228,636,718	217,256,397	103,319,386	102,758,529
Taxes and licenses	195,166,343	247,595,098	67,988,809	225,306,106
Salaries and employee benefits	94,192,877	84,164,949	41,314,678	44,731,731
Depreciation and amortization	43,356,107	42,794,938	24,432,165	21,248,517
Security, messengerial and janitorial	46,647,721	39,262,652	24,063,220	21,434,701
Management and professional fees	40,911,758	23,139,978	32,231,912	(45,638,242)
Communication, light and water	30,174,317	30,961,792	16,786,371	12,814,375
Entertainment, amusement and representation	15,861,835	4,701,483	10,930,389	754,862
Repairs and maintenance	33,422,606	18,680,115	19,445,016	(9,555,157)
Supplies	11,884,736	10,798,428	6,012,145	4,913,416
Rent	9,375,920	6,586,640	4,204,838	4,176,801
Transportation and travel	13,243,917	6,754,795	6,832,367	3,774,387
Insurance	9,392,595	5,930,787	3,728,221	5,482,901
Subscription dues and fees	5,295,258	5,736,961	2,683,655	3,243,921
Miscellaneous	90,106,297	115,353,377	38,824,249	103,474,535
	1,306,343,425	1,244,345,719	595,090,962	677,833,849

17. Finance Costs

This account consists of:

	Six Months Ended June 30		Three Months Ended June 30	
	2022	2021	2022	2021
	Unaudited	Unaudited	Unaudited	Unaudited
Borrowings	707,522,938	838,487,893	198,827,520	459,255,327
Accretion	-	12,911,105	-	12,506,155
Bonds & Notes	40,588,000	(12,911,105)	23,021,204	(36,677,757)
Bank charges	94,414	(4,565,480)	89,628	(4,567,765)
Net interest expense on pension obligation			-	-
	748,205,352	833,922,413	221,938,352	430,515,960

18. Other Operating Income

This account consists of:

	Six Months Ended June 30		Three Months Ended June 30	
	2022	2021	2022	2021
	Unaudited	Unaudited	Unaudited	Unaudited
Interest Income from:				
Installment contract receivables	753,702,399	665,882,606	146,302,392	359,784,127
Cash in banks and long term investments	782,687	462,055	429,837	325,846
Accretion	-		-	-
Reversal of credit loss			-	-
Penalties	6,327,835	1,694,453	3,254,992	(1,268,496)
Gain on repossession of inventories	129,603,759		85,389,343	-
Miscellaneous Income (Expense)	11,869,879	8,385,839	(51,383,801)	5,896,199
	902,286,559	676,424,952	183,992,763	364,737,675

19. Related Party Transactions

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	Due to related parties	330,185,455	Non-interest bearing, payable on demand	Unsecured

30-Jun-21
Unaudited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	1,395,807,729	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	233,613,928	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

31-Dec-20
Audited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	1,352,083,767	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	233,486,011	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 as of June 30, 2022 and 2021, both unaudited.

Consolidated Balance Sheet	As of June 30,2022 Unaudited	As of June 30, 2021 Unaudited	Increase Amount	%
Total Assets	96,130,215,077	83,803,572,836	12,326,642,241	14.71%
Current Assets	58,178,346,684	55,344,730,786	2,833,615,898	5.12%
Trade Receivables	40,815,767,182	32,456,118,676	8,359,648,506	25.76%
Total Liabilities	46,270,851,472	39,805,575,185	6,465,276,287	16.24%
Current Liabilities	32,846,443,222	29,134,076,856	3,712,366,366	12.74%
Loans Payable	28,777,853,971	28,480,413,592	297,440,378	1.04%
Stockholder's Equity	49,859,363,605	43,997,997,652	5,861,365,953	13.32%
Permitted Liens	9,613,021,508	8,380,357,284	1,232,664,224	14.71%
Loans under Permitted Liens	4,504,491,821	3,180,498,523	1,323,993,298	41.63%

Table below shows comparative consolidated statement of income financial highlights of 8990 Holdings, Inc. for six months ended June 30, 2022 and 2021, both unaudited.

Consolidated Statements of Income	As of June 30,2022 Unaudited	As of June 30, 2021 Unaudited	Increase Amount	%
Revenue	10,051,019,293	10,011,923,585	39,095,708	0.39%
Gross Income	5,023,249,267	4,953,838,950	69,410,317	1.40%
Operating Expenses	1,306,343,426	1,244,345,719	61,997,707	4.98%
Net Operating Income	3,716,905,841	3,709,493,231	7,412,610	0.20%
EBITDA	4,662,548,508	4,428,713,121	233,835,387	5.28%
Net Income Before Tax	3,870,987,047	3,551,995,770	318,991,277	8.98%
Net Income After Tax	3,648,972,256	3,457,893,849	191,078,408	5.53%

Tables below show quarter two 2022 key performance indicators of the Company, with relevant comparative figures.

Key Performance Indicators	As of June 30,2022 Unaudited	As of June 30, 2021 Unaudited	Bond Covenant
Current Ratio	1.77	1.90	minimum 1.0
Book Value Per Share	7.63	6.55	
Debt to Equity Ratio	0.93	0.90	
Net Debt to Equity Ratio	0.55	0.63	maximum 1.5
Asset to Equity Ratio	1.93	1.90	
Asset to Debt Ratio	2.08	2.11	
Debt Service Ratio	1.41	2.12	minimum 1.25
Interest Coverage Ratio	5.25	4.42	

Key Performance Indicators	As of June 30,2022 Unaudited	As of June 30, 2021 Unaudited
Gross Margin	49.98%	49.48%
EBITDA Margin	46.39%	44.23%
Net Income Margin	36.30%	34.54%
Earnings per share	0.68	0.64

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, 2022 compared to six months ended June 30, 2021

Revenue

For the six months ended June 30, 2022, the Company recorded consolidated revenue of PhP10,051.0 million, a slight increase from consolidated revenue of PhP10,011.9 million recorded for the six months ended June 30, 2021. 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, 2022 was PhP5,027.8 million, a decrease from consolidated cost of sales and services of PhP5,058.1 million recorded for the six months ended June 30, 2021. The decrease was mainly attributable to lower levels of resale recorded for the period compared to previous year.

Gross Income

The Company's consolidated gross income for the six months ended June 30, 2022 was PhP5,023.2 million, an increase from consolidated gross income of PhP4,953.8 million recorded for the six months ended June 30, 2021. The Company's gross income margin for the six months ended June 30, 2022 was 50.0%, compared to a gross income margin of 49.5% recorded for the six months ended June 30, 2021. 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, 2022, the Company recorded consolidated operating expenses of PhP1,306.3 million, an increase from consolidated operating expenses of PhP1,244.3 million recorded for the six months ended June 30, 2021.

Finance Costs

The Company's consolidated finance costs for the six months ended June 30, 2022 were PhP748.2 million, a decrease from consolidated finance costs of PhP833.9 million recorded for the six months ended June 30, 2021. The decrease was mainly attributable to less accrued interests from old loans as several were prepaid for the period.

Other Operating Income

For the six months ended June 30, 2022, the Company recorded consolidated other income of PhP902.3 million, a significant increase from the consolidated other income of PhP676.4 million recorded for the six months ended June 30, 2021. 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, 2022 was PhP3,871.0 million, an increase from consolidated income before income tax of PhP3,552.0 million recorded for the six months ended June 30, 2021.

Provision for Income Tax

The Company's consolidated provision for income tax for the six months ended June 30, 2022 was PhP222.0 million, an increase from consolidated provision for income tax of PhP94.1 million recorded for the six months ended June 30, 2021. 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, 2022 was PhP3,649.0 million, a 6% increase from consolidated net income of PhP3,457.9 million recorded for the six months ended June 30, 2021. The Company's consolidated net income margin for the six months ended June 30, 2022 was 36.3%, compared to a consolidated net income margin of 34.5% for the six months ended June 30, 2021.

Financial Position

As at June 30, 2022 compared to as at June 30, 2021

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were PhP1,376.4 million as at June 30, 2022, a significant increase from consolidated cash on hand and in banks of PhP913.7 million as at June 30, 2021. Increase in cash is due to quarter end credit of proceeds from migration of receivables via housing loan of buyers from HDMF and partner banks.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were PhP6,345.0 million as at June 30, 2022, a decrease from consolidated current portion of trade and other receivables of PhP7,540.5 million as at June 30, 2021.

Inventories

The Company's consolidated inventories were PhP43,221.1 million as at June 30, 2022, an increase of 5% from consolidated inventories of PhP41,200.9 million as at June 30, 2021. The increase is due to increased inventory for high rise condominium projects.

Due from related parties

The Company's consolidated due from related parties were PhP1,808.1 million as at June 30, 2022, a 29.5% increase from consolidated due from related parties of PhP1,395.8 million as at June 30, 2021.

Other current assets

The Company's consolidated other current assets were PhP5,427.8 million as at June 30, 2022, an increase of 26.4% from consolidated other current assets of PhP4,293.8 million as at June 30, 2021, 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 PhP34,470.7 million as at June 30, 2022, a 38% increase from consolidated trade and other receivables - net of current portion of PhP24,915.6 million as at June 30, 2021. 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 PhP740.9 million as at June 30, 2022, a decrease from consolidated property and equipment of PhP749.1 million as at June 30, 2021.

Investment properties

The Company's consolidated investment properties were PhP338.4 million as at June 30, 2022, a decrease from consolidated investment properties of PhP345.0 million as at June 30, 2021.

Other noncurrent assets

The Company's other noncurrent assets including goodwill were PhP994.5 million as at June 30, 2022, a decrease from other noncurrent assets of PhP1,237.5 million as at June 30, 2021.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were PhP11,732.3 million as at June 30, 2022, an increase from consolidated current portion of trade and other payables of PhP6,410.4 million as at June 30, 2021. The increase is mainly due to increased advances to contractors for downpayment of projects as well as increased 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 PhP17,688.8 million as at June 30, 2022, a decrease from consolidated current portion of loans payable of PhP21,462.1 million as at June 30, 2021. The decrease was due to payments of short-term borrowing of the Company.

Deposits from customers

The Company's consolidated deposits from customers were PhP2,167.6 million as at June 30, 2022, an increase from consolidated deposits from customers of PhP530.8 million as at June 30, 2021. Increase were due to increased equity collections from Urban Deca Homes Ortigas, Urban Deca Homes Banilad and Urban Deca Tower Cubao projects.

Due to related parties

The Company's consolidated due to related parties were PhP330.2 million as at June 30, 2022, an increase from consolidated due to related parties of PhP233.6 million as at June 30, 2021.

Income tax payable

The Company's consolidated income tax payable was PhP52.2 million as at June 30, 2022, a decrease from consolidated income tax payable of PhP121.6 million as at June 30, 2021.

Trade and other payables - net of current portion

The Company's consolidated trade and other payables - net of current portion were PhP935.9 million as at June 30, 2022, a decrease from consolidated trade and other payables - net of current portion of PhP1,069.0 million as at June 30, 2021. The decrease is due to reclass of long term retention payables to current.

Loans payable - net of current portion

The Company's consolidated loans payable - net of current portion was PhP11,089.1 million as at June 30, 2022, an increase from consolidated loans payable - net of current portion of PhP7,018.3 million as at June 30, 2021.

Deferred tax liability

The Company's consolidated deferred tax liability was PhP1,181.8 million as at June 30, 2022, an increase from consolidated deferred tax liability of PhP1,068.2 million as at June 30, 2021. 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 PhP1,873.5 million and for the period ended June 30, 2022 and consolidated net cash used in operating activities were PhP135.6 million for the period ended June 30, 2021.

Cash flows used in investing activities

Consolidated net cash flow used in investing activities for the period ended June 30, 2022 were PhP52.2 million, and consolidated net cash used in investing activities for the period ended June 30, 2021 were PhP38.6 million.

For the six months ended June 30, 2022, 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, 2022 were PhP2,100.7 million, and consolidated net cash flow used in financing activities for the period ended June 30, 2021 were PhP121.4 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: