

COVER SHEET

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S.E.C. Registration Number

[illegible][illegible][illegible][illegible]

(Company's Full Name)

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

Roan Buenaventura-Torregoza
Chief Finance Officer

Contact Person/s

(632) 4789659/5333915/5333917

Company Telephone Number

0	3
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Month

3	1
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Day

SEC Form 17-Q
June 30, 2024

FORM TYPE

0	7
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Month
Annual Meeting

2	8
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Day

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

Amended Articles Number/Section

36

Total No. of Stockholders

33

Domestic

3

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

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Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **June 30, 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)

	30-Jun		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
ASSETS				
CURRENT ASSETS				
Cash on hand and in banks (note 5)	1,782,325,265	847,032,703	2,453,315,111	1,482,231,058
Current portion of trade and other receivables (note 6)	8,644,215,694	6,006,372,244	8,001,352,477	5,868,736,522
Inventories (note 7)	52,188,994,030	47,245,460,980	52,330,267,709	46,721,266,042
Due from related parties (note 23)	3,918,036,816	2,443,672,970	3,261,651,942	2,044,601,483
Other current assets (note 9)	6,142,126,477	5,676,683,047	5,874,365,517	5,532,281,150
Total Current Assets	72,675,698,283	62,219,221,944	71,920,952,756	61,649,116,255
NON-CURRENT ASSETS				
Trade and other receivables - net of current portion (note 6)	35,799,039,799	44,722,308,596	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	250,036,486	267,022,982	221,164,876
Property and equipment, net (note 10)	783,131,949	795,081,131	732,460,135	806,045,355
Investment properties (note)	614,752,644	318,061,648	526,974,226	321,117,811
Goodwill (note 9)	565,617,569	526,474,833	586,205,325	526,474,833
Other noncurrent assets (note 9)	437,237,571	428,087,010	425,837,287	426,006,786
Total Noncurrent Assets	39,847,784,773	48,392,204,731	37,065,458,062	41,688,116,681
Total Assets	112,523,483,056	110,611,426,675	108,986,410,818	103,337,232,936
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Current portion of trade and other payables (note 12)	9,695,964,868	10,352,952,197	8,303,455,961	8,786,051,299
Current portion of loans payable (note 15)	14,594,811,300	9,672,110,119	18,423,483,279	20,654,332,925
Notes payable (note 13)	233,762,614		459,211,387	
Deposits from customers (note 16)	1,067,526,437	3,691,817,328	899,319,514	1,064,929,315
Due to related parties (note 23)	193,834,360	242,253,973	272,567,480	289,460,197
Income tax payable	17,750,701	73,935,318	93,633,513	60,619,149
Total Current Liabilities	25,803,650,281	24,033,068,936	28,451,671,133	30,855,392,884
NON-CURRENT LIABILITIES				
Trade and other payables - net of current portion (note 1)	668,182,771	655,798,039	378,949,578	938,614,270
Loans payable - net of current portion (note 15)	23,457,502,166	31,873,748,178	17,095,069,286	21,325,019,516
Notes payable (note 13)	6,040,788,613		6,040,788,613	
Deferred tax liability	1,834,346,227	1,605,125,618	1,690,308,640	1,560,759,293
Total Noncurrent Liabilities	32,000,819,776	34,134,671,834	25,205,116,116	23,824,393,078
Total Liabilities	57,804,470,057	58,167,740,770	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)	(1,807,995,525)	(1,806,540,154)	(1,822,144,768)	(1,806,540,154)
Revaluation reserve	936,192,978	941,630,048	936,192,978	941,630,048
Retained earnings	45,661,686,485	39,696,800,493	42,601,141,729	35,920,105,691
Total	54,601,623,325	52,343,629,775	55,226,929,327	48,566,934,973
Non-Controlling Interests	117,389,674	100,056,130	102,694,240	90,511,998
Total Equity	54,719,012,999	52,443,685,905	55,329,623,567	48,657,446,971
	112,523,483,056	110,611,426,675	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 the six months ended June 30		For three months ended June 30	
	2024	2023	2024	2023
	Unaudited	Unaudited	Unaudited	Unaudited
REVENUES (note 18)				
Real Estate Operations				
Real estate sales	9,986,354,826	9,916,026,052	4,878,692,544	4,645,840,432
Rental income	4,276,634	49,800	1,963,781	21,000
	9,990,631,459	9,916,075,852	4,880,656,326	4,645,861,432
Hotel operations	130,413,530	120,573,694	63,025,424	73,915,392
Equity share in net profits of associate	17,705,874	28,871,611	(4,815,449)	8,655,438
	10,138,750,864	10,065,521,157	4,938,866,300	4,728,432,262
COST OF SALES AND SERVICES (note 19)				-
Real Estate Operations				-
Cost of real estate sales	6,134,365,024	5,126,568,863	3,252,867,618	2,462,151,893
Cost of rental services	-	-	-	-
	6,134,365,023	5,126,568,862	3,252,867,618	2,462,151,893
Hotel Operations	69,470,854	63,913,270	38,707,318	40,443,318
	6,203,835,877	5,190,482,132	3,291,574,936	2,502,595,211
Gross Income	3,934,914,987	4,875,039,026	1,647,291,364	2,225,837,051
Operating Expenses (note 20)	1,564,423,682	1,438,337,270	895,970,738	756,046,229
Other Operating Income (Expense) (note 22)	1,626,066,233	1,443,491,391	844,579,649	634,596,008
Finance Costs (note 21)	653,841,745	887,855,443	29,179,257	82,719,205
Operating Income	3,342,715,792	3,992,337,703	1,566,721,018	2,021,667,625
GAIN ON ACQUISITION OF BUSINESS			-	-
Other Income/Expense	-	-	-	-
Income Before Income Tax from Continuing Operations	3,342,715,792	3,992,337,703	1,566,721,018	2,021,667,625
Provision for Income Tax	267,475,603	206,098,769	201,955,757	126,854,117
Income from Continuing Operations	3,075,240,189	3,786,238,934	1,364,765,261	1,894,813,508
Income from Discontinuing Operations	-	-	-	-
Net Income	3,075,240,189	3,786,238,934	1,364,765,261	1,894,813,508
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,075,240,189	3,786,238,934	1,364,765,261	1,894,813,508
NET PROFIT ATTRIBUTABLE TO:				
Equity Holders of 8990 Holdings Inc.	3,060,544,756	3,776,694,802	1,356,918,698	1,891,403,742
Non-controlling Interests	14,695,434	9,544,132	7,846,562	3,409,766
	3,075,240,189	3,786,238,934	1,364,765,261	1,894,813,508
Basic/Diluted Earnings Per Share	0.57	0.70	0.25	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 the six months ended June 30, 2024									
	Capital Stock	Treasury Shares	Additional Paid in Capital	Actuarial Gain on Post-employment Benefit Plan	Fair Value Gain on Investment Securities through FVOCI	Subtotal	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance at January 1, 2024	5,554,990,720	(1,822,144,768)	7,956,748,668	936,192,978	-	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						-		-		-
Issuance of preferred shares						-		-		-
Treasury Shares	(37,000,000.00)	15,604,614.00	(3,663,000,000.00)					(3,684,395,386)		(3,684,395,386)
Other Comprehensive Income						-		-		-
Comprehensive income for the year						-	3,060,544,756	3,060,544,756	14,695,434	3,075,240,189
Balance at June 30, 2024	5,517,990,720	(1,806,540,154)	4,293,748,668	936,192,978	-	936,192,978	45,661,686,485	54,603,078,696	117,389,674	54,720,468,370

	For the six months ended June 30, 2023									
	Capital Stock	Treasury Shares	Capital	Post-employment	Investment Securities	Subtotal	Earnings	Total	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						-		-		-
Treasury Shares						-		-		-
Other Comprehensive Income						-		-		-
Comprehensive income for the year						-	3,776,694,802	3,776,694,802	9,544,132	3,786,238,934
Balance at June 30, 2023	5,554,990,720	(1,806,540,154)	7,956,748,668	1,094,965	940,535,083	941,630,048	39,696,800,493	52,343,629,775	100,056,130	52,443,685,905

	Attributable to equity holders of 8990 Holdings, Inc.									
	Capital Stock (see Note 20)	Treasury Shares (see Note 20)	Actuarial Gain on (see Note 26)	Fair Value Gain (see Note 10)	Equity Reserve	Revaluation Subtotal	Retained (see Note 20)	Total	Non-Controlling (see Note 1.3)	Total Equity
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 through FVOCI	Subtotal	Retained Earnings	Total	Non-Controlling Interests	Total Equity
Balances at January 1, 2022	5,604,990,720	(1,806,540,154)	12,906,748,668	(626,807)	865,072,903	864,446,096	28,789,476,472	46,359,121,802	-	46,359,121,802
Cash dividends declared by the Parent Company	-	-	-	-	-	-	(504,815,000)	(504,815,000)	-	(504,815,000)
Redemption of Preferred Shares	(50,000,000)	-	(4,950,000,000)	-	-	-	-	(5,000,000,000)	-	(5,000,000,000)
Non-controlling interest							-	-	72,612,918	72,612,918
Treasury Shares		-	-	-	-	-		-		-
Other Comprehensive Income	-	-		1,721,772	75,462,180	77,183,952	-	77,183,952	-	77,183,952
Net profit for the year	-	-	-	-		-	7,635,444,219	7,635,444,219	17,899,080	7,653,343,299
Balance at December 31, 2022	5,554,990,720	(1,806,540,154)	7,956,748,668	1,094,965	940,535,083	941,630,048	35,920,105,691	48,566,934,973	90,511,998	48,657,446,971

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

	For the six months ended June 30		For years ended December 31	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	3,342,715,792	3,992,337,703	7,853,640,605	8,439,414,260
Adjustments for:				
Interest income	(1,433,134,721)	(1,501,447,957)	(2,914,452,993)	(1,811,254,938)
Interest costs	653,565,581	887,696,965	2,194,363,343	1,909,513,201
Provision for credit and impairment losses	-	-	470,905,069	413,300,244
Depreciation and amortization	49,573,379	49,373,193	109,045,748	106,202,854
Gain on acquisition of business	-	-	-	(66,026,947)
Loss on early redemption of bonds	-	-	-	6,592,275
Amortization of bond issue costs	-	-	-	658,476
Loss (gain) on repossession	(24,077,656)	(110,330,556)	243,212,456	(520,391,151)
Gain on sale of property and equipment	-	-	(225,000)	-
Equity in net earnings of associate	(17,705,874)	(28,871,611)	(45,858,106)	(67,950,366)
Retirement expense	-	-	2,547,059	2,648,376
Operating income before changes in working capital	2,570,936,501	3,288,757,739	7,913,178,181	8,412,706,285
Changes in operating assets and liabilities				
Decrease (increase) in:				
Trade and other receivables	(3,278,221,296)	(6,824,561,051)	3,629,057,873	(7,852,911,968)
Inventories	165,351,335	(413,864,382)	(5,852,214,123)	(4,481,977,797)
Other assets	(250,627,403)	(147,316,325)	(656,642,145)	(127,707,148)
Increase (decrease) in:				
Trade and other payables	1,825,779,687	967,016,242	(915,817,364)	(222,185,551)
Deposits from customers	168,206,924	2,626,888,013	(165,609,802)	193,420,418
Net cash provided by (used in) operations	1,201,425,748	(503,079,765)	3,951,952,620	(4,078,655,762)
Interest received	1,433,134,721	1,501,447,957	1,666,188,124	1,747,742,388
Income tax paid	(343,358,415)	(192,782,600)	(923,907,961)	(775,873,643)
Net cash from (used in) operating activities	2,291,202,053	805,585,591	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)
Collections of advances to related parties	-	-	-	35,342
Interest received from loans to a third party	-	-	-	59,874,503
Acquisition of a new subsidiary	-	-	-	(88,275,504)
Interest received from loans to a third party	-	-	39,403,926	-
Acquisitions of:				
Property and equipment	(105,135,115)	(34,749,879)	(65,090,165)	(159,505,120)
Intangible asset	-	-	(14,175,758)	-
Investment in associates	-	-	-	(60,000,000)
Investment properties	(90,834,582)	-	-	-
Proceeds from:				
Disposal of property and equipment	-	-	225,000	-
Net cash used in investing activities	(195,969,695)	(34,749,877)	(1,315,989,375)	(1,148,206,263)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of cash dividends	-	-	(203,500,000)	(504,815,000)
Availment (retirement) of loans payable	2,533,760,902	(433,494,144)	(6,460,799,874)	12,110,177,715
Interest paid on loans and bonds	(653,565,581)	(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	(735,117,994)	(446,277,710)	(17,404,692)	(123,780)
Repayment of leasing liabilities	-	-	(16,910,203)	(15,781,559)
Issuance of corporate bonds/notes	-	-	6,500,000,000	(599,882,750)
Issuance (Redemption) of preferred shares	(3,685,850,757)	-	-	(5,000,000,000)
Payment of notes	(225,448,774)	-	-	(500,000,000)
Buyback of shares (treasury stocks)	-	-	(15,604,614)	-
Net cash provided by (used in) financing activities	(2,766,222,203)	(1,406,034,069)	(2,407,159,354)	4,026,417,082
Effect of changes in foreign exchange rates on hand and in bank	-	-	-	-
Net increase (decrease) in cash on hand and in banks	(670,989,845)	(635,198,355)	971,084,053	(228,576,199)
Cash and Cash Equivalents of Newly Acquired Subsidiary	-	-	-	55,071,183
Cash Balance at the beginning of the year	2,453,315,111	1,482,231,058	1,482,231,058	1,655,736,074
Cash Balance at the end of the year	1,782,325,266	847,032,703	2,453,315,111	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.
- The Mont Property Group Inc (formerly 8990 Monterrazas Corporation and 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	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Cash on hand	144,033,241	58,600,285	59,733,065	51,869,866
Cash in banks	1,638,292,025	788,360,824	2,393,582,046	1,430,289,598
Short-term placements	-	71,593	-	71,593
	1,782,325,265	847,032,703	2,453,315,111	1,482,231,058

5. Trade and Other Receivables

This account consists of:

	30-Jun		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Current:				
Trade Receivables				
Installment contract receivables	1,247,609,000	1,450,897,887	1,356,258,965	1,801,284,956
Finance lease receivables	152,761,940	151,590,005	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	2,467,937,507	2,200,600,147	2,070,504,858	2,212,824,836
Receivables from employees	2,177,975,751	1,134,960,571	1,786,440,281	924,631,541
Contract Assets	60,184,625	74,030,402	60,184,625	74,030,402
Loans Receivables	-	396,953,440	-	396,953,440
Other Receivables	3,605,313,193	1,408,698,752	3,621,840,609	1,024,949,321
	9,772,638,714	6,878,587,901	9,134,248,343	6,682,975,000
Less: Allowance for impairment losses	1,128,423,020	872,215,657	1,132,895,866	814,238,478
	8,644,215,694	6,006,372,244	8,001,352,477	5,868,736,522
Non-current:				
Trade Receivables				
Installment contract receivables	35,113,442,619	44,001,762,513	32,478,084,540	37,340,371,318
Finance lease receivables	685,597,181	720,546,085	685,597,181	694,780,674
	35,799,039,800	44,722,308,597	33,163,681,721	38,035,151,992
	44,443,255,494	50,728,680,841	41,165,034,197	43,903,888,514

Eighty one percent (81%) of total receivables of the Company are on long-term basis. Current portion of installment contract receivables stands at PhP1,247.7 million which pertains to portion of receivables from buyers due within one (1) year.

6. Inventories

This account consists of:

	30-Jun		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Real estate inventories				
Low-cost mass housing	18,651,346,634	16,884,622,629	18,701,835,140	16,697,285,401
Medium-rise condominium units	2,486,848,818	2,251,285,371	2,493,580,625	2,226,307,048
High-rise condominium units	25,338,315,697	22,938,177,441	25,406,905,581	22,683,675,183
Developed subdivision lots	5,712,482,883	5,171,375,539	5,727,946,363	5,113,998,411
	52,188,994,030	47,245,460,980	52,330,267,709	46,721,266,042
Timeshares	-	-	-	-
	52,188,994,030	47,245,460,980	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:

	30-Jun	
	2024	2023
	Unaudited	Unaudited
ALRC	1,334,530,885	1,323,409,527
ARVI	28,112,000	28,112,000
Pico de Loro	633,500	633,500
	1,363,276,385	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:

	30-Jun		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Current				
Advances to contractors	3,181,421,438	2,955,449,697	3,365,646,199	3,415,256,484
Advances to brokers	218,980,378	150,091,063	200,723,907	134,566,370
Input tax	1,370,965,406	1,299,054,406	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	821,554,045	765,551,207	658,545,788	689,844,241
Prepaid expenses	388,754,134	349,277,001	316,960,920	266,613,339
Others	70,439,313	67,247,909	69,507,959	50,686,464
	6,210,089,486	5,744,646,056	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
	6,142,126,477	5,676,683,047	5,874,365,517	5,532,281,150
Non-current				
Deposits	217,528,213	209,056,093	207,247,507	204,495,456
Goodwill	565,617,569	526,474,833	586,205,325	526,474,833
Software cost	-	-	-	-
Investment in joint operations	203,449,943	193,521,578	200,982,322	190,181,631
Right-of-use assets net	13,546,389	22,796,314	14,894,433	28,616,672
Others	5,225,000	5,225,000	5,225,000	5,225,000
	1,005,367,114	957,073,817	1,014,554,587	954,993,593
Less: Allowance for impairment losses	2,511,974	2,511,974	2,511,974	2,511,974
	1,002,855,140	954,561,843	1,012,042,613	952,481,619
	7,144,981,618	6,631,244,890	6,886,408,130	6,484,762,768

9. Property and Equipment

This account consists of:

	30-Jun-24 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	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	-	3,160,269	-	12,750	28,702,387	38,134,688		32,674,415	773,300	1,677,305	105,135,115
Transfers/Disposals	-						(4,547,829)				(4,547,829)
Balances at end of year	107,405,010	635,663,313	11,230,076	34,787,869	206,427,533	181,016,567	216,934,847	32,674,415	58,126,441	6,424,679	1,490,690,750
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	-	15,630,653	15,429	395,838	8,301,228	3,988,862	7,161,584	12,665,273	-	1,756,605	49,915,472
Transfers/Disposals	-								-	-	-
Balances at end of year	-	199,507,372	10,576,933	33,181,066	150,205,053	117,433,699	169,837,495	12,665,273	-	5,181,909	698,588,801
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	436,155,941	653,142	1,606,803	56,222,480	63,582,868	47,097,351	20,009,142	58,126,441	1,242,770	783,131,949

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

31-Dec-23											
Audited											
	Land	Building	Improvements	Improvements	Fixtures	and Equipment	Vehicles	Low Value Assets	Licenses	in 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
											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
											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											
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:

30-Jun-24 Unaudited				
	Land	Building	Land Improvements	Total
Cost				
Balances at beginning of year	466,153,486	8,832,630	120,220,209	595,206,325
Additions	90,834,582	-	-	90,834,582
Transfers/Reclassification to REI	-	-	-	-
Balances at end of year	556,988,068	8,832,630	120,220,209	686,040,906
Accumulated Depreciation and Amortization				
Balances at beginning of year	-	6,149,758	62,082,341	68,232,100
Depreciation and Amortization	-	220,816	2,835,346	3,056,162
Balances at end of year	-	6,370,574	64,917,687	71,288,262
Net Book Value	556,988,068	2,462,056	55,302,522	614,752,644

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

	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:

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

12. Loans Payable

This account consists of:

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

13. Deposits from Customers

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

14. Revenue

This account consists of:

	Six Months Ended June 30		Years Ended December 31	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Real estate				
Low-cost mass housing	2,858,242,933	3,636,718,163	6,780,506,170	5,962,515,999
Medium-rise condominium units	1,005,406,274	471,086,745	1,938,945,257	2,959,242,663
High-rise condominium units	6,061,257,860	5,502,319,330	12,612,260,154	12,040,544,290
Developed subdivision lots	61,447,759	305,901,814	1,006,591,557	450,579,690
	9,986,354,826	9,916,026,052	22,338,303,137	21,412,882,642
Rental income	4,276,634	49,800	6,695,405	7,782,638
Equity share in net profits of a	17,705,874	28,871,611	45,858,106	67,950,366
	10,008,337,333	9,944,947,463	22,390,856,648	21,488,615,646
Hotel Operations	130,413,530	120,573,694	273,702,876	148,056,099
	10,138,750,864	10,065,521,157	22,664,559,524	21,636,671,744

15. Cost of Sales and Services

This account consists of:

	Six Months Ended June 30		Years Ended December 31	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Real estate				
Low-cost mass housing	1,568,579,863	1,823,381,531	3,143,804,058	2,529,495,159
Medium-rise condominium units	672,067,417	262,815,112	1,018,921,172	1,394,142,737
High-rise condominium units	3,878,404,834	2,938,595,693	8,173,885,282	6,762,145,267
Developed subdivision lots	15,312,909	101,776,526	267,805,719	141,914,935
	6,134,365,024	5,126,568,863	12,604,416,231	10,827,698,098
Cost of rental services	-	-	-	423,269
	6,134,365,023	5,126,568,862	12,604,416,230	10,828,121,367
Hotel operations				
Cost of hotel operations	69,470,854	63,913,270	130,674,075	75,472,950
	6,203,835,877	5,190,482,132	12,735,090,305	10,903,594,316

16. Operating Expenses

This account consists of:

	Six Months Ended June 30		Years Ended December 31	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Marketing and selling	518,537,177	447,162,953	623,034,691	790,234,194
Documentation	266,230,414	226,012,331	292,171,959	488,398,203
Taxes and licenses	293,896,972	314,454,177	476,293,926	517,422,853
Salaries and employee benefits	146,511,010	108,062,545	295,271,504	255,002,312
Depreciation and amortization	49,573,379	49,604,470	109,156,788	109,660,981
Security, messengerial and janitorial	44,573,383	38,024,283	94,381,177	88,847,144
Management and professional fees	19,038,185	19,883,196	52,248,750	103,531,858
Communication, light and water	25,238,624	21,090,753	46,767,916	61,347,104
Expected credit and impairment losses			470,905,069	413,300,244
Entertainment, amusement and representation	8,908,945	49,201,577	62,330,285	45,739,903
Repairs and maintenance	44,032,075	21,893,735	58,446,616	63,559,786
Supplies	13,952,587	13,974,723	28,465,598	29,443,101
Rent	16,576,807	5,184,091	22,333,410	15,938,599
Transportation and travel	19,909,281	20,718,095	39,929,037	28,015,908
Insurance	30,067,897	16,588,736	35,424,361	26,041,238
Subscription dues and fees	3,120,467	2,669,902	5,983,370	8,713,517
Miscellaneous	64,256,481	83,811,703	240,678,296	152,053,981
	1,564,423,681	1,438,337,269	2,953,822,753	3,197,250,923

17. Finance Costs

This account consists of:

	Six Months Ended June 30		Years Ended December 31	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Borrowings	653,565,581	887,696,965	2,194,363,343	1,874,255,207
Accretion	15,078	52,927	831,069	658,476
Bonds & Notes			-	36,859,947
Bank charges	261,086	105,551	940,555	464,656
Net interest expense on pension obligation			1,109,798	707,832
	653,841,745	887,855,443	2,197,244,765	1,912,946,118

18. Other Operating Income

This account consists of:

	Six Months Ended June 30		Years Ended December 31	
	2024	2023	2022	2022
	Unaudited	Unaudited	Audited	Audited
Interest Income from:				
Installment contract receivables	1,431,134,571	1,500,996,412	2,873,872,378	1,746,159,730
Cash in banks and long term investments	2,000,150	451,545	1,176,689	1,582,658
Loans Receivable	-	-	39,403,926	63,512,550
Reversal of credit loss			-	-
Penalties	57,133,611	29,065,744	74,859,672	16,064,940
Gain on repossession of inventories	(24,077,656)	(110,330,556)	(243,212,456)	520,391,151
Miscellaneous Income (Expense)	159,875,557	23,308,247	329,138,692	409,388,171
	1,626,066,233	1,443,491,391	3,075,238,901	2,757,099,200
Other Gains (Loss)				
Gain on sale of AFS/redemption of Bomds	-	-		(6,592,275)
Gain on Acquisition of Business	-	-		66,026,947
Gain on sale of building and improvements	-	-		
	-	-	-	59,434,671

19. Related Party Transactions

30-Jun-24

Unaudited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	3,918,036,816	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	parties	193,834,360	bearing, payable	Unsecured

30-Jun-23

Unaudited

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

31-Dec-23

Unaudited

Related Party	Transaction	Account	Balance/Amount	Terms	Conditons
Entities under common control	Advances	parties	3,261,651,942	bearing, payable	impairment
Entities under common control	Advances	parties	272,567,480	bearing, payable	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 six months ended June 30, 2024 and 2023, both unaudited.

Consolidated Balance Sheet	As of June 30, 2024	As of June 30, 2023	Increase	
	Unaudited	Unaudited	Amount	%
Total Assets	112,523,483,056	110,611,426,675	1,912,056,381	1.73%
Current Assets	72,675,698,283	62,219,221,944	10,456,476,339	16.81%
Trade Receivables	44,443,255,493	50,728,680,840	(6,285,425,348)	-12.39%
Total Liabilities	57,804,470,057	58,167,740,770	(363,270,713)	-0.62%
Current Liabilities	25,803,650,281	24,033,068,936	1,770,581,345	7.37%
Loans Payable	38,052,313,467	41,545,858,297	(3,493,544,830)	-8.41%
Stockholder's Equity	54,601,623,325	52,343,629,775	2,257,993,550	4.31%
Permitted Liens	11,252,348,306	11,061,142,668	191,205,638	1.73%

Table below shows comparative consolidated statement of income financial highlights of 8990 Holdings, Inc. for six months ended June 30, 2024 and 2023, both unaudited.

Consolidated Statements of Income	As of June 30, 2024	As of June 30, 2023	Increase	
	Unaudited	Unaudited	Amount	%
Revenue	10,138,750,864	10,065,521,157	73,229,706	0.73%
Gross Income	3,934,914,987	4,875,039,026	(940,124,039)	-19.28%
Operating Expenses	1,564,423,682	1,438,337,270	126,086,413	8.77%
Net Operating Income	2,370,491,305	3,436,701,756	(1,066,210,452)	-31.02%
EBITDA	4,046,130,917	4,929,797,618	(883,666,701)	-17.93%
Net Income Before Tax	3,342,715,792	3,992,337,703	(649,621,911)	-16.27%
Net Income After Tax	3,060,544,756	3,776,694,802	(716,150,047)	-18.96%

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

Key Performance Indicators	As of June 30, 2024	As of June 30, 2023	Bond Covenant
	Unaudited	Unaudited	
Current Ratio	2.82	2.59	minimum 1.0
Book Value Per Share	9.44	8.10	
Debt to Equity Ratio	1.06	1.11	
Net Debt to Equity Ratio	0.66	0.78	maximum 1.5
Asset to Equity Ratio	2.06	2.11	
Asset to Debt Ratio	1.95	1.90	
Debt Service Ratio	0.80	1.04	minimum 1.25
Interest Coverage Ratio	3.63	3.87	

Key Performance Indicators	As of June 30, 2024	As of June 30, 2023
	Unaudited	Unaudited
Gross Margin	38.81%	48.43%
EBITDA Margin	39.91%	48.98%
Net Income Margin	30.33%	37.62%
Earnings per share	0.57	0.70

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, 2024 compared to six months ended June 30, 2023

Revenue

For the six months ended June 30, 2024, the Company recorded consolidated revenue of PhP10,138.8 million, relatively flat growth from consolidated revenue of PhP10,065.5 million recorded for the six months ended June 30, 2023. 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, 2024 was PhP6,203.8 million, an increase of 20% from consolidated cost of sales and services of PhP5,190.5 million recorded for the six months ended June 30, 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 six months ended June 30, 2024 was PhP3,934.9 million, a decrease from consolidated gross income of PhP4,875.0 million recorded for the six months ended June 30, 2023. The Company's gross income margin for the six months ended June 30, 2024 was 38.81%, compared to a gross income margin of 48.43% recorded for the six months ended June 30, 2023. The decrease was mainly attributable to higher level of resale which normally carries higher cost of sales than fresh units.

Operating Expenses

For the six months ended June 30, 2024, the Company recorded consolidated operating expenses of PhP1,564.4 million, an increase from consolidated operating expenses of PhP1,438.3million recorded for the six months ended June 30, 2023.

Finance Costs

The Company's consolidated finance costs for the six months ended June 30, 2024 were PhP653.8 million, a decrease from consolidated finance costs of PhP887.9 million recorded for the six months ended June 30, 2023.

Other Operating Income

For the six months ended June 30, 2024, the Company recorded consolidated other income of PhP 1,626.1 million, a significant increase from the consolidated other income of PhP1,443.5 million recorded for the six months ended June 30, 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 six months ended June 30, 2024 was Php3,342.7 million, a 16% decrease from consolidated income before income tax of Php3,992.3 million recorded for the six months ended June 30, 2023.

Provision for Income Tax

The Company's consolidated provision for income tax for the six months ended June 30, 2024 was Php267.5 million, an increase from consolidated provision for income tax of Php206.1 million recorded for the six months ended June 30, 2023. 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, 2024 was Php3,060.5 million, a 19% decrease from consolidated net income of Php3,776.7 million recorded for the six months ended June 30, 2023. The Company's consolidated net income margin for the six months ended June 30, 2024 was 30.19%, compared to a consolidated net income margin of 37.52% for the six months ended June 30, 2023.

Financial Position

As at June 30, 2024 compared to as at June 30, 2023

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were Php1,782.3million as at June 30, 2024, an increase from consolidated cash on hand and in banks of Php847.0 million as at June 30, 2023. Increase in cash is due to efficient management of cash levels for the period.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were Php68,644.2 million as at June 30, 2024, an increase from consolidated current portion of trade and other receivables of Php6,006.4 million as at June 30, 2023.

Inventories

The Company's consolidated inventories were Php52,189.0 million as at June 30, 2024, an increase from consolidated inventories of Php47,245.5million as at June 30, 2023. The increase is due to increased work in progress inventory for high rise condominium projects.

Due from related parties

The Company's consolidated due from related parties were Php3,918.0 million as at June 30, 2024, an increase from consolidated due from related parties of Php 2,443.7 million as at June 30, 2023.

Other current assets

The Company's consolidated other current assets were PhP6,142.1 million as at June 30, 2024, an increase from consolidated other current assets of PhP5,676.7 million as at June 30, 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 PhP35,799.0 million as at June 30, 2024, a decrease from consolidated trade and other receivables - net of current portion of PhP44,722.3million as at June 30, 2023. The decrease was due to decrease in availed of CTS in-house financing scheme.

Property and equipment

The Company's consolidated property and equipment was PhP783.1million as at June 30, 2024, an increase from consolidated property and equipment of PhP795.1 million as at June 30, 2023.

Investment properties

The Company's consolidated investment properties were PhP614.7 million as at June 30, 2024, a decrease from consolidated investment properties of PhP318.1 million as at June 30, 20223

Other noncurrent assets

The Company's other noncurrent assets including goodwill were PhP1,002.8 million as at June 30, 2024, a decrease from other noncurrent assets of PhP954.6million as at June 30, 2023.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were PhP9,696.0 million as at June 30, 2024, a decrease from consolidated current portion of trade and other payables of PhP10,353.0 million as at June 30, 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 PhP14,594.8 million as at June 30, 2024, a significant increase from consolidated current portion of loans payable of PhP9,672.1million as at June 30, 2023. The decrease was due to near maturity of short term borrowings and medium term borrowings.

Deposits from customers

The Company's consolidated deposits from customers were PhP1,067.5 million as at June 30, 2024, a decrease from consolidated deposits from customers of PhP3,691.8 million as at June 30, 2023. Decrease were due to increase in direct to pag-ibig loan take outs and direct to bank loan take outs collections from Urban Deca Homes Ortigas, Urban Deca Homes Banilad and Deca Homes Pampanga.

Due to related parties

The Company's consolidated due to related parties were PhP193.8 million as at June 30, 2024, a decrease from consolidated due to related parties of PhP242.2 as at June 30, 2023.

Income tax payable

The Company's consolidated income tax payable was PhP17.7million as at June 30, 2024, a decrease from consolidated income tax payable of PhP73.9 million as at June 30, 2023.

Trade and other payables - net of current portion

The Company's consolidated trade and other payables - net of current portion were PhP668.2 million as at June 30, 2024, an increase from consolidated trade and other payables - net of current portion of PhP655.8 million as at June 30, 2023. The increase is due to increased pension liability for the period.

Loans payable - net of current portion

The Company's consolidated loans payable - net of current portion was PhP23,457.5 million as at June 30, 2024, a decrease from consolidated loans payable - net of current portion of PhP31,873.8 million as at June 30, 2023. The decrease is due to maturity of short term borrowings and medium term borrowings.

Deferred tax liability

The Company's consolidated deferred tax liability was PhP1,834.3 million as at June 30, 2024, a decrease from consolidated deferred tax liability of PhP1,605.1 million as at June 30, 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 PhP2,291.2 million for the period ended June 30, 2024 and consolidated net cash from operating activities were PhP805.6 million for the period ended June 30, 2023.

Cash flows used in investing activities

Consolidated net cash flow used in investing activities for the period ended June 30, 2024 were PhP1956.0 million, and consolidated net from investing activities for the period ended June 30, 2023 were PhP34.7 million.

For the six months ended June 30, 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 June 30, 2024 were PhP2,766.2 million, and consolidated net cash flow used in financing activities for the period ended June 30, 2023 were PhP1,406.0 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. Torregosa". The signature is written in a cursive, flowing style.

ROAN BUENAVENTURA-TORREGOZA
Chief Finance Officer

Date: