



Jeffrey Capelo <jcapelo@8990holdings.com>

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## CGFD\_8990 Holdings Inc.\_SEC Form 17Q 3Q2024\_31October2024

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3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
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1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
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3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC\_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

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Thank you.



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 **September 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
<b>Common</b>	<b>5,391,399,020</b>
<b>Preferred Shares</b>	<b>0</b>
<b>Fixed Rate Bonds</b>	<b>0</b>

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-Sep		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash on hand and in banks (note 5)	1,528,768,032	1,355,005,243	2,453,315,111	1,482,231,058
Current portion of trade and other receivables (note 6)	9,012,631,943	7,080,599,233	8,001,352,477	5,868,736,522
Inventories (note 7)	54,465,897,776	48,094,325,600	52,330,267,709	46,721,266,042
Due from related parties (note 23)	2,743,955,593	2,843,973,858	3,261,651,942	2,044,601,483
Other current assets (note 9)	5,476,750,840	5,883,356,779	5,874,365,517	5,532,281,150
Total Current Assets	73,228,004,184	65,257,260,714	71,920,952,756	61,649,116,255
<b>NON-CURRENT ASSETS</b>				
Trade and other receivables - net of current portion (note 6)	33,429,804,570	42,032,960,933	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	-	276,623,676	267,022,982	221,164,876
Property and equipment, net (note 10)	920,299,024	792,747,111	732,460,135	806,045,355
Investment properties (note)	613,224,563	316,533,567	526,974,226	321,117,811
Goodwill (note 9)	555,966,569	526,474,833	586,205,325	526,474,833
Other noncurrent assets (note 9)	446,604,971	422,950,267	425,837,287	426,006,786
Total Noncurrent Assets	37,329,176,082	45,720,445,413	37,065,458,062	41,688,116,681
Total Assets	110,557,180,266	110,977,706,127	108,986,410,818	103,337,232,936
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Current portion of trade and other payables (note 12)	7,525,892,504	10,158,296,130	8,303,455,961	8,786,051,299
Current portion of loans payable (note 15)	14,581,456,110	6,295,284,051	18,423,483,279	20,654,332,925
Notes payable (note 13)	233,762,614		459,211,387	
Deposits from customers (note 16)	671,920,353	1,838,356,912	899,319,514	1,064,929,315
Due to related parties (note 23)	160,061,689	304,361,492	272,567,480	289,460,197
Income tax payable	24,562,946	63,500,183	93,633,513	60,619,149
Total Current Liabilities	23,197,656,215	18,659,798,768	28,451,671,133	30,855,392,884
<b>NON-CURRENT LIABILITIES</b>				
Trade and other payables - net of current portion (note 12)	670,707,110	655,658,802	378,949,578	938,614,270
Loans payable - net of current portion (note 15)	22,406,361,943	35,156,738,184	17,095,069,286	21,325,019,516
Notes payable (note 13)	6,040,788,613		6,040,788,613	
Deferred tax liability	1,869,769,773	1,738,995,654	1,690,308,640	1,560,759,293
Total Noncurrent Liabilities	30,987,627,437	37,551,392,639	25,205,116,116	23,824,393,078
Total Liabilities	54,185,283,652	56,211,191,407	53,656,787,249	54,679,785,962
<b>EQUITY</b>				
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)	(1,809,388,803)	(1,806,540,154)	(1,822,144,768)	(1,806,540,154)
Revaluation reserve	936,192,978	941,833,897	936,192,978	941,630,048
Retained earnings	47,310,342,844	42,016,067,599	42,601,141,729	35,920,105,691
Total	56,248,886,406	54,663,100,730	55,226,929,327	48,566,934,973
Non-Controlling Interests	123,010,206	103,413,989	102,694,240	90,511,998
Total Equity	56,371,896,612	54,766,514,719	55,329,623,567	48,657,446,971
	110,557,180,264	110,977,706,126	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 nine months ended September 30		For Three months ended September 30	
	2024	2023	2024	2023
	Unaudited	Unaudited	Unaudited	Unaudited
<b>REVENUES (note 18)</b>				
<b>Real Estate Operations</b>				
Real estate sales	15,467,373,164	16,877,038,238	5,481,018,338	6,961,012,186
Rental income	15,146,260	4,610,064	10,869,627	4,560,264
	15,482,519,424	16,881,648,302	5,491,887,965	6,965,572,450
<b>Hotel operations</b>	179,865,609	184,881,398	49,452,079	64,307,703
<b>Equity share in net profits of associate</b>	17,705,874	55,458,800	-	26,587,190
	15,680,090,907	17,121,988,500	5,541,340,044	7,056,467,343
<b>COST OF SALES AND SERVICES (note 19)</b>				-
<b>Real Estate Operations</b>				-
Cost of real estate sales	8,680,009,766	8,274,906,066	2,545,644,743	3,148,337,203
Cost of rental services	-	-	-	-
	8,680,009,765	8,274,906,065	2,545,644,743	3,148,337,203
<b>Hotel Operations</b>	100,642,937	107,067,347	31,172,082	43,154,077
	8,780,652,702	8,381,973,412	2,576,816,825	3,191,491,280
<b>Gross Income</b>	6,899,438,205	8,740,015,089	2,964,523,218	3,864,976,063
Operating Expenses (note 20)	2,224,791,137	2,428,418,834	660,367,455	990,081,565
Other Operating Income (Expense) (note 22)	2,008,632,677	2,599,116,972	382,566,443	1,155,625,580
Finance Costs (note 21)	1,493,101,188	2,198,639,036	839,259,443	1,310,783,593
Operating Income	5,190,178,556	6,712,074,189	1,847,462,764	2,719,736,485
GAIN ON ACQUISITION OF BUSINESS	-	-	-	-
Other Income/Expense	-	-	-	-
Income Before Income Tax from Continuing Operations	5,190,178,556	6,712,074,189	1,847,462,764	2,719,736,485
Provision for Income Tax	460,661,475	501,460,290	193,185,872	295,361,521
Income from Continuing Operations	4,729,517,081	6,210,613,899	1,654,276,892	2,424,374,965
Income from Discontinuing Operations	-	-	-	-
Net Income	4,729,517,081	6,210,613,899	1,654,276,892	2,424,374,965
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	4,729,517,081	6,210,613,899	1,654,276,892	2,424,374,965
<b>NET PROFIT ATTRIBUTABLE TO:</b>				
Equity Holders of 8990 Holdings Inc.	4,709,201,115	6,197,711,908	1,648,656,359	2,421,017,106
Non-controlling Interests	20,315,966	12,901,990	5,620,532	3,357,859
	4,729,517,081	6,210,613,899	1,654,276,892	2,424,374,965
<b>Basic/Diluted Earnings Per Share</b>	0.87	1.15	0.31	0.45
(see notes to unaudited consolidated financial statements)				

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

For nine months ended September 30, 2024									
	Capital Stock	Treasury Shares	Additional Paid in Capital	Actuarial Gain on Post-employment Benefit Plan	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)	12,755,965	(3,663,000,000)				(3,687,244,035)		(3,687,244,035)
Other Comprehensive Income					-		-		-
Comprehensive income for the year					-	4,709,201,115	4,709,201,115	20,315,966	4,729,517,081
Balance at September 30, 2024	5,517,990,720	(1,809,388,803)	4,293,748,668	936,192,978	936,192,978	47,310,342,844	56,248,886,406	123,010,206	56,371,896,613

For nine months ended September 30, 2023									
	Capital Stock	Treasury Shares	Additional Paid in Capital	Actuarial Gain on Post-employment Benefit Plan	Subtotal	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance at January 1, 2023	5,554,990,720	(1,806,540,154)	7,956,748,668	940,535,083	940,535,083	35,920,105,691	48,565,840,008	90,511,998	48,656,352,006
Cash dividends declared by the Parent Company					-		-		-
Issuance of preferred shares					-		-		-
Treasury Shares					-		-		-
Other Comprehensive Income				1,298,814	1,298,814		1,298,814		1,298,814
Comprehensive income for the year					-	6,095,961,908	6,095,961,908	12,901,990	6,108,863,899
Balance at September 30, 2023	5,554,990,720	(1,806,540,154)	7,956,748,668	941,833,897	941,833,897	42,016,067,599	54,663,100,730	103,413,989	54,766,514,719

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)	Revaluation Subtotal	Retained Earnings (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
<b>Balance at December 31, 2022</b>	<b>5,554,990,720</b>	<b>(1,806,540,154)</b>	<b>7,956,748,668</b>	<b>1,094,965</b>	<b>940,535,083</b>	<b>941,630,048</b>	<b>35,920,105,691</b>	<b>48,566,934,973</b>	<b>90,511,998</b>	<b>48,657,446,971</b>

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

	For nine months ended September 30		For years ended December 31	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax	5,190,178,556	6,712,074,189	7,853,640,605	8,439,414,260
Adjustments for:				
Interest income	(1,852,080,298)	(2,153,711,667)	(2,914,452,993)	(1,811,254,938)
Interest costs	1,482,343,269	2,187,704,155	2,194,363,343	1,909,513,201
Provision for credit and impairment losses	-	269,483,322	470,905,069	413,300,244
Depreciation and amortization	82,332,699	77,363,450	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	1,147,869	358,015,411	243,212,456	(520,391,151)
Gain on sale of property and equipment	-	-	(225,000)	-
Equity in net earnings of associate	(17,705,874)	(55,458,800)	(45,858,106)	(67,950,366)
Retirement expense	-	-	2,547,059	2,648,376
Operating income before changes in working capital	4,886,216,220	7,395,470,059	7,913,178,181	8,412,706,285
Changes in operating assets and liabilities				
Decrease (increase) in:				
Trade and other receivables	(1,277,402,317)	(5,478,923,698)	3,629,057,873	(7,852,911,968)
Inventories	(2,136,777,935)	(1,731,074,969)	(5,852,214,123)	(4,481,977,797)
Other assets	400,696,398	(352,337,289)	(656,642,145)	(127,707,148)
Increase (decrease) in:				
Trade and other payables	(1,135,122,482)	(393,712,367)	(915,817,364)	(222,185,551)
Deposits from customers	(227,399,160)	773,427,597	(165,609,802)	193,420,418
Net cash provided by (used in) operations	510,210,725	212,849,334	3,951,952,620	(4,078,655,762)
Interest received	1,852,080,298	2,153,711,667	1,666,188,124	1,747,742,388
Income tax paid	(529,732,042)	(498,579,256)	(923,907,961)	(775,873,643)
Net cash from (used in) operating activities	1,832,558,980	1,867,981,743	4,694,232,782	(3,106,787,018)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
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	
Sale / (Acquisitions) of:				
Property and equipment	(259,197,993)	(55,394,060)	(65,090,165)	(159,505,120)
Intangible asset			(14,175,758)	
Investment in associates	284,728,856	-		(60,000,000)
Investment properties	(90,834,582)			
Proceeds from:				
Disposal of property and equipment	-	-	225,000	
Net cash used in investing activities	(65,303,717)	(55,394,058)	(1,315,989,375)	(1,148,206,263)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payment of cash dividends		(101,750,000)	(203,500,000)	(504,815,000)
Availment (retirement) of loans payable	1,469,265,489	(527,330,206)	(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	405,190,559	(784,471,080)	(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	(3,687,244,035)	-		(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	(2,691,802,342)	(1,939,813,500)	(2,407,159,354)	4,026,417,082
Effect of changes in foreign exchange rates on hand and in bar	-	-		
Net increase (decrease) in cash on hand and in banks	(924,547,079)	(127,225,815)	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	1,528,768,032	1,355,005,243	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-Sep		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Cash on hand	107,099,612	72,460,576	59,733,065	51,869,866
Cash in banks	1,421,668,420	1,282,473,075	2,393,582,046	1,430,289,598
Short-term placements	-	71,593	-	71,593
	1,528,768,032	1,355,005,243	2,453,315,111	1,482,231,058

#### 5. Trade and Other Receivables

This account consists of:

	30-Sep		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Current:				
Trade Receivables				
Installment contract receivables	1,343,942,174	2,990,234,794	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	2,507,911,532	2,053,353,916	2,070,504,858	2,212,824,836
Receivables from employees	3,083,999,805	1,599,473,463	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
Other Receivables	2,930,062,990	1,208,066,603	3,621,840,609	1,024,949,321
	10,139,719,763	8,137,605,881	9,134,248,343	6,682,975,000
Less: Allowance for impairment losses	1,127,087,820	1,057,006,648	1,132,895,866	814,238,478
	9,012,631,943	7,080,599,233	8,001,352,477	5,868,736,522
Non-current:				
Trade Receivables				
Installment contract receivables	32,744,207,390	41,312,414,848	32,478,084,540	37,340,371,318
Finance lease receivables	685,597,181	720,546,085	685,597,181	694,780,674
	33,429,804,571	42,032,960,933	33,163,681,721	38,035,151,992
	42,442,436,514	49,113,560,166	41,165,034,197	43,903,888,514

Seventy nine percent (79%) of total receivables of the Company are on long-term basis. Current portion of installment contract receivables stands at PhP1,496.7 million which pertains to portion of receivables from buyers due within one (1) year.

## 6. Inventories

This account consists of:

	30-Sep		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Real estate inventories				
Low-cost mass housing	19,465,068,411	17,187,990,582	18,701,835,140	16,697,285,401
Medium-rise condominium units	2,595,345,168	2,291,734,473	2,493,580,625	2,226,307,048
High-rise condominium units	26,443,776,857	23,350,310,308	25,406,905,581	22,683,675,183
Developed subdivision lots	5,961,707,339	5,264,290,237	5,727,946,363	5,113,998,411
	54,465,897,776	48,094,325,600	52,330,267,709	46,721,266,042
Timeshares	-	-	-	-
	54,465,897,776	48,094,325,600	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-Sep	
	2024	2023
	Unaudited	Unaudited
ALRC	1,323,409,527	1,323,409,527
ARVI	28,112,000	28,112,000
Pico de Loro	633,500	633,500
	1,352,155,027	1,352,155,027

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

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

## 8. Other Assets

This account consists of:

	30-Sep		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
<b>Current</b>				
Advances to contractors	2,838,074,892	3,394,032,358	3,365,646,199	3,415,256,484
Advances to brokers	216,734,688	167,954,849	200,723,907	134,566,370
Input tax	594,120,890	1,158,678,665	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	679,380,030	406,110,620	658,545,788	689,844,241
Prepaid expenses	535,015,987	598,320,226	316,960,920	266,613,339
Others	523,412,588	68,248,298	69,507,959	50,686,464
	5,544,713,849	5,951,319,788	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
	5,476,750,840	5,883,356,779	5,874,365,517	5,532,281,150
<b>Non-current</b>				
Deposits	223,738,659	205,382,958	207,247,507	204,495,456
Goodwill	555,966,569	526,585,726	586,205,325	526,474,833
Software cost	-	-	-	-
Investment in joint operations	203,984,326	194,830,124	200,982,322	190,181,631
Right-of-use assets net	16,168,960	19,913,266	14,894,433	28,616,672
Others	5,225,000	5,225,000	5,225,000	5,225,000
	1,005,083,514	951,937,074	1,014,554,587	954,993,593
Less: Allowance for impairment losses	2,511,974	2,511,974	2,511,974	2,511,974
	1,002,571,540	949,425,100	1,012,042,613	952,481,619
	6,479,322,380	6,832,781,880	6,886,408,130	6,484,762,768



## 9. Property and Equipment

This account consists of:

	30-Sep-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	-	3,553,127	-	12,750	32,129,703	183,530,223		33,156,130	4,693,300	2,122,760	259,197,993
Transfers/Disposals	-						(2,049,022)				(2,049,022)
Balances at end of year	107,405,010	636,056,170	11,230,076	34,787,869	209,854,849	326,412,103	219,433,654	33,156,130	62,046,441	6,870,134	1,647,252,435
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	-	23,599,756	23,143	564,620	11,795,891	7,160,134	10,644,950	13,545,859	-	1,975,729	69,310,082
Transfers/Disposals	-								-	-	-
Balances at end of year	-	207,476,475	10,584,647	33,349,848	153,699,716	120,604,971	173,320,861	13,545,859	-	5,401,033	717,983,410
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	428,579,695	645,428	1,438,021	56,155,133	205,807,132	46,112,793	19,610,271	62,046,441	1,469,101	920,299,024

30-Sep-23

Unaudited

	Land	Building	Improvements	Improvements	Fixtures	and Equipment	Vehicles	Software and Licenses	Progress	Asset	Total
<b>Cost</b>											
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	-	1,122,313	-	55,000	18,080,258	877,989	20,887,860	9,733,186	3,630,289	1,007,164	55,394,060
Transfers/Disposals	-										-
Balances at end of year	<b>107,405,010</b>	<b>615,064,013</b>	<b>11,230,076</b>	<b>34,751,217</b>	<b>184,105,852</b>	<b>136,235,497</b>	<b>217,711,507</b>	<b>94,534,672</b>	<b>60,121,636</b>	<b>3,833,366</b>	<b>1,464,992,846</b>
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	-	23,233,642	23,143	1,776,754	10,818,611	6,099,284	14,290,482	11,587,674	-	862,715	68,692,304
Transfers/Disposals	-								-	-	-
Balances at end of year	-	175,225,610	10,553,790	32,382,176	134,698,865	110,262,773	163,743,035	33,323,173	-	3,086,314	663,275,735
		175,225,610	10,553,790	32,382,176	134,698,865	110,262,773	163,743,035	33,323,173			663,275,735
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
<b>Net Book Value</b>	<b>98,435,010</b>	<b>439,838,404</b>	<b>676,285</b>	<b>2,369,041</b>	<b>49,406,988</b>	<b>25,972,724</b>	<b>53,968,472</b>	<b>61,211,499</b>	<b>60,121,636</b>	<b>747,052</b>	<b>792,747,111</b>

31-Dec-23											
Audited											
	Land	Building	Improvements	Improvements	Fixtures	and Equipment	Vehicles	Low Value Assets	Licenses	in Progress	Total
<b>Cost</b>											
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
<b>Net Book Value</b>	<b>98,435,010</b>	<b>448,626,324</b>	<b>668,571</b>	<b>1,989,891</b>	<b>35,821,321</b>	<b>29,437,042</b>	<b>58,806,765</b>	<b>1,322,070</b>	<b>-</b>	<b>57,353,141</b>	<b>732,460,135</b>

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
<b>Cost</b>											
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
<b>Net Book Value</b>	<b>98,435,010</b>	<b>461,949,732</b>	<b>699,428</b>	<b>4,090,795</b>	<b>42,145,340</b>	<b>31,194,019</b>	<b>47,371,093</b>	<b>63,065,987</b>	<b>56,491,347</b>	<b>602,602</b>	<b>806,045,355</b>

**10. Investment Properties**

This account consists of:

	30-Sep-24 Unaudited			
	Land	Building	Land Improvements	Total
<b>Cost</b>				
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
<b>Accumulated Depreciation and Amortization</b>				
Balances at beginning of year	-	6,149,758	62,082,341	68,232,100
Depreciation and Amortization	-	331,224	4,253,020	4,584,243
Balances at end of year	-	6,480,982	66,335,360	72,816,343
Net Book Value	556,988,068	2,351,648	53,884,848	613,224,563
	30-Sep-23 Unaudited			
	Land	Building	Land Improvements	Total
<b>Cost</b>				
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
	254,184,748	8,832,630	120,220,209	
<b>Accumulated Depreciation and Amortization</b>				
Balances at beginning of year	-	5,708,127	56,411,649	62,119,776
Depreciation and Amortization	-	331,224	4,253,020	4,584,243
Balances at end of year	-	6,039,351	60,664,667	66,704,019
Net Book Value	254,184,748	2,793,279	59,555,541	316,533,567

	31-Dec-23			
	Audited			
	Land	Building	Land Improvements	Total
<b>Cost</b>				
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
<b>Accumulated Depreciation and Amortization</b>				
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
<b>Net Book Value</b>	<b>466,153,486</b>	<b>2,682,872</b>	<b>58,137,868</b>	<b>526,974,226</b>

  

	31-Dec-22			
	Audited			
	Land	Building	Land Improvements	Total
<b>Cost</b>				
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
<b>Accumulated Depreciation and Amortization</b>				
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
<b>Net Book Value</b>	<b>254,184,748</b>	<b>3,124,503</b>	<b>63,808,561</b>	<b>321,117,810</b>

## 11. Trade and Other Payables

This account consists of:

	30-Sep		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Current				
Trade and accounts payables	2,149,209,673	1,994,227,705	1,323,989,735	1,199,088,346
Accrued expenses	1,532,021,573	1,679,120,095	2,121,707,770	2,405,677,805
Interest Payable	98,085	455,792	911,398	238,629,532
Retention payables	780,638,155	1,168,280,511	1,185,018,098	1,018,193,461
Withholding tax payables	19,112,619	17,503,339	28,773,886	17,962,773
Construction bonds	115,869,206	106,220,373	109,721,172	96,630,891
Net out put tax	343,138,817	202,478,915	-	18,887,249
Lease liabilities	3,526,639	1,591,164	7,968,215	11,951,066
Contract Liabilities				
Deposits	145,586,809	145,586,809	145,586,809	145,586,809
Others	2,436,690,927	4,842,831,430	3,379,778,878	3,633,443,367
	7,525,892,504	10,158,296,133	8,303,455,962	8,786,051,299
Non-current				
Pension Liability	35,905,012	15,239,026	35,905,012	15,536,785
Contract Liabilities	620,615,168	620,615,168	335,035,888	906,194,448
Retention payables			-	-
Lease liabilities	14,186,929	19,804,608	8,008,678	16,883,037
	670,707,109	655,658,802	378,949,578	938,614,270
	8,196,599,612	10,813,954,935	8,682,405,540	9,724,665,569

## 12. Loans Payable

This account consists of:

	30-Sep		31-Dec	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Short-term loans payable	14,581,456,110	6,295,284,051	18,423,483,279	20,654,332,925
Long-term loans payable	28,447,150,556	35,156,738,184	17,095,069,286	21,325,019,516
	43,028,606,666	41,452,022,235	35,518,552,564	41,979,352,441

## 13. Deposits from Customers

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

**14. Revenue**

This account consists of:

	Nine Months Ended September 30		Years Ended December 31	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
<b>Real estate</b>				
Low-cost mass housing	4,299,721,618	5,054,972,340	6,780,506,170	5,962,515,999
Medium-rise condominium units	1,393,326,789	972,170,937	1,938,945,257	2,959,242,663
High-rise condominium units	9,712,876,998	10,477,782,478	12,612,260,154	12,040,544,290
Developed subdivision lots	61,447,759	372,112,484	1,006,591,557	450,579,690
	15,467,373,164	16,877,038,238	22,338,303,137	21,412,882,642
Rental income	15,146,260	4,610,064	6,695,405	7,782,638
Equity share in net profits of a	17,705,874	55,458,800	45,858,106	67,950,366
	15,500,225,298	16,937,107,102	22,390,856,648	21,488,615,646
<b>Hotel Operations</b>	179,865,609	184,881,398	273,702,876	148,056,099
	15,680,090,907	17,121,988,500	22,664,559,524	21,636,671,744

**15. Cost of Sales and Services**

This account consists of:

	Nine Months Ended September 30		Years Ended December 31	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
<b>Real estate</b>				
Low-cost mass housing	2,210,566,144	2,483,307,567	3,143,804,058	2,529,495,159
Medium-rise condominium units	964,770,606	338,616,950	1,018,921,172	1,394,142,737
High-rise condominium units	5,489,360,107	5,379,079,887	8,173,885,282	6,762,145,267
Developed subdivision lots	15,312,909	73,901,662	267,805,719	141,914,935
	8,680,009,766	8,274,906,066	12,604,416,231	10,827,698,098
Cost of rental services	-	-	-	423,269
	8,680,009,765	8,274,906,065	12,604,416,230	10,828,121,367
<b>Hotel operations</b>				
Cost of hotel operations	100,642,937	107,067,347	130,674,075	75,472,950
	8,780,652,702	8,381,973,412	12,735,090,305	10,903,594,316

## 16. Operating Expenses

This account consists of:

	Nine Months Ended September 30		Years Ended December 31	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Marketing and selling	689,174,084	660,348,413	623,034,691	790,234,194
Documentation	320,684,465	365,465,723	292,171,959	488,398,203
Taxes and licenses	439,396,150	410,610,714	476,293,926	517,422,853
Salaries and employee benefits	255,545,602	167,544,520	295,271,504	255,002,312
Depreciation and amortization	82,332,699	77,594,727	109,156,788	109,660,981
Security, messengerial and janitorial	67,111,465	63,750,483	94,381,177	88,847,144
Management and professional fees	28,192,274	34,376,348	52,248,750	103,531,858
Communication, light and water	37,268,663	34,071,853	46,767,916	61,347,104
Expected credit and impairment losses			470,905,069	413,300,244
Entertainment, amusement and representation	21,161,042	58,725,946		45,739,903
Repairs and maintenance	56,907,315	38,573,865	58,446,616	63,559,786
Supplies	18,620,629	21,901,663	28,465,598	29,443,101
Rent	17,780,411	12,512,480	22,333,410	15,938,599
Transportation and travel	28,757,785	30,700,594	39,929,037	28,015,908
Insurance	39,221,116	24,344,191	35,424,361	26,041,238
Subscription dues and fees	7,627,847	5,362,825	5,983,370	8,713,517
Miscellaneous	115,009,592	422,534,490	240,678,296	152,053,981
	2,224,791,136	2,428,418,833	2,891,492,468	3,197,250,923

## 17. Finance Costs

This account consists of:

	Nine Months Ended September 30		Years Ended December 31	
	2024	2023	2023	2022
	Unaudited	Unaudited	Audited	Audited
Borrowings	1,482,343,269	2,187,704,155	2,194,363,343	1,874,255,207
Accretion	10,464,184	10,270,238	831,069	658,476
Bonds & Notes			-	36,859,947
Bank charges	293,734	664,643	940,555	464,656
Net interest expense on pension obligation			1,109,798	707,832
	1,493,101,188	2,198,639,036	2,197,244,765	1,912,946,118

## 18. Other Operating Income

This account consists of:

	Nine Months Ended September 30		Years Ended December 31	
	2024	2023	2022	2022
	Unaudited	Unaudited	Audited	Audited
Interest Income from:				
Installment contract receivables	1,849,490,074	2,153,022,003	2,873,872,378	1,746,159,730
Cash in banks and long term investments	2,590,224	689,664	1,176,689	1,582,658
Loans Receivable	-	-	39,403,926	63,512,550
Reversal of credit loss			-	-
Penalties	86,338,358	50,137,322	74,859,672	16,064,940
Gain on repossession of inventories	1,147,869	358,015,411	(243,212,456)	520,391,151
Miscellaneous Income (Expense)	69,066,151	37,252,572	329,138,692	409,388,171
	2,008,632,677	2,599,116,972	3,075,238,901	2,757,099,200
<b>Other Gains (Loss)</b>				
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-Sep-24  
Unaudited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	<b>2,743,955,593</b>	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	parties	<b>160,061,689</b>	bearing, payable	Unsecured

30-Sep-23  
Unaudited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	<b>2,843,973,858</b>	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	parties	<b>304,361,492</b>	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 nine months ended September 30, 2024 and 2023, both unaudited.

Consolidated Balance Sheet	As of September 30, 2024 Unaudited	As of September 30, 2023 Unaudited	Increase Amount	%
Total Assets	110,557,180,266	110,977,706,127	(420,525,861)	-0.38%
Current Assets	73,228,004,184	65,257,260,714	7,970,743,470	12.21%
Trade Receivables	42,442,436,513	49,113,560,166	(6,671,123,653)	-13.58%
Total Liabilities	54,185,283,652	56,211,191,407	(2,025,907,755)	-3.60%
Current Liabilities	23,197,656,215	18,659,798,768	4,537,857,447	24.32%
Loans Payable	36,987,818,053	41,452,022,235	(4,464,204,182)	-10.77%
Stockholder's Equity	56,248,886,406	54,663,100,730	1,585,785,676	2.90%

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

Consolidated Statements of Income	As of September 30, 2024 Unaudited	As of September 30, 2023 Unaudited	Increase Amount	%
Revenue	15,680,090,907	17,121,988,500	(1,441,897,593)	-8.42%
Gross Income	6,899,438,205	8,740,015,089	(1,840,576,883)	-21.06%
Operating Expenses	2,224,791,137	2,428,418,834	(203,627,697)	-8.39%
Net Operating Income	4,674,647,068	6,311,596,254	(1,636,949,186)	-25.94%
EBITDA	6,765,612,443	8,988,307,953	(2,222,695,510)	-24.73%
Net Income Before Tax	5,190,178,556	6,712,074,189	(1,521,895,633)	-22.67%
Net Income After Tax	4,729,517,081	6,210,613,899	(1,481,096,818)	-23.85%

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

Key Performance Indicators	As of September 30, 2024 Unaudited	As of September 30, 2023 Unaudited
Current Ratio	3.16	3.50
Book Value Per Share	10.43	9.45
Debt to Equity Ratio	0.96	1.03
Net Debt to Equity Ratio	0.63	0.73
Asset to Equity Ratio	1.97	2.03
Asset to Debt Ratio	2.04	1.97
Interest Coverage Ratio	3.15	2.89

Key Performance Indicators	As of September 30, 2024 Unaudited	As of September 30, 2023 Unaudited
Gross Margin	44.00%	51.05%
EBITDA Margin	43.15%	52.50%
Net Income Margin	30.16%	36.27%
Earnings per share	0.88	1.15

## **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**

### ***Nine months ended September 30, 2024 compared to nine months ended September 30, 2023***

#### ***Revenue***

For the nine months ended September 30, 2024, the Company recorded consolidated revenue of PhP15,680.1 million, a decline from consolidated revenue of PhP17,121.9 million recorded for the nine months ended September 30, 2023.

#### ***Cost of Sales and Services***

The Company's consolidated cost of sales and services for the nine months ended September 30, 2024 was PhP8,780.6, an increase from consolidated cost of sales and services of PhP8,382.0 million recorded for the nine months ended September 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 nine months ended September 30, 2024 was PhP6,889.4 million, a decrease from consolidated gross income of PhP8,740.0 million recorded for the nine months ended September 30, 2023. The Company's gross income margin for the nine months ended September 30, 2024 was 44.0%, compared to a gross income margin of 51.05% recorded for the nine months ended September 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 nine months ended September 30, 2024, the Company recorded consolidated operating expenses of PhP2,224.8 million, a decrease from consolidated operating expenses of PhP2,428.4 million recorded for the nine months ended September 30, 2023.

#### ***Finance Costs***

The Company's consolidated finance costs for the nine months ended September 30, 2024 were PhP1,493.1 million, a decrease from consolidated finance costs of PhP2,198.6 million recorded for the nine months ended September 30, 2023.

#### ***Other Operating Income***

For the nine months ended September 30, 2024, the Company recorded consolidated other income of PhP 2,008.6 million, a decrease from the consolidated other income of PhP2,599.1 million recorded for the nine months ended September 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 nine months ended September 30, 2024 was PhP5,190.2 million, a 23% decrease from consolidated income before income tax of PhP6,712.1 million recorded for the nine months ended September 30, 2023.

### *Provision for Income Tax*

The Company's consolidated provision for income tax for the nine months ended September 30, 2024 was PhP460.7 million, a decrease from consolidated provision for income tax of PhP501.5 million recorded for the nine months ended September 30, 2023. The decrease was mainly attributable to the Company's decrease in 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 nine months ended September 30, 2024 was PhP4,729.5 million, a 24% decrease from consolidated net income of PhP6,210.6 million recorded for the nine months ended September 30, 2023. The Company's consolidated net income margin for the nine months ended September 30, 2024 was 30.16%, compared to a consolidated net income margin of 36.27% for the nine months ended September 30, 2023.

## **Financial Position**

### ***As at September 30, 2024 compared to as at September 30, 2023***

#### ***Assets***

##### *Cash on Hand and in Banks*

The Company's consolidated cash on hand and in banks were PhP1,528.8 million as at September 30, 2024, an increase from consolidated cash on hand and in banks of PhP1,335.0 million as at September 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 PhP9,102.6 million as at September 30, 2024, an increase from consolidated current portion of trade and other receivables of PhP7,080.6 million as at September 30, 2023.

##### *Inventories*

The Company's consolidated inventories were PhP54,465.9 million as at September 30, 2024, an increase from consolidated inventories of PhP48,094.3million as at September 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 PhP2,743.9 million as at September 30, 2024, a decrease from consolidated due from related parties of PhP 2,484.0 million as at September 30, 2023.

#### *Other current assets*

The Company's consolidated other current assets were PhP5,476.7 million as at September 30, 2024, a decrease from consolidated other current assets of PhP5,883.3 million as at September 30, 2023, primarily due to decreased 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 PhP33,429.8 million as at September 30, 2024, a decrease from consolidated trade and other receivables - net of current portion of PhP42,033.0 million as at September 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 PhP920.3 million as at September 30, 2024, a decrease from consolidated property and equipment of PhP792.7 million as at September 30, 2023.

#### *Investment properties*

The Company's consolidated investment properties were PhP613.2million as at September 30, 2024, a decrease from consolidated investment properties of PhP316.5 million as at September 30, 20223

#### *Other noncurrent assets*

The Company's other noncurrent assets including goodwill were PhP1,002.6 million as at September 30, 2024, a decrease from other noncurrent assets of PhP949.4 million as at September 30, 2023.

### ***Liabilities***

#### *Current portion of trade and other payables*

The Company's consolidated current portion of trade and other payables were PhP7,525.9 million as at September 30, 2024, a decrease from consolidated current portion of trade and other payables of PhP10,158.3 million as at September 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 PhP14,581.4 million as at September 30, 2024, a significant increase from consolidated current portion of loans payable of PhP6,295.3 million as at September 30, 2023. The increase was due to near maturity of short term borrowings and medium term borrowings.

#### *Deposits from customers*

The Company's consolidated deposits from customers were PhP671.9 million as at September 30, 2024, a decrease from consolidated deposits from customers of PhP1,838.3 million as at September 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 PhP160.1 million as at September 30, 2024, a decrease from consolidated due to related parties of PhP304.4 million as at September 30, 2023.

#### *Income tax payable*

The Company's consolidated income tax payable was PhP24.6million as at September 30, 2024, a decrease from consolidated income tax payable of PhP63.5 million as at September 30, 2023.

#### *Trade and other payables - net of current portion*

The Company's consolidated trade and other payables - net of current portion were PhP670.7 million as at September 30, 2024, an increase from consolidated trade and other payables - net of current portion of PhP655.7 million as at September 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 PhP22,406.4 million as at September 30, 2024, a decrease from consolidated loans payable - net of current portion of PhP35,156.7 million as at September 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 PhP1,869.8 million as at September 30, 2024, a decrease from consolidated deferred tax liability of PhP1,739.0 million as at September 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 PhP1,832.6 million for the period ended September 30, 2024 and consolidated net cash from operating activities were PhP1,868.0 million for the period ended September 30, 2023.

### ***Cash flows used in investing activities***

Consolidated net cash flow used in investing activities for the period ended September 30, 2024 were PhP65.3 million, and consolidated net from investing activities for the period ended September 30, 2023 were PhP55.4 million.

For the nine months ended September 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 September 30, 2024 were PhP2,691.8 million, and consolidated net cash flow used in financing activities for the period ended September 30, 2023 were PhP1,939.8million. 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: