COVER SHEET

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S.E.C. Registration Number

8990 HOLDINGS, INC.

(Company's Full Name)

11F LIBERTY CENTER, 104 HV DELA COSTA, SALCEDO VILLAGE, MAKATI

(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	3 1	SEC Form 17-Q March 31,2018	0 7	2 8
Month	Day	FORM TYPE	Month	Day
Calendar Year			Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

37	34	3
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

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 March 31, 2018

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	5,517,990,720
Fixed Rate Bonds	9,000,000,000
Preferred Shares	50,000,000

11. Are any or all of the securities listed on a Stock Exchange?
Yes [√] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
Name of Stock Exchange: Philippine Stock Exchange
Class of Securities Listed: Common Shares

12. Indicate by check mark whether the registrant:

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

Yes [√] No [ ]

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

Yes [√] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

8990 HOLDINGS, INC AND SUBSIDIARIES
Unaudited Consolidated Statements of Financial Position (in Philippine Peso)

	31-Mar		31-Dec	
	2018 Unaudited	2017 Unaudited	2017 Audited	2016 Audited
ASSETS				
Current Assets				
Cash on hand and in banks	427,311,967	812,897,106	1,377,420,295	703,809,205
Current portion of trade and other receivables	2,220,250,457	2,905,391,415	2,406,655,085	2,231,153,472
Inventories	13,410,316,542	8,267,771,944	13,022,453,240	9,086,798,479
Due from related parties	547,520,272	326,718,995	535,632,842	228,413,454
Current portion of available-for-sale securities	-	-	-	-
Other current assets	2,027,605,328	1,787,024,929	1,905,264,159	1,349,268,811
Total Current Assets	18,633,004,565	14,099,804,389	19,247,425,621	13,599,443,422
Noncurrent Assets				
Trade and other receivables - net of current portion	19,427,390,474	19,070,860,990	20,640,381,897	20,526,963,325
Available for sale securities	1,150,929,774	1,157,656,403	1,152,777,080	1,160,774,129
Land held for future development	12,808,394,721	13,726,364,608	12,718,820,927	11,177,322,008
Property and equipment	307,496,942	285,624,196	309,644,896	288,627,169
Investment properties	294,730,051	296,619,600	295,792,181	296,694,775
Investment in shares	-	-	-	-
Other noncurrent assets	829,343,647	725,123,736	615,643,344	722,859,686
Total Noncurrent Assets	34,818,285,608	35,262,249,533	35,733,060,325	34,173,241,092
	53,451,290,174	49,362,053,922	54,980,485,946	47,772,684,514
LIABILITIES AND EQUITY				
Current Liabilities				
Current portion of trade and other payables	3,944,040,775	3,559,426,237	4,398,716,425	3,186,647,457
Current portion of loans payable	5,945,412,448	8,511,841,293	6,208,504,304	6,855,592,150
Deposits from customers	407,596,930	568,244,476	441,475,759	429,030,305
Due to related parties	130,544,711	107,115,085	131,669,888	107,151,377
Income tax payable	202,824,370	291,433,397	142,101,217	219,428,101
Total Current Liabilities	10,630,419,233	13,038,060,488	11,322,467,593	10,797,849,390
Noncurrent Liabilities				
Trade and other payables - net of current portion	61,455,373	70,233,657	144,803,032	70,233,657
Loans payable - net of current portion	7,107,424,273	8,182,685,235	7,421,936,590	8,195,495,683
Bonds payable	8,934,032,750	8,912,041,448	8,928,422,408	8,906,782,331
Deferred tax liability	461,606,541	540,091,479	461,606,541	540,091,479
Total Noncurrent Liabilities	16,564,518,937	17,705,051,819	16,956,768,571	17,712,603,150
Total Liabilities	27,194,938,171	30,743,112,307	28,279,236,164	28,510,452,540
Equity				
Capital Stock	5,567,990,720	5,517,990,720	5,567,990,720	5,517,990,720
Additional paid-in capital	9,303,641,205	4,400,126,855	9,303,641,204	4,400,126,855
Remeasurement loss on pension plan	(2,479,173)	(4,612,005)	(2,479,173)	(4,612,005)
Retained earnings	11,387,199,252	8,705,436,045	11,832,097,031	9,348,726,404
Total Equity	26,256,352,003	18,618,941,615	26,701,249,782	19,262,231,974
	53,451,290,174	49,362,053,922	54,980,485,946	47,772,684,514

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

	For three months ended March 31		For years ended December 31	
	2018 Unaudited	2017 Unaudited	2017 Audited	2016 Audited
REVENUES				
Real Estate Operations				
Real estate sales	2,500,383,807	1,589,690,350	10,170,816,977	9,109,329,052
Rental income	2,551,906	2,366,774	10,874,080	12,175,545
Others	-	2,077,171	-	149,767,797
	2,502,935,713	1,594,134,294	10,181,691,057	9,271,272,394
Gain on Sale of Preferred Shares	-	-	-	-
	2,502,935,713	1,594,134,294	10,181,691,057	9,271,272,394
COST OF SALES AND SERVICES				
Real Estate Operations				
Cost of real estate sales	1,098,286,480	657,771,844	4,523,276,223	4,197,889,359
Cost of rental services	-	12,769	-	188,033
Others	-	11,592,032	-	72,438,807
	1,098,286,480	669,376,645	4,523,276,223	4,270,516,199
Loss on Sale of Preferred Shares	-	-	-	-
	1,098,286,480	669,376,645	4,523,276,223	4,270,516,199
Gross Income	1,404,649,233	924,757,650	5,658,414,834	5,000,756,195
Operating Expenses	385,266,919	315,430,175	1,684,280,254	1,615,016,785
Other Operating Income	344,116,703	432,362,416	1,575,987,676	1,535,884,520
Finance Costs	298,453,512	243,336,982	1,134,254,699	963,271,375
Operating Income	1,065,045,505	798,352,910	4,415,867,557	3,958,352,555
Other Income	5,741,097	9,883,952	21,277,172	65,114,992
Income Before Income Tax from Continuing Operations	1,070,786,601	808,236,862	4,437,144,729	4,023,467,547
Provision for Income Tax	60,857,951	72,029,540	298,376,886	448,945,055
Income from Continuing Operations	1,009,928,651	736,207,322	4,138,767,843	3,574,522,492
from Discontinuing Operations	-	-	-	-
Net Income	1,009,928,651	736,207,322	4,138,767,843	3,574,522,492
Other Comprehensive Loss	-	-	2,132,832	504,937
Total Comprehensive Income	1,009,928,651	736,207,322	4,140,900,675	3,575,027,429

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

	For three months ended March 31, 2018						
	Capital Stock	Subscribed Capital Stock	Additional Paid in Capital	Equity Reserve	Other Comprehensive Loss	Retained Earnings	Total
Balance at January 1, 2018	5,567,990,720	-	9,303,641,204	-	(2,479,173)	11,832,097,031	26,701,249,782
Cash dividends declared by the Parent Company	-	-	-	-	-	(1,454,826,430)	(1,454,826,430)
Total comprehensive income (loss)	-	-	-	-	-	1,009,928,651	1,009,928,651
Balance at March 31, 2018	5,567,990,720	-	9,303,641,204	-	(2,479,173)	11,387,199,252	26,256,352,003
Balance at January 1, 2017	5,517,990,720	-	4,400,126,855	-	(4,612,005)	9,348,726,404	19,262,231,974
Preferred shares issuance	50,000,000		4,903,514,349			-	4,953,514,349
Cash dividends declared by the Parent Company	-	-	-	-	-	(1,655,397,216)	(1,655,397,216)
Total comprehensive income (loss)	-	-	-	-	2,132,832	4,138,767,843	4,140,900,675
Balance at December 31, 2017	5,567,990,720	-	9,303,641,204	-	(2,479,173)	11,832,097,031	26,701,249,782
Balance at January 1, 2016	5,517,990,720	-	4,400,126,855	-	(5,116,942)	7,429,601,128	17,342,601,761
Cash dividends declared by the Parent Company	-	-	-	-	-	(1,655,397,216)	(1,655,397,216)
Total comprehensive income (loss)	-	-	-	-	504,937	3,574,522,492	3,575,027,429
Balance at December 31, 2016	5,517,990,720	-	4,400,126,855	-	(4,612,005)	9,348,726,404	19,262,231,974

	For three months ended March 31, 2017						
	Capital Stock	Subscribed Capital Stock	Additional Paid in Capital	Equity Reserve	Other Comprehensive Loss	Retained Earnings	Total
Balance at January 1, 2017	5,517,990,720	-	4,400,126,855	-	(4,612,005)	9,348,726,403	19,262,231,973
Cash dividends declared by the Parent Company	-	-	-	-	-	(1,379,497,680)	(1,379,497,680)
Total comprehensive income (loss)	-	-	-	-	-	736,207,322	736,207,322
Balance at March 31, 2017	5,517,990,720	-	4,400,126,855	-	(4,612,005)	8,705,436,045	18,618,941,615

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

	For three months ended March 31		For years ended December 31	
	2018 Unaudited	2017 Unaudited	2017 Audited	2016 Audited
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	1,070,786,601	808,236,862	4,437,144,729	4,023,467,547
Adjustments for:			-	-
Interest income	(343,128,131)	(393,497,599)	(1,411,825,919)	(1,428,543,208)
Finance cost	296,360,860	241,519,114	1,169,943,106	942,986,033
Write-off of assets	-	-	12,079,339	-
Provision for impairment losses	-	-	(11,683,504)	24,056,631
Provision for probable losses	-	-		(35,441,122)
Depreciation and amortization	14,997,574	13,097,044	55,194,011	47,605,365
Amortization of discount on bonds payable	5,610,342	5,259,117	21,640,077	20,285,343
Provision for inventory write-down	-	-		-
Loss (gain) on repossession	-	-	112,683,872	(77,328,991)
Gain on sale of AFS			(20,927,172)	(65,029,540)
Gain on sale of building and improvements	-	-		(85,452)
Unrealized foreign exchange loss	-	-		-
Retirement Expense	-	-		1,805,848
Operating income before changes in working capital	1,044,627,246	674,614,538	4,364,248,538	3,453,778,454
Changes in operating assets and liabilities				-
Decrease (increase) in:				
Trade and other receivables	1,399,261,253	781,864,391	(807,236,681)	(3,632,040,650)
Inventories	(387,863,302)	(1,859,471,896)	(4,048,338,633)	(2,574,436,170)
Other assets	(336,041,470)	(440,044,411)	(460,858,344)	561,830,215
Increase (decrease) in:				
Trade and other payables	(538,023,309)	372,778,780	1,287,577,463	595,121,060
Deposits from customers	(33,878,829)	139,214,171	12,445,454	17,297,478
Net cash used in operations	1,148,081,589	(331,044,426)	347,837,797	(1,578,449,613)
Interest received	343,128,131	393,497,599	1,411,825,919	1,427,633,778
Interest paid	(296,360,860)	(241,519,114)	(1,168,749,394)	(1,145,970)
Income tax paid	0	-	(454,188,708)	(359,861,961)
Net cash from (used in) operating activities	1,194,848,861	(179,065,940)	136,725,615	(511,823,766)
CASH FLOWS FROM INVESTING ACTIVITIES				-
Acquisitions of:				
Land held for future development	(89,573,794)	129,455,831	(1,011,498,919)	(5,918,492,212)
Available-for-sale securities	-	-	-	-
Property and equipment	(15,853,313)	(8,857,320)	(71,232,876)	(101,963,392)
Investment in shares	-	-		
Proceeds from (Acquisition of) investment properties	(250,000)	(1,161,579)	(4,076,268)	(940,227)
Proceeds from:			-	-
Disposal of building and hotel improvments	-	-	-	-
Maturities/termination of long term investments	-	-	-	-
Sale of AFS	1,847,306	3,117,726	28,924,221	82,442,627
Disposal of property and equipment	4,315,823	-	-	2,120,556
Net cash outflow from disposal of investment in a subsidiary	-	-	-	-
Net cash inflow from acquisition of net assets of acquiree	-	-	-	-
Net cash used in investing activities	(99,513,978)	122,554,660	(1,057,883,842)	(5,936,832,648)
CASH FLOWS FROM FINANCING ACTIVITIES				-
Availment (retirement) of loans payable	(577,604,173)	1,643,438,695	(1,420,646,939)	8,153,389,876
Issuance of corporate bonds			-	-
Payment of bond issuance costs			(46,485,651)	-
Issuance of shares by the Parent Company	-	-	5,000,000,000	-
Issuance of shares by subsidiaries	-	-	-	-
Decrease (increase) in the amount of due from related partie	(11,887,430)	(98,305,540)	(307,219,388)	61,303,541
Increase (decrease) in the amount of due to related parties	(1,125,177)	(36,292)	24,518,511	(7,061,487)
Payment of cash dividends	(1,454,826,430)	(1,379,497,680)	(1,655,397,216)	(1,655,397,216)
Net cash provided by financing activities	(2,045,443,210)	165,599,184	1,594,769,317	6,552,234,714
Effect of changes in foreign exchange rates on hand and in b.	-	-	-	-
Net increase (decrease) in cash on hand and in banks	(950,108,327)	109,087,901	673,611,090	103,578,300
Cash Balance at the beginning of the year	1,377,420,295	703,809,205	703,809,205	600,230,905
Cash Balance at the end of the year	427,311,968	812,897,106	1,377,420,295	703,809,205

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, 2017.

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 Fog Horn, Inc. All values are rounded to the nearest peso except when otherwise indicated.

Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the unaudited financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2017.

The following standards and interpretations were adopted beginning January 1, 2013, but do not have significant impact on the financial position or performance of the Company.

- PFRS 7, *Financial Instruments: Disclosures-Offsetting Financial Assets and Financial Liabilities (Amendments)*
- PFRS 10, *Consolidated Financial Statements*
- PFRS 11, *Joint Arrangements*
- PFRS 12, *Disclosure of Interests in Other Entities*
- PFRS 13, *Fair Value Measurement*
- PAS 1, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income or OCI (Amendments)*
- PAS 1, *Presentation of Financial Statements – Clarification of the requirements for comparative information*
- PAS 27, *Separate Financial Statements (as revised in 2011)*
- PAS 28, *Investments in Associates and Joint Ventures (as revised in 2011)*
- Philippine Interpretation IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*
- PRFS 1, *First-time Adoption of PFRS – Borrowing Costs*
- PAS 16, *Property, Plant and Equipment – Classification of servicing equipment*

- PAS 32, *Financial Instruments: Presentation – Tax effect of distribution to holders of equity instruments*
- PAS 19, *Employee Benefits (Revised)*
- PAS 34, *Interim Financial Reporting – Interim financial reporting and segment information for assets and liabilities*

The following standard and interpretation was adopted beginning January 1, 2014, but does not have significant impact on the financial position or performance of the Company.

- PAS 32, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (Amendments)*
  The amendments clarify the meaning of "currently has a legally enforceable right to set off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments affect presentation only and have no impact on the Company's financial position or performance.

The following standards and interpretations was adopted beginning January 1, 2015.

- PFRS 9, *Financial Instruments*
  PFRS 9, as issued, reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, *Financial Instruments: Recognition and Measurement*. Work on impairment of financial instruments and hedge accounting is still ongoing, with a view to replacing PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at a fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets, to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through OCI or profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

  The adoption of the first phase of PFRS 9 will have no impact on the classification and measurement of financial assets and liabilities.

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*
  This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors, The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

The accompanying unaudited consolidated 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. and its subsidiaries. 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

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.

Preferred Share
This segment pertains to sale of preferred share wherein the purchaser has a perpetual right to occupy one unit of the Group's vacation hotel for a specific number of days in a year.

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 'Land held for future development', 'Property and equipment', and 'Investment properties'. The Group has no significant customer which contributes 10% or more of their segment revenue.

4. Cash on Hand and in Banks

This account consists of:

	31-Mar		31-Dec	
	2018 Unaudited	2017 Unaudited	2017 Audited	2016 Audited
Cash on hand	7,625,758	2,013,598	10,518,535	46,376,413
Cash in banks	142,791,711	795,518,162	1,297,274,019	642,067,446
Short-term placement	276,894,499	15,365,346	69,627,741	15,365,346
	427,311,967	812,897,106	1,377,420,295	703,809,205

5. Trade and Other Receivables

This account consists of:

	31-Mar		31-Dec	
	2018 Unaudited	2017 Unaudited	2017 Audited	2016 Audited
Trade Receivables				
Installment contract receivables	847,733,141	1,943,179,252	900,663,205	617,588,175
Advances to external marketing manager	60,856,698	60,856,698	60,856,698	60,865,416
Retention Receivables	755,061,764	425,231,730	732,338,370	353,173,872
Receivables from employees	392,854,782	317,205,572	361,158,967	256,158,533
Other Receivables	411,242,863	418,100,460	599,136,637	1,202,549,772
	2,467,749,249	3,164,573,712	2,654,153,877	2,490,335,768
Less: Allowance for impairment losses	247,498,792	259,182,296	247,498,792	259,182,296
	2,220,250,457	2,905,391,416	2,406,655,085	2,231,153,472
Non current				
Trade Receivables				
Installment contract receivables	19,427,390,474	19,070,860,990	20,640,381,897	20,526,963,325
Retention Receivables	-			-
	19,427,390,474	19,070,860,990	20,640,381,897	20,526,963,325
	21,647,640,931	21,976,252,406	23,047,036,982	22,758,116,797

Ninety percent (90%) of total receivables of the Company are on long-term basis. Current portion of installment contract receivables stands at PhP847.7 million which pertains to portion of receivables from buyers due within one (1) year.

6. Inventories

This account consists of:

	31-Mar		31-Dec	
	2018 Unaudited	2017 Unaudited	2017 Audited	2016 Audited
Real estate inventories				
Low-cost mass housing	10,139,495,363	4,943,994,746	6,064,938,554	4,862,717,314
Medium-rise condominium units	1,021,443,863	1,105,918,745	1,002,520,547	751,006,813
High-rise condominium units	2,249,377,317	2,217,858,453	5,954,994,139	3,473,074,352
	13,410,316,542	8,267,771,944	13,022,453,240	9,086,798,479
Timeshares	-	-	-	-
	13,410,316,542	8,267,771,944	13,022,453,240	9,086,798,479

7. Available for Sale Securities

Azalea Resorts Residences Corporation (ALRC) acquired the building, which is the subject of the timeshare inventory of the Company. The Company in turn invested in the common shares (representing 45% ownership) and in the preferred shares of ALRC. ALRC's primary purpose is to operate, maintain and/or manage a membership club. ALRC's preferred shares represent membership rights to the club including the right to use a specific unit of the building acquired from the Group and other facilities/amenities for one day per calendar year.

8. Other Assets

This account consists of:

	31-Mar		31-Dec	
	2018 Unaudited	2017 Unaudited	2017 Audited	2016 Audited
Current				
Advances to contractors and brokers	1,377,531,378	1,233,567,472	1,286,392,822	897,907,372
Input tax	362,699,172	270,338,000	346,340,221	221,910,839
Advances to landowners	195,599,200	194,199,200	195,599,200	198,399,200
Creditable withholding tax	71,161,695	46,039,140	46,331,783	32,773,315
Prepaid expenses	71,498,432	92,481,217	81,484,674	47,878,192
Others	4,490,653	5,775,103	4,490,662	5,775,096
	2,082,980,531	1,842,400,132	1,960,639,362	1,404,644,014
Less: Allowance for impairment losses	55,375,203	55,375,203	55,375,203	55,375,203
	2,027,605,328	1,787,024,929	1,905,264,159	1,349,268,811
Non-current				
Deposits	144,549,422	133,835,631	140,573,733	137,626,460
Advances to contractors and brokers	546,564,867	546564867	400,303,390	546,564,867
AFS equity investment	-	-	-	-
Software cost	1,492,522	1,492,522	1,492,522	1,492,522
Others	139,248,810	45,742,690	75,785,673	39,687,810
	831,855,621	727,635,710	618,155,318	725,371,660
Less: Allowance for impairment losses	2,511,974	2,511,974	2,511,974	2,511,974
	829,343,647	725,123,736	615,643,344	722,859,686
	2,856,948,974	2,512,148,665	2,520,907,503	2,072,128,497

9. Land Held for Future Development

This account consists of:

	31-Mar		31-Dec	
	2018 Unaudited	2017 Unaudited	2017 Audited	2016 Audited
Balance at beginning of year	11,177,322,008	12,718,820,927	11,177,322,008	5,683,998,436
Land acquired during the year	1,631,072,713	1,007,543,681	1,541,498,919	5,918,492,212
Transfers/Reclassification	-		-	(425,168,640)
Provision for write down	-		-	-
Balance at end of year	**12,808,394,721**	**13,726,364,608**	**12,718,820,927**	**11,177,322,008**

10. Property and Equipment

This account consists of:

31-Mar-18
Unaudited

	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Software and Licenses	Construction in Progress	Total
Cost										
Balances at beginning of year	107,405,010	57,548,576	10,458,647	20,687,019	85,982,371	66,943,489	141,847,857	-	26,618,286	517,491,255
Additions	-	-	-	153,476	943,016	6,732,786	104,464	4,763,284	3,156,287	15,853,313
Transfers/Disposals	-	8,433,824	-	-	(50,446)	-	(6,290,000)		(8,433,824)	(6,340,446)
Balances at end of year	**107,405,010**	**65,982,400**	**10,458,647**	**20,840,495**	**86,874,941**	**73,676,274**	**135,662,321**	**4,763,284**	**21,340,749**	**527,004,122**
					86,874,941				21,340,749	
Accumulated Depreciation and Amortization							135,662,321		-	
Balances at beginning of year	-	22,941,670	10,417,323	9,939,779	39,857,353	43,102,211	72,618,024		-	198,876,359
Depreciation and Amortization	-	1,129,404	40,325	813,920	3,528,635	2,568,673	4,864,830	739,659	-	13,685,444
Transfers/Disposals	-	-	-	-	(32,790)	-	(1,991,833)		-	(2,024,623)
Balances at end of year	-	24,071,073	10,457,648	10,753,698	43,353,198	45,670,884	75,491,020	739,659	-	210,537,180
		24,071,073	10,457,648	10,753,698	43,353,198	45,670,884	75,491,020	739,659		
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**	**41,911,327**	**999**	**10,086,796**	**43,521,743**	**28,005,391**	**60,171,301**	**4,023,626**	**21,340,749**	**307,496,942**

31-Mar-17
Unaudited

	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Waterlines	Construction in Progress	Total
Cost										
Balances at beginning of year	107,405,010	55,826,776	10,458,647	10,196,608	68,486,767	64,462,208	115,880,676	0	14,480,148	447,196,840
Additions	-	0	-	1,203,550	4,631,381	115,100	70,200	(0)	2,837,088	8,857,320
Transfers/Disposals	-	-	-	-	-	-	-	-	-	-
Balances at end of year	107,405,010	55,826,776	10,458,647	11,400,159	73,118,149	64,577,308	115,950,876	-	17,317,236	456,054,160
Accumulated Depreciation and Amortization										
Balances at beginning of year	-	18,688,346	8,888,701	7,831,443	27,350,134	30,422,288	56,418,760	0	-	149,599,671
Depreciation and Amortization	-	1,056,734	388,183	255,669	2,867,107	3,029,293	4,263,304	(0)	-	11,860,290
Transfers/Disposals	-	-	-	-	-	-	-	-	-	-
Balances at end of year	-	19,745,081	9,276,883	8,087,112	30,217,241	33,451,580	60,682,064	-	-	161,459,961
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**	**36,081,695**	**1,181,764**	**3,313,047**	**42,900,907**	**31,125,728**	**55,268,812**	-	**17,317,236**	**285,624,199**

31-Dec-17
Audited

	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Waterlines	Construction in Progress	Total
Cost										
Balances at beginning of year	107,405,010	55,826,776	10,458,647	10,196,608	68,486,767	64,462,208	115,880,676	0	14,480,148	447,196,840
Additions	-	1,721,801		10,490,410	17,495,604	2,481,281	26,905,642	(0)	12,138,138	71,232,875
Transfers/Disposals	-			-	-	-	(938,461)	-	-	(938,461)
Balances at end of year	107,405,010	57,548,576	10,458,647	20,687,019	85,982,371	66,943,489	141,847,857	-	26,618,286	517,491,255
Accumulated Depreciation and Amortization										
Balances at beginning of year	-	18,688,346	8,888,701	7,831,443	27,350,134	30,422,288	56,418,760	0	-	149,599,671
Depreciation and Amortization	-	4,253,323	1,528,622	2,108,336	12,507,220	12,679,923	17,137,725	(0)	-	50,215,149
Transfers/Disposals	-	-	-	-	-	-	(938,461)	-	-	(938,461)
Balances at end of year	-	22,941,670	10,417,323	9,939,779	39,857,353	43,102,211	72,618,024	-	-	198,876,359
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**	**34,606,907**	**41,324**	**10,747,240**	**46,125,018**	**23,841,278**	**69,229,833**	-	**26,618,286**	**309,644,896**

31-Dec-16
Audited

	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Waterlines	Construction in Progress	Total
Cost										
Balances at beginning of year	107,405,010	55,691,345	10,458,647	8,092,569	39,904,666	52,823,585	79,722,542	10,655,635	-	364,753,999
Additions	-	135,431	-	2,104,039	29,122,101	11,638,623	44,458,801	24,249	14,480,148	101,963,392
Transfers/Disposals		-	-	-	(540,000)	-	(8,300,667)	(10,679,884)	-	(19,520,551)
Balances at end of year	107,405,010	55,826,776	10,458,647	10,196,608	68,486,767	64,462,208	115,880,676	0	14,480,148	447,196,840
Accumulated Depreciation and Amortization										
Balances at beginning of year	-	14,488,494	7,335,972	7,198,962	19,527,523	18,898,703	48,225,947	1,102,945	-	116,778,546
Depreciation and Amortization	-	4,199,852	1,552,729	632,481	8,266,611	11,523,585	14,554,396	1,955,150	-	42,684,802
Transfers/Disposals	-	-	-	-	(444,000)	-	(6,361,583)	(3,058,094)	-	(9,863,677)
Balances at end of year	-	18,688,346	8,888,701	7,831,443	27,350,134	30,422,288	56,418,760	0	-	149,599,671
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**	**37,138,429**	**1,569,946**	**2,365,166**	**41,136,634**	**34,039,920**	**59,461,916**	**(0)**	**14,480,148**	**288,627,169**

11. Investment Properties

This account consists of:

	31-Mar-18 Unaudited			
	Land	Building	Land Improvements	Total
Cost				
Balances at beginning of year	226,791,891	8,832,630	92,003,920	327,628,440
Additions	-	-	250,000	250,000
Transfers/Reclassification to REI	-	-	-	-
Balances at end of year	226,791,891	8,832,630	92,253,920	327,878,440
	226,791,891	8,832,630	92,253,920	
Accumulated Depreciation and Amortization				
Balances at beginning of year	-	3,499,970	28,336,289	31,836,259
Depreciation and Amortization	-	159,998	1,152,132	1,312,130
Balances at end of year	-	3,659,968	29,488,421	33,148,389
Net Book Value	**226,791,891**	**5,172,662**	**62,765,498**	**294,730,051**

	31-Mar-17 Unaudited			
	Land	Building	Land Improvements	Total
Cost				
Balances at beginning of year	224,635,194	8,832,630	90,084,348	323,552,172
Additions	1,126,607	-	34,971	1,161,579
Balances at end of year	225,761,801	8,832,630	90,119,320	324,713,751
Accumulated Depreciation and Amortization				
Balances at beginning of year	-	3,058,338	23,799,059	26,857,397
Depreciation and Amortization	-	110,408	1,126,346	1,236,754
Balances at end of year	-	3,168,746	24,925,405	28,094,151
Net Book Value	**225,761,801**	**5,663,884**	**65,193,915**	**296,619,600**

	31-Dec-17 Audited			
	Land	Building	Land Improvements	Total
Cost				
Balances at beginning of year	224,635,194	8,832,630	90,084,348	323,552,172
Additions	2,156,697	-	1,919,571	4,076,268
Transfers/Reclassification to REI	-	-	-	-
Balances at end of year	226,791,891	8,832,630	92,003,920	327,628,440
Accumulated Depreciation and Amortization				
Balances at beginning of year	-	3,058,338	23,799,059	26,857,397
Depreciation and Amortization	-	441,631	4,537,230	4,978,862
Balances at end of year	-	3,499,970	28,336,289	31,836,259
Net Book Value	**226,791,891**	**5,332,660**	**63,667,631**	**295,792,181**

	31-Dec-16 Audited			
	Land	Building	Land Improvements	Total
Cost				
Balances at beginning of year	232,971,353	8,604,750	89,372,001	330,948,104
Additions	-	227,880	712,347	940,227
Transfers/Reclassification to REI	(8,336,159)	-	-	(8,336,159)
Balances at end of year	224,635,194	8,832,630	90,084,348	323,552,172
Accumulated Depreciation and Amortization				
Balances at beginning of year	-	2,627,152	19,309,682	21,936,834
Depreciation and Amortization	-	431,186	4,489,377	4,920,563
Balances at end of year	-	3,058,338	23,799,059	26,857,397
Net Book Value	**224,635,194**	**5,774,292**	**66,285,290**	**296,694,775**

12. Trade and Other Payables

This account consists of:

	31-Mar		31-Dec	
	2018 Unaudited	2017 Unaudited	2017 Audited	2016 Audited
Current				
Trade and accounts payables	1,403,410,896	1,777,940,355	1,674,979,169	1,344,015,931
Accrued expenses	1,190,598,716	1,105,354,088	1,718,794,112	1,224,146,133
Interest Payable	116,278,635	116,194,501	116,819,575	152,644,320
Retention payables	434,697,208	304,159,367	362,016,776	279,869,419
Withholding tax payables	77,898,684	85,060,488	99,556,527	15,028,031
Construction bonds	55,611,484	44,454,489	51,007,579	40,954,581
Net out put tax	80,621,665	27,094,957	66,069,131	12,675,559
Deferred Income	172,265,110		153,438,250	
Deferred Rent	-	-	-	-
Others	412,658,375	99,167,993	156,035,306	117,313,483
	3,944,040,775	3,559,426,237	4,398,716,425	3,186,647,457
Non-current				
Trade and accounts payables	31,816,667	31,816,667	25,131,717	31,816,667
Deferred Rent	-	-	-	-
Pension Liability	3,581,194	12,359,478	3,581,194	12,359,478
Retention payables	26,057,512	26,057,512	116,090,121	26,057,512
Others	-	-	-	-
	61,455,373	70,233,657	144,803,032	70,233,657
	4,005,496,148	3,629,659,894	4,543,519,458	3,256,881,114

13. Loans Payable

This account consists of:

	31-Mar		31-Dec	
	2018 Unaudited	2017 Unaudited	2017 Audited	2016 Audited
Short-term loans payable	5,945,412,448	8,511,841,293	6,208,504,304	6,855,592,150
Long-term loans payable	7,107,424,273	8,182,685,235	7,421,936,590	8,195,495,683
	13,052,836,721	16,694,526,528	13,630,440,894	15,051,087,833

14. 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.

15. Equity

This account consists of:

Common Shares

	31-Mar		31-Dec	
	2018 Unaudited	2017 Unaudited	2017 Audited	2016 Audited
Authorized, par value PhP1.00	7,000,000,000	7,000,000,000	7,000,000,000	7,000,000,000
Issued and outstanding at beginning of ye	5,517,990,720	5,517,990,720	5,517,990,720	5,517,990,720
Issuance of shares			-	-
Issued and outstanding at end of year	5,517,990,720	5,517,990,720	5,517,990,720	5,517,990,720

Preferred Shares

	31-Mar		31-Dec	
	2018 Unaudited	2017 Unaudited	2017 Audited	2016 Audited
Authorized, par value PhP1.00	100,000,000	-	100,000,000	-
Issued and outstanding at beginning of ye	-	-	-	-
Issuance of shares	50,000,000		50,000,000	-
Issued and outstanding at end of year	50,000,000	-	50,000,000	-

16. Revenue

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2018	2017	2017	2016
	Unaudited	Unaudited	Audited	Audited
Real estate				
Low-cost mass housing	1,303,739,114	826,775,160	5,192,512,378	6,713,552,558
Medium-rise condominium units				
Condominium units	418,857,993	242,914,700	2,753,186,878	1,278,287,884
Parking space	398,000	-	2,142,857	-
High-rise condominium units				
Condominium units	724,194,500	520,000,490	2,222,974,864	1,117,488,610
Parking space	53,194,200	-	-	-
	2,500,383,807	1,589,690,350	10,170,816,977	9,109,329,052
Rental income	2,551,906	2,366,774	10,874,080	12,175,545
Others	-	2,077,171		149,767,798
	2,502,935,713	1,594,134,294	10,181,691,057	9,271,272,394
Sale of Timeshares	-	-	-	-
	2,502,935,713	1,594,134,294	10,181,691,057	9,271,272,394

17. Cost of Sales and Services

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2018	2017	2017	2016
	Unaudited	Unaudited	Audited	Audited
Real estate				
Low-cost mass housing	586,213,117	319,784,653	2,373,121,192	3,173,233,072
Medium-rise condominium units	159,946,272	93,893,843	1,179,385,479	490,075,085
High-rise condominium units	352,127,090	244,093,348	970,769,552	534,581,202
	1,098,286,480	657,771,844	4,523,276,223	4,197,889,359
Cost of rental services	-	12,769		188,033
Cost of others	-	11,592,032		72,438,806
	1,098,286,480	669,376,644	4,523,276,223	4,270,516,198
Timeshare and Hotel Operations				
Timeshare	-			-
	1,098,286,480	669,376,644	4,523,276,223	4,270,516,198

18. Operating Expenses

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2018	2017	2017	2016
	Unaudited	Unaudited	Audited	Audited
Marketing and selling	141,327,579	118,679,516	494,255,258	573,809,569
Documentation	76,883,940	61,855,750	313,865,991	277,251,338
Taxes and licenses	27,755,318	48,713,023	190,662,965	184,701,005
Salaries and employee benefits	30,610,005	25,369,053	147,750,908	124,794,328
Write-off of assets	-	-	12,079,339	-
Provision for credit and impairment losses	-	-		24,056,631
Loss on sales of equipment	1,892	-		
Loss on repossession	14,359,521		112,683,872	
Management and professional fees	8,304,618	2,846,751	44,634,427	38,957,843
Communication, light and water	4,489,718	7,033,313	35,076,641	54,173,630
Provision for (reversal of) probable losses	-			(35,441,122)
Security, messengerial and janitorial	14,988,178	5,228,194	63,177,123	51,257,375
Depreciation and amortization	14,997,574	13,097,044	55,194,011	47,605,365
Transportation and travel	6,627,182	6,010,491	32,866,573	69,455,424
Repairs and maintenance	19,738,330	6,083,543	51,310,888	80,066,404
Entertainment, amusement and representation	3,282,710	660,746	21,700,744	32,492,154
Donations and contributions	-			-
Rent	3,080,879	5,761,411	17,542,012	18,425,058
Supplies	3,040,782	2,861,210	11,290,250	10,480,813
Insurance	2,689,670	2,040,742	7,789,983	10,499,549
Provision for write-down	-			-
Subscription dues and fees	1,662,813	1,859,518	11,317,852	6,347,650
Miscellaneous	11,426,209	7,329,870	61,081,417	46,083,772
	385,266,919	315,430,175	1,684,280,254	1,615,016,785

19. Finance Costs

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2018	2017	2017	2016
	Unaudited	Unaudited	Audited	Audited
Borrowings	151,323,306	96,832,785	550,936,947	381,457,656
Accretion	5,610,342	5,259,117	21,640,077	20,285,343
Bonds	139,427,212	139,427,212	559,872,605	559,872,606
Bank charges	2,092,653	1,817,868	1,341,972	1,145,970
Net interest expense on pension obligation			463,098	509,801
	298,453,512	243,336,982	1,134,254,699	963,271,375

20. Other Operating Income

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2018 Unaudited	2017 Unaudited	2017 Audited	2016 Audited
Interest Income from:				
Installment contract receivables	342,454,134	393,376,315	1,409,973,764	1,426,712,872
Cash in banks and long term investments	673,998	121,284	1,852,155	1,830,336
Accretion	-	-		-
Penalties	8,873,727	19,656,155	39,560,815	30,621,170
Water income	-	-		3,433,330
Maintenance fee	-	-		-
Provision for (reversal of) probable loss			11,683,504	-
Collection service fees	-	11,728,717		134,496
Loss on sale of a subsidiary				
Gain on sale of unquoted debt security classified as loans				
Miscellaneous	(7,885,155)	7,479,945	112,917,438	73,152,316
	344,116,703	432,362,416	1,575,987,676	1,535,884,520

21. Related Party Transactions

This account consists of:

31-Mar-18
Unaudited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	547,520,272	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	130,544,711	Non-interest bearing, payable on demand	Unsecured

31-Mar-17
Unaudited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	326,718,995	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	107,115,085	Non-interest bearing, payable on demand	Unsecured

31-Dec-17
Audited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	535,632,842	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	131,669,888	Non-interest bearing, payable on demand	Unsecured

31-Dec-16
Audited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	228,413,454	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	107,151,377	Non-interest bearing, payable on demand	Unsecured

Item 2. Management Discussions and Analysis

Financial Highlights and Key Performance Indicators

Table below shows comparative consolidated balance sheet financial highlights of 8990 Holdings, Inc. for three months ended March 31, 2018 and 2017, both unaudited.

Consolidated Balance Sheet	As of March 31, 2018 Unaudited	As of March 31, 2017 Unaudited	Increase Amount	%
Total Assets	53,451,290,174	49,362,053,922	4,089,236,252	8.28%
Current Assets	18,633,004,565	14,099,804,389	4,533,200,176	32.15%
Trade Receivables	21,647,640,931	21,976,252,405	(328,611,474)	-1.50%
Total Liabilities	27,194,938,171	30,743,112,307	(3,548,174,136)	-11.54%
Current Liabilities	10,630,419,233	13,038,060,488	(2,407,641,255)	-18.47%
Loans Payable	13,052,836,721	16,694,526,528	(3,641,689,807)	-21.81%
Stockholder's Equity	26,256,352,003	18,618,941,615	7,637,410,388	41.02%
Permitted Liens	5,345,129,017	4,936,205,392		
Loans under Permitted Liens	1,520,522,943	2,240,051,643		

Table below shows comparative consolidated statement of income financial highlights of 8990 Holdings, Inc. for three months ended March 31, 2018 and 2017, both unaudited.

Consolidated Statements of Income	As of March 31, 2018 Unaudited	As of March 31, 2017 Unaudited	Increase Amount	%
Revenue	2,502,935,713	1,594,134,294	908,801,418	57.01%
Gross Income	1,404,649,233	924,757,650	479,891,583	51.89%
Operating Expenses	385,266,919	315,430,175	69,836,744	22.14%
Net Operating Income	1,019,382,314	609,327,475	410,054,839	67.30%
EBITDA	1,384,237,688	1,064,670,888	319,566,800	30.02%
Net Income Before Tax	1,070,786,601	808,236,862	262,549,739	32.48%
Net Income After Tax	1,009,928,651	736,207,322	273,721,329	37.18%

Tables below show quarter one 2018 key performance indicators of the Company, with relevant comparative figures.

Key Performance Indicators	As of March 31, 2018 Unaudited	As of March 31, 2017 Unaudited	Bond Covenant
Current Ratio	1.75	1.08	minimum 1.0
Book Value Per Share	3.85	3.37	
Debt to Equity Ratio	1.04	1.65	
Net Debt to Equity Ratio	0.82	1.33	maximum 1.5
Asset to Equity Ratio	2.04	2.65	
Asset to Debt Ratio	1.97	1.61	
Debt Service Ratio	2.43	1.98	minimum 1.25
Interest Coverage Ratio	6.77	6.39	

Key Performance Indicators	As of March 31, 2018 Unaudited	As of March 31, 2017 Unaudited
Gross Margin	56.12%	58.01%
EBITDA Margin	55.30%	66.79%
Net Income Margin	40.35%	46.18%

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 and medium-rise building housing units, as well as revenues derived from its timeshare 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 medium-rise condominium units, and costs of sales from sales of timeshares.

Operating Expenses

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

Finance Costs

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

Other Income

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

Provision for Income Tax

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

Results of Operations

Three months ended March 31, 2018 compared to three months ended March 31, 2017

Revenue

For the three months ended March 31, 2018, the Company recorded consolidated revenue of PhP2,500 million, an increase of 57% from consolidated revenue of PhP1,594 million recorded for the three months ended March 31, 2017. The increase was mainly attributable to the increased sales in NCR, Iloilo and Bulacan.

Cost of Sales and Services

The Company's consolidated cost of sales and services for the three months ended March 31, 2018 was PhP1,098 million, an increase of 64% from consolidated cost of sales and services of PhP669 million recorded for the three months ended March 31, 2017. The increase was mainly attributable to increased sales recorded for the period.

Gross Income

The Company's consolidated gross income for the three months ended March 31, 2018 was PhP1,405 million, an increase from consolidated gross income of PhP925 million recorded for the three months ended March 31, 2017. The Company's gross income margin for the three months ended March 31, 2018 was 56.1%, compared to a gross income margin of 58.0% recorded for the three months ended March 31, 2017. The Company attributes its strong and maintained gross income margin to its sound internal financial planning policies with respect to land banking activities and project budgeting process.

Operating Expenses

For the three months ended March 31, 2018, the Company recorded consolidated operating expenses of PhP385 million, a decrease of 22% from consolidated operating expenses of PhP315 million recorded for the three months ended March 31, 2017.

Finance Costs

The Company's consolidated finance costs for the three months ended March 31, 2018 were PhP298 million, an increase from consolidated finance costs of PhP243 million recorded for the three months ended March 31, 2017. The increase was mainly attributable to interest expense resulting from the Company's increased borrowing rates from creditors.

Other Operating Income

For the three months ended March 31, 2018, the Company recorded consolidated other income of PhP344 million, a decrease from the consolidated other income of PhP432 million recorded for the three months ended March 31, 2017. Interest income on the Company's installment contract receivables under its CTS Gold program contributes to the majority of the other income.

Income before Income Tax

The Company's consolidated income before income tax for the three months ended March 31, 2018 was PhP1,071 million, an increase from consolidated income before income tax of PhP808 million recorded for the three months ended March 31, 2017.

Provision for Income Tax

The Company's consolidated provision for income tax for the three months ended March 31, 2018 was PhP61 million, a decrease from consolidated provision for income tax of PhP72 million recorded for the three months ended March 31, 2017. The increase was mainly attributable to the Company's increased other income which are subject to income tax.

Net Income

As a result of the foregoing, the Company's consolidated net income for the three months ended March 31, 2018 was PhP1,010 million, a 37% increase from consolidated net income of PhP736 million recorded for the three months ended March 31, 2017. The Company's consolidated net income margin for the three months ended March 31, 2018 was 40.4%, compared to a consolidated net income margin of 46.2% for the three months ended March 31, 2017.

Financial Position

As at March 31, 2018 compared to as at March 31, 2017

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were PhP427 million as at March 31, 2018, a decrease from consolidated cash on hand and in banks of PhP813 million as at March 31, 2017.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were PhP2,220 million as at March 31, 2018, a decrease from consolidated current portion of trade and other receivables of PhP2,905 million as at March 31, 2017.

Inventories

The Company's consolidated inventories were PhP13,410 million as at March 31, 2018, an increase of 62% from consolidated inventories of PhP8,268 million as at March 31, 2017.

Due from related parties

The Company's consolidated due from related parties were PhP548 million as at March 31, 2018, slight increase from consolidated due from related parties of PhP327 million as at March 31, 2017.

Other current assets

The Company's consolidated other current assets were PhP2,028 million as at March 31, 2018, an increase from consolidated other current assets of PhP1,787 million as at March 31, 2017, 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 PhP19,427 million as at March 31, 2018, an increase from consolidated trade and other receivables - net of current portion of PhP19,071 million as at March 31, 2017. This increase was due mainly to higher receivables under the Company's CTS Gold program, in line with its higher sales.

Land held for future development

The Company's consolidated land held for future development was PhP12,808 million as at March 31, 2018, a decrease from consolidated land held for future development of PhP13,726 million as at March 31, 2017, as the Company acquired certain real properties as part of its land banking.

Property and equipment

The Company's consolidated property and equipment was PhP307 million as at March 31, 2018, an increase from consolidated property and equipment of PhP286 million as at March 31, 2017.

Investment properties

The Company's consolidated investment properties were PhP295 million as at March 31, 2018, a decrease from consolidated investment properties of PhP297 million as at March 31, 2017.

Investment in shares

The Company's consolidated investment in shares was nil as at March 31, 2018.

Other noncurrent assets

The Company's other noncurrent assets were PhP829 million as at March 31, 2018, an increase from other noncurrent assets of PhP725 million as at March 31, 2017.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were PhP3,944 million as at March 31, 2018, an increase from consolidated current portion of trade and other payables of PhP3,559 million as at March 31, 2017.

Current portion of loans payable

The Company's consolidated current portion of loans payable were PhP5,945 million as at March 31, 2018, a decrease from consolidated current portion of loans payable of PhP8,512 million as at March 31, 2017. The decrease was due to decreased short-term borrowing of the Company.

Deposits from customers

The Company's consolidated deposits from customers were PhP408 million as at March 31, 2018, a decrease from consolidated deposits from customers of PhP568 million as at March 31, 2017.

Due to related parties

The Company's consolidated due to related parties were PhP131 million as at March 31, 2018, an increase from consolidated due to related parties of PhP107 million as at March 31, 2017.

Income tax payable

The Company's consolidated income tax payable was PhP203 million as at March 31, 2018, a decrease from consolidated income tax payable of PhP291 million as at March 31, 2017.

Trade and other payables - net of current portion

The Company's consolidated trade and other payables - net of current portion were PhP61 million as at March 31, 2018, a decrease from consolidated trade and other payables - net of current portion of PhP70 million as at March 31, 2017.

Loans payable - net of current portion

The Company's consolidated loans payable - net of current portion was PhP7,107 million as at March 31, 2018, a decrease from consolidated loans payable - net of current portion of PhP8,183 million as at March 31, 2017.

Deferred tax liability

The Company's consolidated deferred tax liability was PhP462 million as at March 31, 2018, a decrease from consolidated deferred tax liability of PhP540 million as at March 31, 2017. This deferred tax liability was attributable to provision for income tax resulting from the delay in the income tax holiday accreditation for certain Company projects. Accreditation for these projects has since been obtained.

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 and MRB condominium units. The Company's consolidated net cash from operating activities were PhP1,195 million for the period ended March 31, 2018, and consolidated net cash used in operating activities were PhP179 million for the period ended March 31, 2017.

Cash flows used in investing activities

Consolidated net cash flow used in investing activities for the period ended March 31, 2018 were PhP 100 million, consolidated net cash provided by investing activities for the period ended arch 31, 2017 were PhP123 million.

For the three months ended March 31, 2018, consolidated net cash flow used in investing activities reflected acquisitions of land for future development, investment in shares, as well as purchases of property and equipment.

Cash flow provided by financing activities

Consolidated net cash flow used in financing activities for the period ended March 31, 2018 were PhP 2,045 million, and consolidated net cash flow provided by financing activities for the period ended March 31, 2017 were PhP166 million.

PART II--OTHER INFORMATION

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

SIGNATURES

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

Issuer: 8990 Holdings, Inc.

By:

Roan B. Torregoza

ROAN BUENAVENTURA-TORREGOZA
Chief Finance Officer

Date: