COVER SHEET

C	S	2	0	0	5	1	1	8	1	6

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)

Richard L. Haosen
Chief Finance Officer

Contact Person/s

(632) 4789659/5333915/5333917

Company Telephone Number

0	3		3	1
Month			Day	

Calendar Year

SEC Form 17-Q
March 31, 2015

FORM TYPE

0	7		2	8
Month			Day	

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders	Domestic	Foreign
27	24	3

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, 2015**

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**

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	
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited
ASSETS				
Current Assets				
Cash on hand and in banks (Note 4)	605,036,198	215,835,852	605,148,136	249,040,092
Current portion of trade and other receivables (Note 5)	1,087,116,225	542,755,736	947,623,417	537,057,908
Inventories (Note 6)	2,840,652,072	2,234,670,204	3,078,106,185	2,243,559,834
Available for sale securities (Note 7)	1,155,111,934	-	1,155,111,934	-
Due from related parties (Note 21)	335,517,220	805,855,149	133,418,914	517,490,590
Other current assets (Note 8)	741,156,567	383,230,135	572,834,495	342,105,863
Total Current Assets	6,764,590,216	4,182,347,076	6,492,243,081	3,889,254,287
Noncurrent Assets				
Trade and other receivables - net of current portion (Note 5)	14,788,848,270	11,107,319,539	13,477,108,808	9,473,832,351
Land held for future development (Note 9)	7,043,455,094	4,022,203,959	6,527,048,427	3,784,727,576
Property and equipment (Note 10)	232,677,091	228,528,187	227,132,351	208,870,467
Investment properties (Note 11)	295,112,984	138,417,518	296,316,181	141,928,584
Investment in shares	769,072,500	-	-	-
Other noncurrent assets (Note 8)	137,303,680	124,835,912	126,853,526	117,010,245
Total Noncurrent Assets	23,266,469,620	15,621,305,115	20,654,459,293	13,726,369,223
	30,031,059,836	19,803,652,191	27,146,702,374	17,615,623,510
LIABILITIES AND EQUITY				
Current Liabilities				
Current portion of trade and other payables (Note 12)	2,223,407,952	2,122,919,326	2,225,801,812	2,937,730,783
Current portion of loans payable (Note 13)	3,034,669,426	3,223,282,394	2,380,816,677	3,332,250,211
Deposits from customers (Note 14)	242,804,768	71,701,724	274,371,315	47,746,763
Due to related parties (Note 21)	920,421,005	44,714,603	369,019,267	172,808,746
Income tax payable	204,349,077	71,790,308	137,315,630	31,209,903
Total Current Liabilities	6,625,652,228	5,534,408,355	5,387,324,701	6,521,746,406
Noncurrent Liabilities				
Trade and other payables - net of current portion (Note 12)	13,397,534	2,566,534	18,288,452	263,089,121
Loans payable - net of current portion (Note 13)	8,160,145,830	6,404,052,985	6,453,061,864	3,980,588,104
Deferred tax liability	398,813,991	333,179,298	398,813,991	254,352,695
Total Noncurrent Liabilities	8,572,357,355	6,739,798,817	6,870,164,307	4,498,029,920
Total Liabilities	15,198,009,583	12,274,207,172	12,257,489,008	11,019,776,326
Equity				
Capital Stock (Note 15)	5,517,990,720	4,655,804,670	5,517,990,720	4,655,804,670
Additional paid-in capital	4,400,126,855	-	4,400,126,855	-
Remeasurement loss on pension plan	(3,559,308)	(1,432,534)	(3,559,308)	(1,432,534)
Retained earnings (Note 16)	4,918,491,986	2,875,072,883	4,974,655,099	1,941,475,048
Total Equity	14,833,050,253	7,529,445,019	14,889,213,366	6,595,847,184
	30,031,059,836	19,803,652,191	27,146,702,374	17,615,623,510

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		
	2015	2014	2014	2013	2012
	Unaudited	Unaudited	Audited	Audited	Audited
Revenue (Note 16)	2,002,126,525	1,943,272,694	7,792,513,227	5,433,079,394	3,877,637,189
Cost of Sales and Services (Note 17)	816,887,634	740,790,280	3,134,862,745	1,988,571,792	1,464,890,161
Gross Income	1,185,238,891	1,202,482,414	4,657,650,482	3,444,507,602	2,412,747,028
Operating Expenses (Note 18)	367,375,092	302,189,169	1,580,843,903	1,155,340,069	677,934,507
Net Operating Income	817,863,799	900,293,245	3,076,806,579	2,289,167,533	1,734,812,521
Finance Costs (Note 19)	(94,016,551)	(132,861,947)	(396,340,219)	(406,466,175)	(216,312,630)
Other Income (Note 20)	280,813,112	207,926,925	933,351,574	558,828,455	235,154,999
Income Before Income Tax	1,004,660,359	975,358,224	3,613,817,934	2,441,529,813	1,753,654,890
Provision for Income Tax	67,585,142	41,760,390	304,738,347	257,845,583	49,168,859
Net Income	937,075,217	933,597,834	3,309,079,587	2,183,684,230	1,704,486,031
Other Comprehensive Loss	-	-	(2,126,774)	(1,432,534)	-
Total Comprehensive Income	937,075,217	933,597,834	3,306,952,813	2,182,251,696	1,704,486,031

8990 HOLDINGS, INC. AND SUBSIDIARIES

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

	For three months ended March 31, 2015						
	Capital Stock	Subscribed Capital Stock	Additional Paid in Capital	Equity Reserve	Other Comprehensive Loss	Retained Earnings	Total
Balance at January 1, 2015	5,517,990,720	-	4,400,126,855	-	(3,559,308)	4,974,655,099	14,889,213,366
Cash dividends declared by the Parent Company	-	-	-	-	-	(993,238,330)	(993,238,330)
Total comprehensive income (loss)	-	-	-	-	-	937,075,217	937,075,217
Balance at March 31, 2015	5,517,990,720	-	4,400,126,855	-	(3,559,308)	4,918,491,986	14,833,050,253
Balance at January 1, 2014	4,655,804,670	-	-	-	(1,432,534)	1,941,475,048	6,595,847,184
Issuance of shares through follow-on offering	862,186,050	-	4,400,126,855	-	-	-	5,262,312,905
Cash dividends declared by the Parent Company	-	-	-	-	-	(275,899,536)	(275,899,536)
Total comprehensive income (loss)	-	-	-	-	(2,126,774)	3,309,079,587	3,306,952,813
Balance at December 31, 2014	5,517,990,720	-	4,400,126,855	-	(3,559,308)	4,974,655,099	14,889,213,366
Balance at January 1, 2013	221,866,669	-	190,748,328	3,024,273,168	-	511,126,856	3,948,015,021
Stock dividends issued by a subsidiary	-	-	-	420,000,000	-	(420,000,000)	-
Issuance of shares through Shares Swap	3,968,357,534	-	(190,748,328)	(3,444,273,168)	-	(333,336,038)	-
Issuance of shares by Parent Company	465,580,467	-	-	-	-	-	465,580,467
Total comprehensive income (loss)	-	-	-	-	(1,432,534)	2,183,684,230	2,182,251,696
Balance at December 31, 2013	4,655,804,670	-	-	-	(1,432,534)	1,941,475,048	6,595,847,184
Balance at January 1, 2012	181,866,669	25,000,000	129,948,328	306,935,003	-	624,290,825	1,268,040,825
Issuance of shares by Parent Company	40,000,000	(25,000,000)	60,800,000	(75,800,000)	-	-	-
Effect of acquisition of net assets of accounting acquiree (Parent Company)	-	-	-	(12,011,835)	-	-	(12,011,835)
Cash dividends declared by a subsidiary	-	-	-	-	-	(400,000,000)	(400,000,000)
Stock dividends issued by a subsidiary	-	-	-	1,417,650,000	-	(1,417,650,000)	-
Issuance of shares by a Subsidiary	-	-	-	1,387,500,000	-	-	1,387,500,000
Total comprehensive income (loss)	-	-	-	-	-	1,704,486,031	1,704,486,031
Balance at December 31, 2012	221,866,669	-	190,748,328	3,024,273,168	-	511,126,856	3,948,015,021

	For three months ended March 31, 2014						
	Capital Stock	Subscribed Capital Stock	Additional Paid in Capital	Equity Reserve	Other Comprehensive Loss	Retained Earnings	Total
Balance at January 1, 2014	4,655,804,670	-	-	-	(1,432,534)	1,941,475,048	6,595,847,185
Total comprehensive income (loss)	-	-	-	-	-	933,597,834	933,597,834
Balance at March 31, 2014	4,655,804,670	-	-	-	(1,432,534)	2,875,072,883	7,529,445,019

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		
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited	2012 Audited
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax	1,004,660,359	975,358,224	3,613,817,934	2,441,529,813	1,753,654,890
Adjustments for:					
Interest income	(280,832,638)	(199,446,637)	(901,811,810)	(533,181,127)	(227,218,396)
Finance cost	93,785,426	131,988,565	395,931,324	404,614,757	215,560,446
Write-off of assets	-	-	-	64,945,573	-
Provision for impairment losses	-	-	130,857,268	58,414,812	2,076,561
Provision for probable losses	-	-	77,282,541	26,340,946	10,680,718
Depreciation and amortization	8,215,281	9,233,671	36,629,536	22,566,268	15,138,560
Provision for inventory write-down	-	-	22,200,000	3,646,000	-
Loss (gain) on repossession	-	-	56,972,328	(1,122,087)	1,256,353
Gain on sale of building and improvements	-	-	(10,943,948)	-	-
Unrealized foreign exchange loss	-	-	2,879	-	-
Retirement Expense	-	-	1,387,016	442,531	444,200
Loss on sale of a subsidiary	-	-	-	-	11,165,026
Gain on sale of unquoted debt security classified as loans	-	-	-	-	(7,767,942)
Operating income before changes in working capital	825,828,429	917,133,823	3,422,325,068	2,488,197,486	1,774,990,416
Changes in operating assets and liabilities					
Decrease (increase) in:					
Trade and other receivables	(1,451,232,270)	(1,639,185,016)	(3,549,968,401)	(4,275,829,919)	(3,412,201,469)
Inventories	237,454,113	8,889,630	(1,409,098,313)	(69,059,536)	200,226,383
Other assets	(178,772,226)	(48,949,939)	(284,466,528)	(404,424,065)	(77,168,052)
Increase (decrease) in:					
Trade and other payables	(7,284,778)	(996,507,441)	(1,051,343,269)	177,998,680	17,715,084
Deposits from customers	(31,566,547)	23,954,961	226,624,552	(57,140,966)	(56,337,659)
Net cash used in operations	(605,573,279)	(1,734,663,982)	(2,645,926,891)	(2,140,258,320)	(1,552,775,297)
interest received	280,832,638	199,446,637	901,811,810	533,181,127	227,218,396
Interest paid	(93,785,426)	(131,988,565)	(385,211,596)	(364,210,661)	(174,133,174)
Income tax paid	(551,695)	(1,179,985)	(30,455,229)	(13,949,694)	(4,986,990)
Net cash used in operating activities	(419,077,762)	(1,668,385,895)	(2,159,781,906)	(1,985,237,548)	(1,504,677,065)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of:					
Land held for future development	(516,406,667)	(237,476,383)	(3,618,606,774)	(1,185,093,610)	(396,892,465)
Available-for-sale securities	-	-	(788,755,357)	-	-
Property and equipment	(12,557,747)	(25,380,324)	(63,785,065)	(81,948,759)	(37,494,702)
Investment in shares	(769,072,500)				
Proceeds from (Acquisition of) Investment properties	-	-	(80,210)	(2,201,516)	(6,293,155)
Proceeds from:					
Disposal of building and hotel improvments	-	-	350,381,830	-	-
Maturities/termination of long term investments	-	-	-	3,021,720	110,113,573
Sale of unquoted debt securities classified as loans	-	-	-	-	14,325,544
Disposal of property and equipment	922	-	-	-	-
Net cash outflow from disposal of investment in a subsidiary	-	-	-	-	(61,680,350)
Net cash inflow from acquisition of net assets of acquiree	-	-	-	-	100,000
Net cash used in investing activities	(1,298,035,993)	(262,856,707)	(4,120,845,576)	(1,266,222,165)	(377,821,555)
CASH FLOWS FROM FINANCING ACTIVITIES					
Availment (retirement) of loans payable	2,360,936,715	2,314,497,064	1,521,040,226	3,136,887,266	2,124,116,933
Issuance of shares by the Parent Company	-	-	5,262,312,905	465,580,467	-
Issuance of shares by subsidiaries	-	-	-	-	1,387,500,000
Decrease (increase) in the amount of due from related parties	(202,098,306)	(288,364,559)	(373,217,602)	(370,090,338)	393,750,716
Increase (decrease) in the amount of due to related parties	551,401,738	(128,094,143)	502,502,412	87,821,282	(1,693,270,423)
Payment of cash dividends	(993,238,330)	-	(275,899,536)	-	(400,000,000)
Net cash provided by financing activities	1,717,001,816	1,898,038,362	6,636,738,405	3,320,198,677	1,812,097,226
Effect of changes in foreign exchange rates on hand and in banks	-	-	(2,879)	-	-
Net increase (decrease) in cash on hand and in banks	(111,938)	(33,204,240)	356,108,044	68,738,964	(70,401,394)
Cash Balance at the beginning of the year	605,148,136	249,040,092	249,040,092	180,301,128	250,702,522
Cash Balance at the end of the year	605,036,198	215,835,852	605,148,136	249,040,092	180,301,128

8990 HOLDINGS, INC. (formerly IP Converge Data Center, 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, 2014.

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, 2014.

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.
Timeshare
This segment pertains to sale of non-proprietary timeshares 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	
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited
Cash on hand	1,008,925	733,425	3,318,393	689,925
Cash in banks	604,027,273	215,102,427	601,829,743	248,350,167
	605,036,198	215,835,852	605,148,136	249,040,092

5. **Trade and Other Receivables**

This account consists of:

	31-Mar		31-Dec	
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited
Trade Receivables				
Installment contract receivables	697,872,854	332,767,430	635,973,013	306,046,028
Others	27,091,102	15,865,281	12,527,462	3,895,790
Advances to external marketing managers	40,252,814	40,640,631	40,310,909	47,812,508
Retention Receivables	148,408,645	53,461,845	133,351,614	52,318,996
Receivables from employees	162,003,322	12,259,078	111,775,722	35,171,413
Other Receivables	138,860,862	90,556,577	141,058,071	94,608,279
	1,214,489,600	545,550,842	1,074,996,791	539,853,014
Less: Allowance for impairment losses	127,373,374	2,795,106	127,373,374	2,795,106
	1,087,116,225	542,755,736	947,623,417	537,057,908
Non current				
Trade Receivables				
Installment contract receivables	14,788,848,270	11,107,319,539	13,477,108,808	9,471,874,962
Retention Receivables	-	-	-	1,957,389
	14,788,848,270	11,107,319,539	13,477,108,808	9,473,832,351
	15,875,964,495	11,650,075,275	14,424,732,225	10,010,890,259

Ninety three percent (93%) of total receivables of the Company are on long-term basis. Current portion of installment contract receivables stands at PhP698 million which pertains to portion of receivables from buyers due within one (1) year.

6. **Inventories**

This account consists of:

	31-Mar		31-Dec	
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited
Real estate inventories				
Low-cost mass housing	2,687,072,661	1,763,822,189	2,935,975,193	1,735,597,099
Medium-rise condominium units	39,725,212	80,548,204	80,160,171	115,535,085
High-rise condominium units	113,854,198	-	61,970,821	-
	2,840,652,072	1,844,370,393	3,078,106,185	1,851,132,184
Timeshares	-	390,299,811	-	392,427,650
	2,840,652,072	2,234,670,204	3,078,106,185	2,243,559,834

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	
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited
Current				
Advances to contractors	718,145,489	332,917,339	565,281,388	295,972,057
Input tax	54,014,621	46,809,910	51,273,314	44,306,675
Advances to landowners	-	32,500,000	-	32,500,000
Creditable withholding tax	18,670,667	11,310,907	9,109,233	10,390,648
Prepaid expenses	5,505,487	4,816,274	2,347,706	4,604,870
Hotel inventories	-	3,964,014	-	3,419,922
Others	4,596	6,095,984	7,147	6,095,984
	796,340,860	438,414,428	628,018,788	397,290,156
Less: Allowance for impairment losses	55,184,293	55,184,293	55,184,293	55,184,293
	741,156,567	383,230,135	572,834,495	342,105,863
Non-current				
Deposits	106,309,762	97,109,864	95,859,608	89,284,197
AFS equity investment	23,745,500	23,745,500	23,745,500	23,745,500
Software cost	1,492,522	1,492,522	1,492,522	1,492,522
Others	8,267,870	5,000,000	8,267,870	5,000,000
	139,815,654	127,347,886	129,365,500	119,522,219
Less: Allowance for impairment losses	2,511,974	2,511,974	2,511,974	2,511,974
	137,303,680	124,835,912	126,853,526	117,010,245
	878,460,247	508,066,047	699,688,021	459,116,108

9. Land Held for Future Development

This account consists of:

	31-Mar		31-Dec	
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited
Balance at beginning of year	6,527,048,427	3,784,727,576	3,784,727,576	1,010,474,241
Land acquired during the year	516,406,667	237,476,383	3,618,606,775	3,062,009,922
Transfers/Reclassification	-	-	(854,085,924)	(284,110,587)
Provision for write down	-	-	(22,200,000)	(3,646,000)
Balance at end of year	**7,043,455,094**	**4,022,203,959**	**6,527,048,427**	**3,784,727,576**

10. Property and Equipment

This account consists of:

31-Mar-15
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	52,743,858	10,458,647	10,089,216	27,216,545	43,802,465	66,660,348	2,821,648	1,339,286	322,537,023
Additions	-	-	-	-	2,614,494	3,837,000	5,336,287	769,966	-	12,557,747
Transfers/Disposals	-	1,339,286	-	-	-	(5,958)	-	-	(1,339,286)	(5,958)
Balances at end of year	107,405,010	54,083,144	10,458,647	10,089,216	29,831,039	47,633,507	71,996,635	3,591,614	-	335,088,812
Accumulated Depreciation and Amortization										
Balances at beginning of year	-	11,937,783	5,513,742	7,940,969	15,019,184	9,272,259	39,393,912	47,823	-	89,125,672
Depreciation and Amortization	-	542,439	522,933	486,678	1,023,574	1,653,856	2,623,175	159,429	-	7,012,084
Transfers/Disposals	-	-	-	-	-	(5,035)	-	-	-	(5,035)
Balances at end of year	-	12,480,222	6,036,675	8,427,647	16,042,758	10,921,080	42,017,087	207,252	-	96,132,721
Accumulated Impairment Losses										
Balances at beginning of year	6,279,000	-	-	-	-	-	-	-	-	6,279,000
Provision for impairment loss	-	-	-	-	-	-	-	-	-	-
Balances at end of year	6,279,000	-	-	-	-	-	-	-	-	6,279,000
Net Book Value	**101,126,010**	**41,602,922**	**4,421,972**	**1,661,569**	**13,788,281**	**36,712,427**	**29,979,549**	**3,384,362**	**-**	**232,677,091**

31-Mar-14
Unaudited

	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Total
Cost									
Balances at beginning of year	107,405,010	52,716,704	10,458,647	7,112,051	21,254,001	13,116,335	58,526,501	1,176,127	271,765,376
Additions	-	-	29,310	3,109,425	2,234,389	20,007,200	-	-	25,380,324
Balances at end of year	107,405,010	52,716,704	10,487,957	10,221,476	23,488,390	33,123,535	58,526,501	1,176,127	297,145,700
Accumulated Depreciation and Amortization									
Balances at beginning of year	-	9,495,048	3,422,013	4,140,404	11,432,376	4,479,529	29,925,539	-	62,894,909
Depreciation and Amortization	-	796,588	29,994	326,653	968,311	1,088,844	2,512,215	-	5,722,604
Balances at end of year	-	10,291,636	3,452,007	4,467,057	12,400,687	5,568,373	32,437,754	-	68,617,513
Net Book Value	**107,405,010**	**42,425,068**	**7,035,951**	**5,754,419**	**11,087,703**	**27,555,162**	**26,088,747**	**1,176,127**	**228,528,187**

31-Dec-14
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	52,716,704	10,458,647	7,112,051	21,254,001	13,116,335	58,526,501	-	1,176,127	271,765,376
Additions	-	377,154	-	2,977,165	5,962,544	43,349,548	8,133,847	2,821,648	163,159	63,785,065
Disposals	-	(350,000)	-	-	-	(12,663,418)	-	-	-	
Balances at end of year	107,405,010	52,743,858	10,458,647	10,089,216	27,216,545	43,802,465	66,660,348	2,821,648	1,339,286	322,537,023
Accumulated Depreciation and Amortization										
Balances at beginning of year	-	9,495,048	3,422,013	4,140,404	11,432,376	4,479,529	29,925,539	-	-	62,894,909
Depreciation and Amortization	-	2,442,735	2,091,729	3,800,565	3,586,808	8,590,079	9,468,373	47,823	-	30,028,112
Disposal	-	-	-	-	-	(3,797,349)	-	-	-	(3,797,349)
Balances at end of year	-	11,937,783	5,513,742	7,940,969	15,019,184	9,272,259	39,393,912	47,823	-	89,125,672
Accumulated Impairment Losses										
Balances at beginning of year	-	-	-	-	-	-	-	-	-	-
Provision for impairment loss	6,279,000	-	-	-	-	-	-	-	-	6,279,000
Balances at end of year	6,279,000	-	-	-	-	-	-	-	-	6,279,000
Net Book Value	**101,126,010**	**40,806,075**	**4,944,905**	**2,148,247**	**12,197,361**	**34,530,206**	**27,266,436**	**2,773,825**	**1,339,286**	**227,132,351**

31-Dec-13
Audited

	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Total
Cost									
Balances at beginning of year	53,585,010	49,919,320	9,652,150	6,044,734	14,802,820	4,551,483	51,261,100	-	189,816,617
Additions	53,820,000	2,797,384	806,497	1,067,317	6,451,181	8,564,852	7,265,401	1,176,127	81,948,759
Balances at end of year	107,405,010	52,716,704	10,458,647	7,112,051	21,254,001	13,116,335	58,526,501	1,176,127	271,765,376
Accumulated Depreciation and Amortization									
Balances at beginning of year	-	7,005,824	1,371,608	1,620,682	8,811,354	2,824,811	21,332,361	-	42,966,640
Depreciation and Amortization	-	2,489,224	2,050,405	2,519,722	2,621,022	1,654,718	8,593,178	-	19,928,269
Balances at end of year	-	9,495,048	3,422,013	4,140,404	11,432,376	4,479,529	29,925,539	-	62,894,909
Net Book Value	**107,405,010**	**43,221,656**	**7,036,634**	**2,971,647**	**9,821,625**	**8,636,806**	**28,600,962**	**1,176,127**	**208,870,467**

11. Investment Properties

This account consists of:

	31-Mar-15 Unaudited				
	Land	Building	Land Improvements	Construction in Progress	Total
Cost					
Balances at beginning of year	215,377,426	8,604,750	89,372,001	-	313,354,177
Additions	-	-	-	-	-
Balances at end of year	215,377,426	8,604,750	89,372,001	-	313,354,177
Accumulated Depreciation and Amortization					
Balances at beginning of year	-	2,196,914	14,841,082	-	17,037,996
Depreciation and Amortization	-	86,048	1,117,149	-	1,203,197
Balances at end of year	-	2,282,962	15,958,231	-	18,241,193
Net Book Value	**215,377,426**	**6,321,789**	**73,413,770**	**-**	**295,112,984**

	31-Mar-14 Unaudited				
	Land	Building	Land Improvements	Construction in Progress	Total
Cost					
Balances at beginning of year	54,468,615	8,604,750	89,291,791	-	152,365,156
Additions	-	-	-	-	-
Balances at end of year	54,468,615	8,604,750	89,291,791	-	152,365,156
Accumulated Depreciation and Amortization					
Balances at beginning of year	-	1,766,676	8,669,896	-	10,436,572
Depreciation and Amortization	-	193,213	3,317,854	-	3,511,066
Balances at end of year	-	1,959,889	11,987,750	-	13,947,638
Net Book Value	**54,468,615**	**6,644,862**	**77,304,041**	**-**	**138,417,518**

	31-Dec-14 Audited				
	Land	Building	Land Improvements	Construction in Progress	Total
Cost					
Balances at beginning of year	54,468,615	8,604,750	89,291,791	-	152,365,156
Transfers/Reclassification	160,908,811	-	-	-	160,908,811
Additions	-	-	80,210	-	80,210
Balances at end of year	215,377,426	8,604,750	89,372,001	-	313,354,177
Accumulated Depreciation and Amortization					
Balances at beginning of year	-	1,766,676	8,669,896	-	10,436,572
Depreciation and Amortization	-	430,238	6,171,186	-	6,601,424
Balances at end of year	-	2,196,914	14,841,082	-	17,037,996
Net Book Value	**215,377,426**	**6,407,836**	**74,530,919**	**-**	**296,316,181**

	31-Dec-13 Audited				
	Land	Building	Land Improvements	Construction in Progress	Total
Cost					
Balances at beginning of year	54,468,615	8,604,750	89,291,791	-	152,365,156
Additions	-	-	-	-	-
Balances at end of year	54,468,615	8,604,750	89,291,791	-	152,365,156
Accumulated Depreciation and Amortization					
Balances at beginning of year	-	1,336,439	6,462,134	-	7,798,573
Depreciation and Amortization	-	430,237	2,207,762	-	2,637,999
Balances at end of year	-	1,766,676	8,669,896	-	10,436,572
Net Book Value	**54,468,615**	**6,838,074**	**80,621,895**	**-**	**141,928,584**

12. Trade and Other Payables

This account consists of:

	31-Mar		31-Dec	
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited
Current				
Trade and accounts payables	1,222,909,116	1,195,167,712	967,663,926	2,209,103,891
Accrued expenses	599,611,178	745,334,564	746,327,680	497,970,175
Retention payables	92,077,938	58,002,807	78,118,197	57,744,129
Withholding tax payables	67,152,058	33,116,362	29,894,775	21,875,280
Construction bonds	25,508,808	16,001,949	24,069,608	16,210,949
Net out put tax	83,042,769	-	79,041,811	6,661,147
Deferred Rent	8,928,572	-	8,928,572	-
Others	124,177,512	75,295,932	291,757,243	128,165,212
	2,223,407,952	2,122,919,326	2,225,801,812	2,937,730,783
Non-current				
Trade and accounts payables	-	1,134,000	-	259,389,316
Deferred Rent	6,324,404	-	7,440,475	3,360,955
Pension Liability	7,067,510	-	7,067,510	-
Retention payables	-	-	3,780,467	-
Others	5,620	1,432,534	-	338,850
	13,397,534	2,566,534	18,288,452	263,089,121
	2,236,805,486	2,125,485,860	2,244,090,264	3,200,819,904

13. Loans Payable

This account consists of:

	31-Mar		31-Dec	
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited
Short-term loans payable	3,034,669,426	3,223,282,394	2,380,816,677	3,332,250,211
Long-term loans payable	8,160,145,830	6,404,052,985	6,453,061,864	3,980,588,104
	11,194,815,256	9,627,335,379	8,833,878,541	7,312,838,315

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. For timehares, when the level of required payment is reached by a buyer, a sale is recognized.

15. Equity

This account consists of:

	31-Mar		31-Dec	
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 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 year	5,517,990,720	4,655,804,670	4,655,804,670	221,866,669
Issuance of shares	-	-	862,186,050	4,433,938,001
Issued and outstanding at end of year	5,517,990,720	4,655,804,670	5,517,990,720	4,655,804,670

16. Revenue

This account consists of:

	Three Months Ended March 31		Years Ended December 31		
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited	2012 Audited
Real estate					
Low-cost mass housing	1,651,205,749	1,677,306,144	6,740,826,880	4,666,488,875	3,702,823,087
Medium-rise condominium units	279,801,482	207,756,250	789,228,749	559,780,876	33,301,000
	1,931,007,231	1,885,062,394	7,530,055,629	5,226,269,751	3,736,124,087
Rental income	14,783,428	29,712	39,226,986	6,481,920	1,412,532
Others	37,036,449	27,354,710	38,924,774	70,498,659	45,580,609
	1,982,827,108	1,912,446,816	7,608,207,389	5,303,250,330	3,783,117,228
Timeshare and Hotel Operations					
Timeshare	-	8,447,034	78,663,869	46,077,321	52,878,961
Hotel Operations					
Rooms	19,299,417	14,781,672	74,138,696	56,091,567	26,743,829
Food and Beverages	-	7,597,172	31,503,273	27,660,176	14,897,171
	19,299,417	30,825,878	184,305,838	129,829,064	94,519,961
	2,002,126,525	1,943,272,694	7,792,513,227	5,433,079,394	3,877,637,189

17. Cost of Sales and Services

This account consists of:

	Three Months Ended March 31		Years Ended December 31		
	2015 Unadited	2014 Unaudited	2014 Audited	2013 Audited	2012 Audited
Real estate					
Low-cost mass housing	732,618,059	649,263,578	2,787,370,510	1,717,519,321	1,405,835,469
Medium-rise condominium units	70,750,704	71,168,867	265,189,452	197,320,474	12,822,403
	803,368,763	720,432,445	3,052,559,962	1,914,839,795	1,418,657,872
Cost of rental services	3,364,075	5,462	7,211,795	657,382	203,740
Cost of others	460,000	13,375,567	19,032,953	20,866,941	16,114,549
	807,192,838	733,813,474	3,078,804,710	1,936,364,118	1,434,976,161
Timeshare and Hotel Operations					
Timeshare	-	2,127,839	15,130,146	12,140,099	16,375,980
Hotel Operations					
Rooms	9,694,796	1,630,740	16,522,468	19,085,469	8,621,563
Food and Beverages	-	3,218,226	24,405,421	20,982,106	4,916,457
	9,694,796	6,976,806	56,058,035	52,207,674	29,914,000
	816,887,634	740,790,280	3,134,862,745	1,988,571,792	1,464,890,161

18. Operating Expenses

This account consists of:

	Three Months Ended March 31		Years Ended December 31		
	2014 Unaudited	2014 Unaudited	2014 Audited	2013 Audited	2012 Audited
Marketing and selling	127,138,093	129,693,410	542,426,043	307,015,371	197,402,838
Documentation	67,151,305	98,538,590	288,924,371	292,188,702	232,054,087
Taxes and licenses	88,199,960	19,679,427	117,708,870	102,911,135	38,605,092
Salaries and employee benefits	20,096,851	14,552,622	104,765,286	75,943,647	55,249,493
Write-off of assets	-	-	-	64,945,573	-
Provision for impairment losses	-	-	130,857,268	58,414,812	2,076,561
Management and professional fees	6,044,205	3,755,484	43,882,495	44,502,235	26,188,710
Communication, light and water	8,517,495	7,053,377	34,459,309	15,777,860	12,212,461
Provision for probable losses	-	-	77,282,541	26,340,946	10,680,718
Security, messengerial and janitorial	4,937,399	3,035,272	43,785,292	25,369,411	23,590,909
Depreciation and amortization	8,215,281	9,233,671	36,629,536	22,566,268	15,138,560
Transportation and travel	8,327,377	6,081,641	24,241,333	22,270,000	13,778,481
Repairs and maintenance	10,645,510	2,221,909	17,851,228	9,611,827	6,057,675
Entertainment, amusement and representatior	4,860,685	2,459,514	13,765,328	10,575,323	19,131,170
Rent	5,347,646	1,888,176	30,230,472	8,350,287	7,211,136
Supplies	1,598,406	1,521,998	8,679,627	7,750,140	4,604,354
Provision for write-down	-	-	22,200,000	3,646,000	-
Subscription dues and fees	1,705,230	813,699	2,283,923	876,704	789,447
Miscellaneous	4,589,649	1,660,379	40,870,981	56,283,828	13,162,815
	367,375,092	302,189,169	1,580,843,903	1,155,340,069	677,934,507

19. Finance Costs

This account consists of:

	Three Months Ended March 31		Years Ended December 31		
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited	2012 Audited
Borrowings	86,587,414	124,719,937	350,099,357	363,633,267	181,122,301
Accretion	7,198,012	7,268,628	45,639,202	40,918,456	34,410,141
Bank charges	231,125	873,382	408,895	1,851,418	752,184
Net interest expense on pension obligation	-	-	192,765	63,034	28,004
	94,016,551	132,861,947	396,340,219	406,466,175	216,312,630

20. Other Income

This account consists of:

	Three Months Ended March 31		Years Ended December 31		
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited	2012 Audited
Interest Income from:					
Installment contract receivables	280,454,999	199,428,244	900,894,912	531,811,849	218,340,111
Cash in banks and long term investments	377,639	18,393	916,898	1,369,278	8,878,285
Gain on sale of building	-		10,943,948		
Loss on sale of a subsidiary	-	-		-	(11,165,026)
Gain on sale of unquoted debt security classified as loans	-	43,323		-	7,767,942
Miscellaneous	(19,526)	8,436,966	20,595,816	25,647,328	11,333,687
	280,813,112	207,926,925	933,351,574	558,828,455	235,154,999

21. Related Party Transactions

This account consists of:

31-Mar-15
Unaudited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	335,517,220	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	920,421,005	Non-interest bearing, payable on demand	Unsecured

31-Mar-14
Unaudited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Stockholders	Advances	Due from related parties	222,390,884	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due from related parties	583,464,265	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	44,714,603	Non-interest bearing, payable on demand	Unsecured

2014
Audited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Stockholders	Advances	Due from related parties	4,522,399	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due from related parties	128,896,515	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	369,019,267	Non-interest bearing, payable on demand	Unsecured

		2013 Audited			
Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Stockholders	Advances	Due from related parties	205,790,884	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due from related parties	311,699,706	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	172,808,746	Non-interest bearing, payable on demand	Unsecured

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

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, 2015 and 2014, both unaudited.

Consolidated Balance Sheet	As of March 31, 2015 Unaudited	As of March 31, 2014 Unaudited	Increase Amount	%
Total Assets	30,031,059,836	19,803,652,191	10,227,407,645	51.64%
Current Assets	6,764,590,216	4,182,347,076	2,582,243,140	61.74%
Trade Receivables	15,875,964,495	11,650,075,275	4,225,889,220	36.27%
Total Liabilities	15,198,009,583	12,274,207,172	2,923,802,411	23.82%
Current Liabilities	6,625,652,228	5,534,408,355	1,091,243,873	19.72%
Loans Payable	11,194,815,256	9,627,335,379	1,567,479,877	16.28%
Stockholder's Equity	14,833,050,253	7,529,445,019	7,303,605,234	97.00%

Table below shows comparative consolidated statement of income financial highlights of 8990 Holdings, Inc. for three months ended March 31, 2015 and 2014, both unaudited.

Consolidated Statements of Income	As of March 31, 2015 Unaudited	As of March 31, 2014 Unaudited	Increase Amount	%
Revenue	2,002,126,525	1,943,272,694	58,853,832	3.03%
Gross Income	1,185,238,891	1,202,482,414	(17,243,523)	-1.43%
Operating Expenses	367,375,092	302,189,169	65,185,923	21.57%
Net Operating Income	817,863,799	900,293,245	(82,429,447)	-9.16%
EBITDA	1,106,892,192	1,117,453,841	(10,561,649)	-0.95%
Net Income Before Tax	1,004,660,359	975,358,224	29,302,135	3.00%
Net Income After Tax	937,075,217	933,597,834	3,477,383	0.37%

Tables below show quarter one 2015 key performance indicators of the Company, with relevant comparative figures.

Key Performance Indicators	As of March 31, 2015 Unaudited	As of March 31, 2014 Unaudited
Current Ratio	1.02	0.76
Book Value Per Share	2.69	1.62
Debt to Equity Ratio	0.75	1.28
Asset to Equity Ratio	2.02	2.63
Asset to Debt Ratio	1.98	1.61
Debt Service Ratio	4.18	1.58
Interest Coverage Ratio	12.69	8.89

Key Performance Indicators	As of March 31, 2015 Unaudited	As of March 31, 2014 Unaudited
Gross Margin	59.20%	61.88%
EBITDA Margin	55.29%	57.50%
Net Income Margin	46.80%	48.04%

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 comprise: [1] 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 and costs of sales from sales of timeshares; and [2] the Company's costs of services from its hotel operations (including room and food and beverage sales).

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, 2015 compared to three months ended March 31, 2014

Revenue

For the three months ended March 31, 2015, the Company recorded consolidated revenue of PhP2,002 million, an increase of 3.03% from consolidated revenue of PhP1,943 million recorded for the three months ended March 31, 2014. The increase was mainly attributable to increased sales in the Company's MRB segment. The Company's MRB segment generated PhP280 million in revenues for the three months ended March 31, 2015, a 34.68% increase from the PhP208 million in revenues from the MRB segment recorded for the three months ended March 31, 2014. The increase was mainly due to higher sales during the year as the Company sold more MRB units.

Cost of Sales and Services

The Company's consolidated cost of sales and services for the three months ended March 31, 2015 was PhP817 million, an increase of 10.27% from consolidated cost of sales and services of PhP741 million recorded for the three months ended March 31, 2014. The increase was mainly attributable to increases in costs of sales in the Company's low-cost mass housing segment, consistent with the sales growth of this segment. The Company's low-cost mass housing segment recorded PhP733 million in costs of sales for the three months ended March 31, 2015, an increase of 12.84% from the PhP649 million in costs of sales recorded for the three months ended March 31, 2014. The increase was mainly due to an increase in sales of housing units and subdivision lots.

Gross Income

The Company's consolidated gross income for the three months ended March 31, 2015 was PhP1,185 million, a slight decrease from consolidated gross income of PhP1,206 million recorded for the three months ended March 31, 2014. The Company's gross income margin for the three months ended March 31, 2015 was 59.20%, compared to a gross income margin of 61.88% recorded for the three months ended March 31, 2014. 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, 2015, the Company recorded consolidated operating expenses of PhP367 million, an increase of 21.57% from consolidated operating expenses of PhP302 million recorded for the three months ended March 31, 2014. The increase was mainly attributable to increases in taxes and licenses and repairs and maintenance.

Taxes and Licenses. The Company's consolidated expenses related to taxes and licenses were PhP88 million for the three months ended March 31, 2015, an increase from the PhP20 million consolidated taxes and licenses expenses recorded for the three months ended March 31, 2014. The increase was mainly due to one-time payment of relevant taxes for the sale of Baguio and Boracay buildings pertaining to the timeshare operations to ALRC.

Net Operating Income

The Company's consolidated net operating income for the three months ended March 31, 2015 was PhP818 million, a slight decrease from consolidated net operating income of PhP900 million recorded for the three months ended March 31, 2014. The Company's consolidated net operating margin was 40.85%, compared to a consolidated net operating margin of 46.33% for the three months ended March 31, 2014.

Finance Costs

The Company's consolidated finance costs for the three months ended March 31, 2015 were PhP94 million, a decrease of 29.24% from consolidated finance costs of PhP133 million recorded for the three months ended March 31, 2014. The decrease was mainly attributable to interest expense resulting from the Company's decreased short-term and long-term loans entered into during the year to support its operations.

Other Income

For the three months ended March 31, 2015, the Company recorded consolidated other income of PhP281 million, an increase of 35.05% from the consolidated other income of PhP208 million recorded for the three months ended March 31, 2014. The increase was mainly attributable to interest income on the Company's higher level of installment contract receivables under its CTS Gold program during the year, consistent with its higher sales volumes.

Income before Income Tax

The Company's consolidated income before income tax for the three months ended March 31, 2015 was PhP1,005 million, an increase of 3.00% from consolidated income before income tax of PhP975 million recorded for the three months ended March 31, 2014.

Provision for Income Tax

The Company's consolidated provision for income tax for the three months ended March 31, 2015 was PhP68 million, an increase from consolidated provision for income tax of PhP42 million recorded for the three months ended March 31, 2014. 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, 2015 was PhP937 million, a slight increase from consolidated net income of PhP934 million recorded for the three months ended March 31, 2014. The Company's consolidated net income margin for the three months ended March 31, 2015 was 46.80%, compared to a consolidated net income margin of 48.04% for the three months ended March 31, 2014.

Financial Position

As at March 31, 2015 compared to as at March 31, 2014

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were PhP605 million as at March 31, 2015, an increase of 180.32% from consolidated cash on hand and in banks of PhP216 million as at March 31, 2014.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were PhP1,087 million as at March 31, 2015, an increase from consolidated current portion of trade and other receivables of PhP543 million as at March 31, 2014.

Inventories

The Company's consolidated inventories were PhP2,841 million as at March 31, 2015, an increase from consolidated inventories of PhP2,235 million as at March 31, 2014.

Due from related parties

The Company's consolidated due from related parties were PhP336 million as at March 31, 2015, a decrease of 58.37% from consolidated due from related parties of PhP806 million as at March 31, 2014.

Other current assets

The Company's consolidated other current assets were PhP741 million as at March 31, 2015, a significant increase from consolidated other current assets of PhP383 million as at March 31, 2014, primarily due to increased advances to contractors in relation to construction on the Company's development projects.

Trade and other receivables – net of current portion

The Company's consolidated trade and other receivables-net of current portion were PhP14,789 million as at March 31, 2015, an increase of 33.15% from consolidated trade and other receivables - net of current portion of PhP11,107 million as at March 31, 2015. 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 PhP7,043 million as at March 31, 2015, an increase of 75.11% from consolidated land held for future development of PhP4,022 million as at March 31, 2014, as the Company acquired certain real properties as part of its land banking.

Property and equipment

The Company's consolidated property and equipment was PhP233 million as at March 31, 2015, an increase of 1.82% from consolidated property and equipment of PhP229 million as at March 31, 2014.

Investment properties

The Company's consolidated investment properties were PhP295 million as at March 31, 2015, a decrease of 113.20% from consolidated investment properties of PhP138 million as at March 31, 2014.

Investment in shares

The Company's consolidated investment in shares was PhP769 million as at March 31, 2015. This is attributed to 100% shares purchase of one company of the Company's subsidiary 8990 Housing Development Corporation.

Other noncurrent assets

The Company's other noncurrent assets were PhP137 million as at March 31, 2015, an increase of 9.99% from other noncurrent assets of PhP125 million as at March 31, 2014.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were PhP2,223 million as at March 31, 2015, an increase of 4.73% from consolidated current portion of trade and other payables of PhP2,123 million as at March 31, 2014.

Current portion of loans payable

The Company's consolidated current portion of loans payable were PhP3,035 million as at March 31, 2015, a decrease of 5.85% from consolidated current portion of loans payable of PhP3,223 million as at March 31, 2014. The decrease was due to decreased short-term borrowing of the Company.

Deposits from customers

The Company's consolidated deposits from customers were PhP242 million as at March 31, 2015, an increase of 238.63% from consolidated deposits from customers of PhP72 million as at March 31, 2014.

Due to related parties

The Company's consolidated due to related parties were PhP920 million as at March 31, 2015, an increase from consolidated due to related parties of PhP45 million as at March 31, 2014.

Income tax payable

The Company's consolidated income tax payable was PhP204 million as at March 31, 2015, an increase from consolidated income tax payable of PhP72 million as at March 31, 2014.

Trade and other payables - net of current portion

The Company's consolidated trade and other payables - net of current portion were PhP13 million as at March 31, 2015, an increase from consolidated trade and other payables - net of current portion of PhP3 million as at March 31, 2014.

Loans payable - net of current portion

The Company's consolidated loans payable - net of current portion was PhP8,160 million as at March 31, 2015, a 27.42% increase from consolidated loans payable - net of current portion of PhP6,404 million as at March 31, 2014. The Company entered into additional loan transactions during the quarter to fund purchase of land for future development.

Deferred tax liability

The Company's consolidated deferred tax liability was PhP399 million as at March 31, 2015, an increase from consolidated deferred tax liability of PhP333 million as at March 31, 2014. 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 used in 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 used in operating activities were PhP419 million and PhP1,668 million for the periods ended March 31, 2015 and March 31, 2014, respectively.

Cash flows used in investing activities

Consolidated net cash flow used in investing activities for the periods ended March 31, 2015 and March 31, 2014 were PhP1,298 million and PhP263 million, respectively.

For the three months ended March 31, 2015, 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 provided by financing activities for the periods ended March 31, 2015 and March 31, 2014 were PhP1,717 million and PhP1,898 million, respectively.

PART II--OTHER INFORMATION

On Timeshare Business

On April 23, 2015, Securities and Exchange Commission granted the Company's request, thru its *subsidiary, Fog Horn, Inc., for voluntary revocation of its Registration of Securities and Certificate of Permit to Sell Securities.* The Company was further granted relief from filing the reports required by the Securities Regulation Code, subject to the following conditions:

1. Upload in its website or publish in a national newspaper of general circulation the information regarding the revocation of FOG HORN, INC.'s Registration and Permit to Offer Securities for Sale to the Public and how the timeshare holders can exercise their option to remain as timeshare holders of FOG HORN, INC., or to migrate their shares to AZALEA LEISURE RESIDENCES CORPORATION, in exchange for its Preferred Shares, or how they can be refunded of their investment within ten (10) days from the receipt of notice from the Commission of the revocation of its Registration of Securities and Certificate of Permit to Sell Securities;
2. Submit to the Commission a Certification under oath that the said notice is uploaded in its website and indicating its web address or an Affidavit of Publication regarding the said notive within ten (10) days from the time the notice is uploaded or published; and
3. Submit to the Commission a Report on the efforts made by the Petitioner in notifying the timeshare holders of the options available to them and the status of the exercise of option of the timeshare holders after thirty (30) days but not later than forty-five (45) days from the time the notice is uploaded in its website or published in the newspaper;
4. Comply with the reporting requirements of the Commission under the Corporation Code.

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:

RICHARD L. HAOSEN
Chief Finance Officer/Treasurer

Date: