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SECURITIES AND EXCHANGE COMMISSION

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Company Information

SEC Registration No.	CS200511816
Company Name	8990 HOLDINGS, INC.
Industry Classification	Wholesale On A Free Or Contract Basis
Company Type	Stock Corporation

Document Information

Document ID	111132015000473
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COVER SHEET

CS200511816

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 9	3 0
Month	Day

Calendar Year

SEC Form 17-Q
September 30, 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
30	**27**	**3**

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

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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 **September 30, 2015 (Amended)**

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 [V] 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 [V] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days.
    Yes [V] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	30-Sep		31-Dec	
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited
ASSETS				
Current Assets				
Cash on hand and in banks (Note 4)	826,381,563	374,004,626	605,148,136	249,040,092
Current portion of trade and other receivables (Note 5)	1,289,437,429	1,074,509,745	947,623,417	537,057,908
Inventories (Note 6)	3,239,708,091	2,647,860,558	3,078,106,185	2,243,559,834
Available for sale securities (Note 7)	1,155,028,040	-	1,155,111,934	-
Due from related parties (Note 22)	283,107,463	220,902,601	133,418,914	517,490,590
Other current assets (Note 8)	1,098,868,866	1,129,572,120	572,834,495	342,105,863
Total Current Assets	7,892,531,452	5,446,849,650	6,492,243,081	3,889,254,287
Noncurrent Assets				
Trade and other receivables - net of current portion (Note	17,477,383,011	12,146,100,975	13,477,108,808	9,473,832,351
Land held for future development (Note 9)	8,402,064,704	4,817,993,586	6,527,048,427	3,784,727,576
Property and equipment (Note 10)	238,616,043	230,017,274	227,132,351	208,870,467
Investment properties (Note 11)	292,642,053	138,402,209	296,316,181	141,928,584
Investment in shares	-	2,379,083,131	-	-
Other noncurrent assets (Note 8)	155,154,355	90,397,244	126,853,526	117,010,245
Total Noncurrent Assets	26,565,860,166	19,801,994,419	20,654,459,293	13,726,369,223
	34,458,391,618	25,248,844,069	27,146,702,374	17,615,623,510
LIABILITIES AND EQUITY				
Current Liabilities				
Current portion of trade and other payables (Note 12)	2,713,139,209	1,934,798,202	2,225,801,812	2,937,730,783
Current portion of loans payable (Note 13)	1,317,725,012	1,769,393,688	2,380,816,677	3,332,250,211
Deposits from customers (Note 14)	257,939,002	209,843,694	274,371,315	47,746,763
Due to related parties (Note 22)	199,779,226	9,567,220	369,019,267	172,808,746
Income tax payable	180,470,656	246,500,171	137,315,630	31,209,903
Total Current Liabilities	4,669,053,105	4,170,102,975	5,387,324,701	6,521,746,406
Noncurrent Liabilities				
Trade and other payables - net of current portion (Note 12)	150,984,740	434,811,208	18,288,452	263,089,121
Loans payable - net of current portion (Note 13)	3,571,615,196	5,699,680,319	6,453,061,864	3,980,588,104
Bonds payable (Note 15)	8,881,608,700	-	-	-
Deferred tax liability	398,813,991	254,352,695	398,813,991	254,352,695
Total Noncurrent Liabilities	13,003,022,628	6,388,844,222	6,870,164,307	4,498,029,920
Total Liabilities	17,672,075,733	10,558,947,197	12,257,489,008	11,019,776,326
Equity				
Capital Stock (Note 16)	5,517,990,720	5,517,990,720	5,517,990,720	4,655,804,670
Additional paid-in capital	4,400,126,855	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	6,871,757,618	4,773,211,831	4,974,655,099	1,941,475,048
Total Equity	16,786,315,885	14,689,896,872	14,889,213,366	6,595,847,184
	34,458,391,618	25,248,844,069	27,146,702,374	17,615,623,510

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

	For nine months ended Sep 30		For three months ended Sep 30	
	2015 Unaudited	2014 Unaudited	3Q15 Unaudited	3Q14 Unaudited
Revenue (Note 17)	7,058,104,471	6,240,805,205	2,549,544,569	2,197,209,981
Cost of Sales and Services (Note 18)	3,014,980,027	2,524,514,725	1,180,351,410	939,362,316
Gross Income	4,043,124,444	3,716,290,479	1,369,193,159	1,257,847,665
Operating Expenses (Note 19)	1,115,797,146	1,018,427,000	377,682,878	317,565,496
Net Operating Income	2,927,327,298	2,697,863,479	991,510,281	940,282,169
Finance Costs (Note 20)	(402,873,159)	(311,951,367)	(183,962,952)	(89,204,949)
Other Income (Note 21)	916,805,194	679,766,068	320,055,955	258,695,180
Income Before Income Tax	3,441,259,333	3,065,678,181	1,127,603,283	1,109,772,400
Provision for Income Tax	275,018,947	233,941,398	88,624,629	86,553,445
Net Income	3,166,240,387	2,831,736,783	1,038,978,655	1,023,218,955
Other Comprehensive Loss	-	-		-
Total Comprehensive Income	3,166,240,387	2,831,736,783	1,038,978,655	1,023,218,955

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

	For nine months ended September 30, 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	-	(3,559,309)	4,974,655,098	14,889,213,365
Cash dividends declared by the Parent Company	-	-	-	-	-	(1,269,137,866)	(1,269,137,866)
Total comprehensive income (loss)	-	-	-	-	-	3,166,240,387	3,166,240,387
Balance at September 30, 2015	5,517,990,720	-	4,400,126,855	-	(3,559,309)	6,871,757,619	16,786,315,886
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)	-	-	-	-	(2,126,775)	3,309,079,586	3,306,952,812
Balance at December 31, 2014	5,517,990,720	-	4,400,126,855	-	(3,559,309)	4,974,655,098	14,889,213,365
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 nine months ended September 30, 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)	1,941,475,047	6,595,847,183
Issuance of shares through follow on offering	862,186,050	-	4,400,126,855	-	-	-	5,262,312,905
Total comprehensive income (loss)	-	-	-	-	-	2,831,736,783	2,831,736,783
Balance at September 30, 2014	5,517,990,720	-	4,400,126,855	-	(1,432,534)	4,773,211,830	14,689,896,872

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

	For nine months ended Sep 30		For years ended December 31	
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	3,441,259,333	3,065,678,181	3,613,817,934	2,441,529,813
Adjustments for:				
Interest income	(883,550,420)	(655,394,185)	(901,811,810)	(533,181,127)
Finance cost	402,308,280	311,626,713	395,931,324	404,614,757
Write-off of assets	-	-	-	64,945,573
Provision for impairment losses	-	-	130,857,268	58,414,812
Provision for probable losses	-	-	77,282,541	26,340,946
Depreciation and amortization	27,240,758	24,749,523	36,629,536	22,566,268
Provision for inventory write-down	-	-	22,200,000	3,646,000
Loss (gain) on repossession	-	-	56,972,328	(1,122,087)
Gain on sale of building and improvements	-	-	(10,943,948)	-
Unrealized foreign exchange loss	-	-	2,879	-
Retirement Expense	-	-	1,387,016	442,531
Operating income before changes in working capital	2,987,257,951	2,746,660,232	3,422,325,068	2,488,197,486
Changes in operating assets and liabilities				
Decrease (increase) in:				
Trade and other receivables	(4,342,088,215)	(3,209,720,461)	(3,549,968,401)	(4,275,829,919)
Inventories	(161,601,906)	(404,300,724)	(1,409,098,313)	(69,059,536)
Other assets	(554,335,200)	(760,853,255)	(284,466,528)	(404,424,065)
Increase (decrease) in:				
Trade and other payables	501,642,386	(831,210,493)	(1,051,343,269)	177,998,680
Deposits from customers	(16,432,313)	162,096,931	226,624,552	(57,140,966)
Net cash used in operations	(1,585,557,298)	(2,297,327,770)	(2,645,926,891)	(2,140,258,320)
Interest received	883,329,340	655,467,951	901,811,810	533,181,127
Interest paid	(402,308,280)	(311,626,713)	(385,211,596)	(364,210,661)
Income tax paid	(231,642,850)	(18,724,897)	(30,455,229)	(13,949,694)
Net cash used in operating activities	(1,336,179,089)	(1,972,211,429)	(2,159,781,906)	(1,985,237,548)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (Acquisitions) of:				
Land held for future development	(1,875,016,277)	(1,033,266,010)	(3,618,606,774)	(1,185,093,610)
Available-for-sale securities	83,894	-	(788,755,357)	-
Property and equipment	(35,061,307)	(42,289,745)	(63,785,065)	(81,948,759)
Investment in shares	-	(2,379,083,131)		
Proceeds from (Acquisition of) Investment properties	-	(80,210)	(80,210)	(2,201,516)
Proceeds from:				
Disposal of building and hotel improvements	-	-	350,381,830	-
Maturities/termination of long term investments	-	-	-	3,021,720
Disposal of property and equipment, and motor vehi	10,993	-	-	-
Net cash used in investing activities	(1,909,982,696)	(3,454,719,096)	(4,120,845,576)	(1,266,222,165)
CASH FLOWS FROM FINANCING ACTIVITIES				
Availment (retirement) of loans payable	(3,944,538,333)	156,235,692	1,521,040,226	3,136,887,266
Issuance of corporate bonds	9,000,000,000	-	-	-
Issuance of shares by the Parent Company	-	5,262,312,905	5,262,312,905	465,580,467
Decrease (increase) in the amount of due from related part	(149,688,549)	296,587,989	(373,217,602)	(370,090,338)
Increase (decrease) in the amount of due to related parties	(169,240,041)	(163,241,526)	502,502,412	87,821,282
Payment of cash dividends	(1,269,137,866)	-	(275,899,536)	-
Net cash provided by financing activities	3,467,395,212	5,551,895,060	6,636,738,405	3,320,198,677
Effect of changes in foreign exchange rates on hand and in I	-	-	(2,879)	-
Net increase (decrease) in cash on hand and in banks	221,233,427	124,964,535	356,108,044	68,738,964
Cash Balance at the beginning of the year	605,148,136	249,040,092	249,040,092	180,301,128
Cash Balance at the end of the year	826,381,563	374,004,627	605,148,136	249,040,092

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, 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.

Preferred Shares
This segment pertains to secondary sale of Azalea Leisure Residences Corporation (ALRC) shares wherein the owner has a perpetual right to occupy one unit of ALRC's vacation hotel for one night per share.

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 preferred shares it purchased from Azalea Leisure Residences Corporation. Ownership of the share entitles the owner to use one-room night per year per share.

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:

	30-Sep		31-Dec	
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited
Cash on hand	1,279,598	1,093,208	3,318,393	689,925
Cash in banks	825,101,965	372,911,418	601,829,743	248,350,167
	826,381,563	374,004,626	605,148,136	249,040,092

5. Trade and Other Receivables

This account consists of:

	30-Sep		31-Dec	
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited
Trade Receivables				
Installment contract receivables	824,742,465	723,781,851	635,973,013	306,046,028
Others	18,186,386	32,120,165	12,527,462	3,895,790
Advances to external marketing manager	40,124,471	89,529,642	40,310,909	47,812,508
Retention Receivables	183,582,092	113,091,115	133,351,614	52,318,996
Receivables from employees	229,842,860	15,217,297	111,775,722	35,171,413
Other Receivables	120,332,530	103,564,781	141,058,071	94,608,279
	1,416,810,804	1,077,304,851	1,074,996,791	539,853,014
Less: Allowance for impairment losses	127,373,374	2,795,106	127,373,374	2,795,106
	1,289,437,429	1,074,509,745	947,623,417	537,057,908
Non current				
Trade Receivables				
Installment contract receivables	17,477,383,011	12,146,100,975	13,477,108,808	9,471,874,962
Retention Receivables	-	-	-	1,957,389
	17,477,383,011	12,146,100,975	13,477,108,808	9,473,832,351
	18,766,820,440	13,220,610,720	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 PhP765 million which pertains to portion of receivables from buyers due within one (1) year.

6. Inventories

This account consists of:

	30-Sep		31-Dec	
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited
Real estate inventories				
Low-cost mass housing	2,607,670,269	1,989,359,599	2,935,975,193	1,735,597,099
Medium-rise condominium unit	455,959,481	105,951,585	80,160,171	115,535,085
High-rise condominium units	176,078,341	-	61,970,821	-
	3,239,708,091	2,095,311,184	3,078,106,185	1,851,132,184
Timeshares	-	552,549,374	-	392,427,650
	3,239,708,091	2,647,860,558	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:

	30-Sep		31-Dec	
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited
Current				
Advances to contractors	1,069,664,642	1,028,913,217	565,281,388	295,972,057
Input tax	63,745,353	64,561,370	51,273,314	44,306,675
Advances to landowners	-	32,500,000	-	32,500,000
Creditable withholding tax	17,917,399	30,310,150	9,109,233	10,390,648
Prepaid expenses	2,721,169	5,069,139	2,347,706	4,604,870
Hotel inventories	-	15,368,937	-	3,419,922
Others	4,596	8,033,599	7,147	6,095,984
	1,154,053,159	1,184,756,413	628,018,788	397,290,156
Less: Allowance for impairment losses	55,184,293	55,184,293	55,184,293	55,184,293
	1,098,868,866	1,129,572,120	572,834,495	342,105,863
Non-current				
Deposits	124,160,437	91,015,243	95,859,608	89,284,197
AFS equity investment	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	401,453	8,267,870	5,000,000
	157,666,329	92,909,218	129,365,500	119,522,219
Less: Allowance for impairment losses	2,511,974	2,511,974	2,511,974	2,511,974
	155,154,355	90,397,244	126,853,526	117,010,245
	1,254,023,221	1,219,969,363	699,688,021	459,116,108

9. **Land Held for Future Development**

This account consists of:

	30-Sep		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	2,601,561,687	1,033,266,010	3,618,606,775	3,062,009,922
Transfers/Reclassification	(726,545,410)	-	(854,085,924)	(284,110,587)
Provision for write down	-	-	(22,200,000)	(3,646,000)
Balance at end of year	8,402,064,704	4,817,993,586	6,527,048,427	3,784,727,576

10. Property and Equipment

This account consists of:

30-Sep-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	-	110,714	-	504,647	10,406,907	5,633,040	9,763,595	5,266,442	3,375,963	35,061,307
Transfers/Disposals	-	1,339,286	-	-	-	(5,958)	(500,000)	-	(1,339,286)	(505,958)
Balances, ending	107,405,010	54,193,858	10,458,647	10,593,863	37,623,452	49,429,547	75,923,943	8,088,090	3,375,963	357,092,371
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	-	3,119,969	1,434,047	576,596	3,312,061	6,674,476	7,801,513	647,968	-	23,566,630
Transfers/Disposals		-	-	-	-	(5,035)	(489,938)	-	-	(494,973)
Balances, ending	-	15,057,752	6,947,789	8,517,565	18,331,245	15,941,700	46,705,487	695,791	-	112,197,329
Accumulated Impairment Losses										
Balances at beginning of year	6,279,000	-	-	-	-	-	-	-	-	6,279,000
Provision for impairment loss	-	-	-	-	-	-	-	-	-	-
Balances, ending	6,279,000	-	-	-	-	-	-	-	-	6,279,000
Net Book Value	**101,126,010**	**39,136,105**	**3,510,858**	**2,076,298**	**19,292,207**	**33,487,847**	**29,218,456**	**7,392,299**	**3,375,963**	**238,616,043**

30-Sep-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	-	354,963	-	2,984,385	3,572,752	29,591,847	5,785,797		42,289,745
Balances at end of year	107,405,010	53,071,667	10,458,647	10,096,436	24,826,753	42,708,182	64,312,298	1,176,127	314,055,121
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	-	1,581,617	1,568,797	2,395,075	2,655,179	5,916,802	7,025,467		21,142,938
Balances at end of year	-	11,076,665	4,990,810	6,535,479	14,087,555	10,396,331	36,951,006	-	84,037,847
Net Book Value	**107,405,010**	**41,995,002**	**5,467,837**	**3,560,957**	**10,739,198**	**32,311,850**	**27,361,292**	**1,176,127**	**230,017,274**

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, ending	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, ending	-	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, ending	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, ending	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, ending	-	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:

30-Sep-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		322,678	3,351,450		3,674,128
Balances at end of year	-	2,519,592	18,192,532	-	20,712,124
Net Book Value	**215,377,426**	**6,085,158**	**71,179,469**	**-**	**292,642,053**

30-Sep-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	-	-	80,210	-	80,210
Balances at end of year	54,468,615	8,604,750	89,372,001	-	152,445,366
Accumulated Depreciation and Amortization					
Balances at beginning of year	-	1,766,676	8,669,896	-	10,436,572
Depreciation and Amortization		258,143	3,348,442		3,606,585
Balances at end of year	-	2,024,819	12,018,338	-	14,043,157
Net Book Value	**54,468,615**	**6,579,932**	**77,353,663**	**-**	**138,402,209**

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:

	30-Sep		31-Dec	
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited
Current				
Trade and accounts payables	939,720,108	802,730,859	967,663,926	2,209,103,891
Accrued expenses	660,559,549	811,456,811	746,327,680	497,970,175
Interest Payable	115,348,677.62	-	-	-
Retention payables	166,115,624	82,658,061	78,118,197	57,744,129
Withholding tax payables	45,591,161	49,157,141	29,894,775	21,875,280
Construction bonds	29,123,455	22,935,126	24,069,608	16,210,949
Net output tax	31,832,162	6,661,147	79,041,811	6,661,147
Deferred Rent	8,928,572		8,928,572	-
Others	715,919,900	159,199,057	291,757,243	128,165,212
	2,713,139,209	1,934,798,202	2,225,801,812	2,937,730,783
Non-current				
Trade and accounts payables	-	431,450,253	-	259,389,316
Deferred Rent	4,092,261	-	7,440,475	3,360,955
Pension Liability	7,067,510	-	7,067,510	-
Retention payables	-	-	3,780,467	-
Others	139,824,970	3,360,955	-	338,850
	150,984,740	434,811,208	18,288,452	263,089,121
	2,864,123,949	2,369,609,411	2,244,090,264	3,200,819,904

13. Loans Payable

This account consists of:

	30-Sep		31-Dec	
	2015 Unaudited	2014 Unaudited	2014 Audited	2013 Audited
Short-term loans payable	1,317,725,012	1,769,393,688	2,380,816,677	3,332,250,211
Long-term loans payable	3,571,615,196	5,699,680,319	6,453,061,864	3,980,588,104
	4,889,340,208	7,469,074,007	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.

15. **Bonds Payable**

On February 17, 2015, the Board of Directors of the Parent Company approved and authorized the management to offer, sell and issue by way of public offering in the Philippines, unsecured fixed-rate peso retail bonds, with an aggregate principal amount of upto PhP5 billion with an overallotment option of PhP4 billion, to be comprised of five, seven, and/or ten year fixed rate bonds due in 2020, 2022 and 2055, respectively.

Relative to this, on July 16, 2015, the Parent Company issued PhP9 billion fixed rate bond. The said bond issue has three tranches namely: (1) Series A – with fixed interest rate of 6.2080% and term of five years and three months; (2) Series B – with fixed interest rate of 6.1310% and term of seven years; and (3) Series C- with fixed interest rate of 6.8666% and term of ten years.

The bonds payable as of September 30, 2015 is net of amortized transaction costs amounting to PhP118.39 million.

16. **Equity**

This account consists of:

	30-Sep		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	862,186,050	4,433,938,001
Issued and outstanding at end of year	5,517,990,720	5,517,990,720	5,517,990,720	4,655,804,670

17. **Revenue**

This account consists of:

	Nine Months Ended Sep 30		Three Months Ended Sep 30	
	2015 Unaudited	2014 Unaudited	2015 Unaudited	2014 Unaudited
Real estate				
Low-cost mass housing	5,852,253,947	5,510,768,483	1,974,754,012	2,012,067,068
Medium-rise condominium	1,087,449,675	652,249,449	570,553,439	192,462,300
	6,939,703,622	6,163,017,931	2,545,307,451	2,204,529,368
Rental income	30,662,618	12,893,600	2,710,520	75,002
Others	274,242	(100,598,241)	(24,538,055)	(35,641,217)
	6,970,640,481	6,075,313,290	2,523,479,916	2,168,963,153
Timeshare and Hotel Operations				
Timeshare	-	95,072,313	-	9,470,265
Hotel Operations				-
Rooms	67,633,640	50,206,215	24,179,111	12,619,549
Food and Beverages	19,830,349	20,213,387	1,887,535	6,157,014
	87,463,989	165,491,915	26,066,646	28,246,828
	7,058,104,471	6,240,805,205	2,549,546,562	2,197,209,981

18. Cost of Sales and Services

This account consists of:

	Nine Months Ended Sep 30		Three Months Ended Sep 30	
	2015	2014	2015	2014
	Unadited	Unaudited	Unadited	Unaudited
Real estate				
Low-cost mass housing	2,580,384,207	2,263,979,762	963,055,134	865,854,780
Medium-rise condominium units	361,011,225	217,548,936	181,746,527	62,964,046
	2,941,395,432	2,481,528,698	1,144,801,660	928,818,827
Cost of rental services	6,436,735	2,370,460	745,882	
Cost of others	535,000	-	-	
	2,948,367,167	2,483,899,158	1,145,547,542	928,818,827
Timeshare and Hotel Operations				
Timeshare	-	19,925,044	-	1,980,128
Hotel Operations				
Rooms	47,950,213	11,720,628	29,201,920	6,136,053
Food and Beverages	18,662,647	8,969,895	5,601,948	2,427,309
	66,612,860	40,615,567	34,803,868	10,543,490
	3,014,980,027	2,524,514,725	1,180,351,410	939,362,316

19. Operating Expenses

This account consists of:

	Nine Months Ended Sep 30		Three Months Ended Sep 30	
	2015	2014	2015	2014
	Unaudited	Unaudited	Unaudited	Unaudited
Marketing and selling	459,515,571	419,450,804	182,961,738	156,899,438
Documentation	213,789,751	222,236,803	71,533,180	58,424,689
Taxes and licenses	152,992,462	76,143,660	32,769,964	13,615,878
Salaries and employee benefits	68,813,612	74,818,811	22,994,268	22,293,735
Write-off of assets	-	-	-	-
Provision for impairment losses	-	-	-	-
Management and professional fees	20,486,719	27,498,248	6,061,213	(5,664,463)
Communication, light and water	30,321,899	36,516,115	9,499,122	12,423,053
Provision for probable losses	-	-	-	-
Security, messengerial and janitorial	19,365,126	39,148,216	7,462,683	12,990,715
Depreciation and amortization	27,240,758	24,749,523	9,183,327	8,645,169
Transportation and travel	31,719,943	23,036,219	7,438,452	6,303,502
Repairs and maintenance	36,505,753	19,943,917	15,319,527	9,981,961
Entertainment, amusement and representatic	13,550,445	18,387,177	(1,314,653)	15,647,469
Rent	12,471,035	14,895,729	2,644,327	2,912,138
Supplies	6,462,928	6,411,368	2,387,344	1,507,331
Provision for write-down		-	-	-
Subscription dues and fees	6,747,008	3,800,691	1,635,973	816,223
Miscellaneous	15,814,136	11,389,721	7,106,412	768,659
	1,115,797,146	1,018,427,000	377,682,878	317,565,496

20. Finance Costs

This account consists of:

	Nine Months Ended Sep 30		Three Months Ended Sep 30	
	2015	2014	2015	2014
	Unaudited	Unaudited	Unaudited	Unaudited
Borrowings	261,678,507	289,820,829	57,498,342	81,881,040
Accretion	21,594,036	21,805,884	7,198,012	7,268,628
Bonds	119,035,738	-	139,968,152	-
Bank charges	564,878	324,653	233,360	55,281
Net interest expense on pension obligation	-	-	-	-
	402,873,159	311,951,367	204,897,866	89,204,949

21. Other Income

This account consists of:

	Nine Months Ended Sep 30		Three Months Ended Sep 30	
	2015	2014	2015	2014
	Unaudited	Unaudited	Unaudited	Unaudited
Interest Income from:				
Installment contract receivables	882,223,924	655,076,476	307,336,804	249,234,735
Cash in banks and long term investments	1,105,415	391,475	374,744	180,641
Gain on sale of building/equipment	449,476	-	160,220	-
Miscellaneous	33,026,378	24,298,117	12,184,186	9,279,804
	916,805,194	679,766,068	320,055,955	258,695,180

22. Related Party Transactions

This account consists of:

30-Sep-15
Unaudited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	283,107,463	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	199,779,226	Non-interest bearing, payable on demand	Unsecured

30-Sep-14
Unaudited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Stockholders	Advances	Due from related parties	-	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due from related parties	220,902,601	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	9,567,220	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

Financial Highlights and Key Performance Indicators

Table below shows comparative consolidated balance sheet financial highlights of 8990 Holdings, Inc. for nine months ended September 30, 2015 and 2014, both unaudited.

Consolidated Balance Sheet	As of September 30, 2015 Unaudited	As of September 30, 2014 Unaudited	Increase Amount	%
Total Assets	34,458,391,618	25,248,844,069	9,209,547,549	36.48%
Current Assets	7,892,531,452	5,446,849,650	2,445,681,803	44.90%
Trade Receivables	18,766,820,440	13,220,610,720	5,546,209,720	41.95%
Total Liabilities	17,672,075,733	10,558,947,197	7,113,128,536	67.37%
Current Liabilities	4,669,053,105	4,170,102,975	498,950,130	11.96%
Loans Payable	4,889,340,208	7,469,074,007	(2,579,733,799)	-34.54%
Stockholder's Equity	16,786,315,885	14,689,896,872	2,096,419,013	14.27%

Table below shows comparative consolidated statement of income financial highlights of 8990 Holdings, Inc. for nine months ended September 30, 2015 and 2014, both unaudited.

Consolidated Statements of Income	As of September 30, 2015 Unaudited	As of September 30, 2014 Unaudited	Increase Amount	%
Revenue	7,058,104,471	6,240,805,205	817,299,266	13.10%
Gross Income	4,043,124,444	3,716,290,479	326,833,964	8.79%
Operating Expenses	1,115,797,146	1,018,427,000	97,370,146	9.56%
Net Operating Income	2,927,327,298	2,697,863,479	229,463,819	8.51%
EBITDA	3,871,373,250	3,402,379,070	468,994,179	13.78%
Net Income Before Tax	3,441,259,333	3,065,678,181	375,581,153	12.25%
Net Income After Tax	3,166,240,387	2,831,736,783	334,503,604	11.81%

Tables below show key performance indicators of the Company as of September 30, 2015, with relevant comparative figures.

Key Performance Indicators	As of September 30, 2015 Unaudited	As of September 30, 2014 Unaudited
Current Ratio	1.69	1.31
Book Value Per Share	3.04	2.66
Debt to Equity Ratio	1.05	0.72
Asset to Equity Ratio	2.05	1.72
Asset to Debt Ratio	1.95	2.39
Interest Coverage Ratio	14.69	11.65

Key Performance Indicators	As of September 30, 2015 Unaudited	As of September 30, 2014 Unaudited
Gross Margin	57.28%	59.55%
EBITDA Margin	54.85%	54.52%
Net Income Margin	44.86%	45.37%
Earnings per share	0.57	0.51

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 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, and costs of sales from sales of medium-rise condominium units; 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.

<u>Results of Operations</u>

Nine months ended September 30, 2015 compared to nine months ended September 30, 2014

Revenue

For the nine months ended September 30, 2015, the Company recorded consolidated revenue of PhP7,058 million, an increase of 13.1% from consolidated revenue of PhP6,241 million recorded for the nine months ended September 30, 2014. The increase was mainly attributable to increased sales in the Company's low-cost mass housing segment. The Company's low-cost mass housing segment generated PhP5,852 million in revenues for the nine months ended September 30, 2015, a 6.2% increase from the PhP5,511 million in revenues from the low-cost mass housing segment recorded for the nine months ended September 30, 2014. The increase was mainly due to higher sales during the year as the Company sold more low-cost mass housing units.

Cost of Sales and Services

The Company's consolidated cost of sales and services for the nine months ended September 30, 2015 was PhP3,015 million, an increase of 19.4% from consolidated cost of sales and services of PhP2,525 million recorded for the nine months ended September 30, 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 PhP2,580 million in costs of sales for the nine months ended September 30, 2015, an increase of 14.0% from the PhP2,264 million in costs of sales recorded for the nine months ended September 30, 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 nine months ended September 30, 2015 was PhP4,043 million, an increase from consolidated gross income of PhP3,716 million recorded for the nine months ended September 30, 2014. The Company's gross income margin for the nine months ended September 30, 2015 was 57.3%, compared to a gross income margin of 59.5% recorded for the nine months ended September 30, 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 nine months ended September 30, 2015, the Company recorded consolidated operating expenses of PhP1,116 million, an increase of 9.6% from consolidated operating expenses of PhP1,018 million recorded for the nine months ended September 30, 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 PhP153 million for the nine months ended September 30, 2015, an increase from the PhP76 million consolidated taxes and licenses expenses recorded for the nine months ended September 30, 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 nine months ended September 30, 2015 was PhP1,936 million, an increase from consolidated net operating income of PhP2,927 million recorded for the nine months ended September 30, 2014. The Company's consolidated net operating margin was 41.5%, compared to a consolidated net operating margin of 43.2% for the nine months ended September 30, 2014.

Finance Costs

The Company's consolidated finance costs for the nine months ended September 30, 2015 were PhP403 million, an increase of 29.2% from consolidated finance costs of PhP312 million recorded for the nine months ended September 30, 2014. The increase was mainly attributable to interest expense resulting from the Company's PhP9 billion fixed bond issuance in July 2015.

Other Income

For the nine months ended September 30, 2015, the Company recorded consolidated other income of PhP917 million, an increase of 34.9% from the consolidated other income of PhP680 million recorded for the nine months ended September 30, 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 nine months ended September 30, 2015 was PhP3,441 million, an increase of 12.3% from consolidated income before income tax of PhP3,066 million recorded for the nine months ended September 30, 2014.

Provision for Income Tax

The Company's consolidated provision for income tax for the nine months ended September 30, 2015 was PhP275 million, an increase from consolidated provision for income tax of PhP234 million recorded for the nine months ended September 30, 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 nine months ended September 30, 2015 was PhP3,166 million, a 11.8% increase from consolidated net income of PhP2,832 million recorded for the nine months ended September 30, 2014. The Company's consolidated net income margin for the nine months ended September 30, 2015 was 44.9%, compared to a consolidated net income margin of 45.4% for the nine months ended September 30, 2014.

<u>Financial Position</u>
As at September 30, 2015 compared to as at September 30, 2014

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were PhP826 million as at September 30, 2015, an increase of 121.0% from consolidated cash on hand and in banks of PhP374 million as at September 30, 2014.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were PhP1,289 million as at September 30, 2015, an increase from consolidated current portion of trade and other receivables of PhP1,075 million as at September 30, 2014.

Inventories

The Company's consolidated inventories were PhP3,240 million as at September 30, 2015, an increase from consolidated inventories of PhP2,648 million as at September 30, 2014.

Due from related parties

The Company's consolidated due from related parties were PhP283 million as at September 30, 2015, an increase from consolidated due from related parties of PhP221 million as at September 30, 2014.

Other current assets

The Company's consolidated other current assets were PhP1,099 million as at September 30, 2015, a decrease from consolidated other current assets of PhP1,130 million as at September 30, 2014, 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 PhP17,477 million as at September 30, 2015, an increase of 43.9% from consolidated trade and other receivables - net of current portion of PhP12,146 million as at September 30, 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 PhP8,402 million as at September 30, 2015, an increase of 74.4% from consolidated land held for future development of PhP4,818 million as at September 30, 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 PhP239 million as at September 30, 2015, a slight increase from consolidated property and equipment of PhP230 million as at September 30, 2014.

Investment properties

The Company's consolidated investment properties were PhP293 million as at September 30, 2015, a decrease of 111.4% from consolidated investment properties of PhP138 million as at September 30, 2014.

Investment in shares

The Company's consolidated investment in shares was nil as at September 30, 2015. The September 30, 2014 consolidated investment in shares of PhP2,379 million 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 PhP155 million as at September 30, 2015, an increase of 71.6% from other noncurrent assets of PhP90 million as at September 30, 2014.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were PhP2,713 million as at September 30, 2015, an increase of 40.2% from consolidated current portion of trade and other payables of PhP1,935 million as at September 30, 2014.

Current portion of loans payable

The Company's consolidated current portion of loans payable were PhP1,318 million as at September 30, 2015, a decrease of 25.5% from consolidated current portion of loans payable of PhP1,769 million as at September 30, 2014. The increase was due to increased short-term borrowing of the Company.

Deposits from customers

The Company's consolidated deposits from customers were PhP258 million as at September 30, 2015, an increase of 22.9% from consolidated deposits from customers of PhP210 million as at September 30, 2014.

Due to related parties

The Company's consolidated due to related parties were PhP200 million as at September 30, 2015, an increase from consolidated due to related parties of PhP10 million as at September 30, 2014.

Income tax payable

The Company's consolidated income tax payable was PhP180 million as at September 30, 2015, a decrease from consolidated income tax payable of PhP247 million as at September 30, 2014.

Trade and other payables - net of current portion

The Company's consolidated trade and other payables - net of current portion were PhP151 million as at September 30, 2015, an increase from consolidated trade and other payables - net of current portion of PhP435 million as at September 30, 2014.

Loans payable - net of current portion

The Company's consolidated loans payable - net of current portion was PhP3,572 million as at September 30, 2015, a 37.3% decrease from consolidated loans payable - net of current portion of PhP5,700 million as at September 30, 2014. The Company entered into additional loan transactions during the quarter to fund purchase of land for future development.

Bonds payable

The Company's consolidated bonds payable was PhP8,882 million as at September 30, 2015, an increase from consolidated bonds payable of nil as at September 30, 2014. The Company issued fixed rate bond in July 2015.

Deferred tax liability

The Company's consolidated deferred tax liability was PhP399 million as at September 30, 2015, an increase from consolidated deferred tax liability of PhP254 million as at September 30, 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 PhP1,218 million and PhP1,972 million for the periods ended September 30, 2015 and September 30, 2014, respectively.

Cash flows used in investing activities

Consolidated net cash flow used in investing activities for the periods ended September 30, 2015 and September 30, 2014 were PhP1,910 million and PhP3,455 million, respectively.

For the nine months ended September 30, 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 September 30, 2015 and September 30, 2014 were PhP3,467 million and PhP5,552 million, respectively.

PART II--OTHER INFORMATION

On Secondary Sale of Preferred Shares Business

On May 25, 2015, Securities and Exchange Commission approved the sale of Azalea Leisure Residences Corp. (ALRC) preferred shares bought by subsidiary, Fog Horn, Inc., to the secondary market thru the approval of the Registration Statement of ALRC, wherein FHI was represented as the Selling Shareholder. ALRC preferred share entitles the shareholder one (1) room night in Azalea Residences Baguio every year in perpetuity.

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

Date: