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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

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S.E.C. Registration Number

8 9 9 0 H O L D I N G S , I N C .

(Company's Full Name)

1 1 F L I B E R T Y C E N T E R , 1 0 4 H V D E L A

C O S T A , S A L C E D O V I L L A G E , M A K A T I

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

Roan Buenaventura-Torregoza
Acting Chief Finance Officer

Contact Person/s

(632) 4789659/5333915/5333917

Company Telephone Number

0 6

Month

3 0

Day

Calendar Year

SEC Form 17-Q
June 30, 2016

FORM TYPE

0 7

Month

2 8

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

33

Total No. of Stockholders

30

Domestic

3

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER1. For the quarterly period ended June 30, 20162. Commission identification number CS 2005 11 8163. 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, Philippines6. Industry Classification Code: (SLC Use Only)

7. Address of issuer's principal office Postal Code

11F Liberty Center, 104 HV Dela Costa, Salcedo Village, Makati City, 1200 Philippines8. Issuer's telephone number, including area code (632) 4789659/5333915/53339179. Former name, former address and former fiscal year, if changed since last report N/A

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	5,517,990,720
Fixed Rate Bonds	9,000,000,000

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 ExchangeClass 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)

	30-Jun		31-Dec	
	2016	2015	2015	2014
	Unaudited	Unaudited	Audited	Audited
ASSETS				
Current Assets				
Cash on hand and in banks	319,802,325	502,671,583	600,230,905	605,148,136
Current portion of trade and other receivables	1,398,583,590	1,240,457,236	1,502,055,562	947,623,417
Inventories	5,520,190,899	3,275,630,161	5,092,332,659	3,078,106,185
Due from related parties	499,564,531	375,437,370	289,716,995	133,418,914
Current portion of available-for-sale securities	-	1,155,111,934	-	1,155,111,934
Other current assets	2,279,567,486	892,811,847	2,025,188,139	572,834,495
Total Current Assets	10,017,708,832	7,442,120,131	9,509,524,260	6,492,243,081
Noncurrent Assets				
Trade and other receivables - net of current portion	19,704,170,759	16,216,537,109	17,565,634,589	13,477,108,808
Available for sale securities	1,175,052,196	23,745,500	1,178,187,216	23,745,500
Land held for future development	10,727,565,372	8,161,234,452	6,593,194,295	6,527,048,427
Property and equipment	774,373,365	730,919,179	739,005,453	227,132,351
Investment properties	323,002,263	293,866,762	309,011,270	296,316,181
Other noncurrent assets	683,350,953	120,789,824	682,682,007	103,108,026
Total Noncurrent Assets	32,887,464,908	25,047,092,826	26,567,714,830	20,654,459,293
	42,905,173,740	32,489,212,958	36,077,239,090	27,146,702,374
LIABILITIES AND EQUITY				
Current Liabilities				
Current portion of trade and other payables	2,507,953,659	2,947,077,845	2,626,967,526	2,225,801,812
Current portion of loans payable	4,121,395,838	3,368,353,774	1,980,934,640	2,380,816,677
Deposits from customers	278,378,098	249,591,051	411,732,827	274,371,315
Due to related parties	89,843,799	308,167,921	114,212,864	369,019,267
Income tax payable	65,596,353	124,281,548	213,934,544	137,315,630
Total Current Liabilities	7,063,167,748	6,997,472,139	5,347,782,401	5,387,324,701
Noncurrent Liabilities				
Trade and other payables - net of current portion	73,607,436	12,275,843	68,422,945	18,288,452
Loans payable - net of current portion	8,271,011,526	9,057,414,217	3,975,433,053	6,453,061,864
Bonds payable	8,896,466,108	-	8,886,496,988	-
Deferred tax liability	456,501,942	398,813,991	456,501,942	398,813,991
Total Noncurrent Liabilities	17,697,587,012	9,468,504,052	13,386,854,928	6,870,164,307
Total Liabilities	24,760,754,760	16,465,976,190	18,734,637,329	12,257,489,008
Equity				
Capital Stock	5,517,990,720	5,517,990,720	5,517,990,720	5,517,990,720
Additional paid-in capital	4,400,126,855	4,400,126,855	4,400,126,855	4,400,126,855
Remeasurement loss on pension plan	(5,116,942)	(3,559,308)	(5,116,942)	(3,559,308)
Retained earnings	8,231,418,347	6,108,678,500	7,429,601,128	4,974,655,099
Total Equity	18,144,418,980	16,023,236,767	17,342,601,761	14,889,213,366
	42,905,173,741	32,489,212,958	36,077,239,090	27,146,702,374

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

	For six months ended June 30		For three months ended June 30	
	2016	2015	2016	2015
	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	4,735,343,305	4,448,863,268	2,561,349,834	2,480,237,609
Cost of Sales and Services	2,009,994,863	1,820,941,757	1,064,111,690	1,007,580,687
Gross Income	2,725,348,441	2,627,921,512	1,497,238,144	1,472,656,922
Operating Expenses	787,991,714	733,800,420	463,122,346	367,626,101
Net Operating Income	1,937,356,728	1,894,121,092	1,034,115,798	1,105,030,822
Finance Costs	(411,202,226)	(218,898,691)	(218,351,615)	(124,883,883)
Other Income	750,640,833	613,263,322	367,003,235	328,848,752
Income Before Income Tax from Continuing Operations	2,276,795,335	2,288,485,722	1,182,767,417	1,308,995,691
Provision for Income Tax	95,480,436	186,394,318	33,139,828	118,809,176
Income from Continuing Operations	2,181,314,899	2,102,091,404	1,149,627,589	1,190,186,515
Income Before Income Tax from Discontinuing Operations	-	25,170,328	-	-
Net Income	2,181,314,899	2,127,261,732	1,149,627,589	1,190,186,515
Other Comprehensive Loss	-	-	-	-
Total Comprehensive Income	2,181,314,899	2,127,261,732	1,149,627,589	1,190,186,515

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

For six months ended June 30, 2016

	Capital Stock	Subscribed Capital Stock	Additional Paid in Capital	Equity Reserve	Comprehensive Loss	Retained Earnings	Total
Balance at January 1, 2016	5,517,990,720	-	4,400,126,855	-	(5,116,942)	7,429,601,128	17,342,601,761
Cash dividends declared by the Parent Company	-	-	-	-	-	(1,379,497,680)	(1,379,497,680)
Total comprehensive income (loss)	-	-	-	-	-	2,181,314,899	2,181,314,899
Balance at March 31, 2015	5,517,990,720	-	4,400,126,855	-	(5,116,942)	8,231,418,347	18,144,418,980
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	-	-	-	-	-	(1,269,137,866)	(1,269,137,866)
Total comprehensive income (loss)	-	-	-	-	(1,557,634)	3,724,083,895	3,722,526,261
Balance at December 31, 2015	5,517,990,720	-	4,400,126,855	-	(5,116,942)	7,429,601,128	17,342,601,761
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 six months ended June 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	-	(3,559,308)	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

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

	For six months ended June 30		For years ended December 31	
	2016	2015	2015	2014
	Unaudited	Unaudited	Unaudited	Audited
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	2,276,795,335	2,313,656,050	4,134,418,070	3,613,817,934
Adjustments for:				
Interest income	(694,475,234)	(575,768,136)	(1,210,782,426)	(901,811,810)
Finance cost	410,870,718	218,576,189	614,688,045	395,931,324
Write-off of assets	-	-	3,810,970	-
Provision for credit and impairment losses	-	-	143,207,061	130,857,268
Provision for (reversal of) probable losses	-	-	(79,469,175)	77,282,541
Depreciation and amortization	21,778,823	18,057,430	35,839,138	36,629,536
Amortization of bond issue costs	9,969,120	-	8,839,101	-
Provision for write-down	-	-	1,257,282	22,200,000
Loss (gain) on repossession	-	-	38,664,969	56,972,328
Gain on sale of AFS securities	-	-	(1,874,007)	-
Gain on sale of assets	-	-	(571,399)	(10,941,940)
Pension expense	-	-	1,595,596	1,387,016
Unrealized foreign exchange loss	-	-	14,101	2,879
Operating income before changes in working capital	2,021,938,762	1,974,521,533	3,682,637,326	3,422,325,068
Changes in operating assets and liabilities				
Decrease (increase) in:				
Trade and other receivables	(2,035,064,198)	(3,032,262,120)	(4,761,221,198)	(3,549,968,401)
Inventories	(427,858,240)	(197,523,970)	(683,306,872)	(1,400,020,313)
Other assets	(255,040,064)	(337,659,150)	(2,086,843,036)	(284,466,528)
Increase (decrease) in:				
Trade and other payables	(113,829,376)	715,263,424	667,256,278	(1,051,343,269)
Deposits from customers	(133,354,729)	(24,780,264)	137,361,511	226,624,552
Net cash used in operations	(940,207,845)	(902,440,554)	(3,037,115,991)	(2,645,926,891)
Interest received	694,390,118	575,617,792	1,213,020,188	901,811,810
Interest paid	(410,870,718)	(218,576,189)	-140,683,474	-385,211,596
Income tax paid	(243,733,510)	(199,278,065)	-250,052,366	-30,455,229
Net cash used in operating activities	(900,421,955)	(744,677,016)	(2,214,831,643)	(2,159,781,906)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (Acquisitions) of:				
Land held for future development	(4,134,371,077)	(1,634,186,025)	(1,454,581,648)	(3,618,606,774)
Available-for-sale securities	3,135,020	-	-	(788,755,357)
Property and equipment	(54,655,158)	(19,405,824)	(47,442,303)	(63,785,065)
Investment properties	-	-	-	(80,210)
Proceeds from (Acquisition of) Investment properties	(16,440,797)	-	-	-
Proceeds from:				
Disposal of building and hotel improvements	-	-	-	-
Maturities/termination of long term investments	-	-	-	-
Sale of unquoted debt securities classified as loans	-	-	-	-
Sale of available for sale securities	-	-	2,544,225	-
Disposal of property and equipment	-	10,993	508,687	350,381,830
Net cash outflow from disposal of investment in a subsidiary	-	-	-	-
Net cash inflow from acquisition of net assets of acquiree	-	-	-	-
Net cash used in investing activities	(4,202,332,012)	(1,653,580,856)	(1,498,971,039)	(4,120,845,576)
CASH FLOWS FROM FINANCING ACTIVITIES				
Availment/retirement of loans payable	6,436,039,672	3,591,889,450	(3,491,155,544)	1,521,040,226
Issuance of corporate bonds	-	-	8,877,657,887	-
Issuance of shares	-	-	-	5,262,312,905
Decrease (increase) in the amount of due from related parties	(209,847,536)	(242,018,456)	(153,658,524)	(373,217,602)
Increase (decrease) in the amount of due to related parties	(24,369,065)	(60,851,346)	(254,806,403.00)	502,502,412.00
Payment of cash dividends	(1,379,497,680)	(993,238,330)	(1,269,137,866)	(275,899,536)
Net cash provided by financing activities	4,822,325,390	2,295,781,318	3,708,899,550	6,636,738,405
Effect of changes in foreign exchange rates on hand and in bank	-	-	(14,101)	(2,879)
Net increase (decrease) in cash on hand and in banks	(280,428,578)	(102,476,553)	(4,917,233)	356,108,044
Cash Balance at the beginning of the year	600,230,903	605,148,136	605,148,136	249,040,092
Cash Balance at the end of the year	319,802,325	502,671,583	600,230,903	605,148,136

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, 2015.

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, 2015.

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*
- PFRS 1, *First-time Adoption of PFRS – Borrowing Costs*
- PAS 16, *Property, Plant and Equipment – Classification of servicing equipment*

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

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

- PAS 32, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (Amendments)*

The amendments clarify the meaning of “currently has a legally enforceable right to set off” and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments affect presentation only and have no impact on the Company’s financial position or performance.

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

- PFRS 9, *Financial Instruments*

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

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

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*

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

The accompanying unaudited consolidated financial statements have been prepared on a historical cost basis. Further, this has been presented in Philippine peso, the functional currency of 8990 Holdings, Inc. and its subsidiaries. All values are rounded to the nearest peso except when otherwise indicated.

2. Basis of Consolidation

The unaudited consolidated financial statements include the financial statements of the Parent Company and the following wholly owned subsidiaries:

- 8990 Housing Development Corporation
- Fog Horn, Inc.
- 8990 Luzon Housing Development Corporation
- 8990 Davao Housing Development Corporation
- 8990 Mindanao Housing Development Corporation
- 8990 Leisure and Resorts Corporation

Control is achieved when the Parent Company is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent Company controls an investee if and only if the Parent Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure or rights to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has the power over an investee, including:

- The contractual arrangement with the other voting shareholders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, expenses and other comprehensive income (OCI) of a subsidiary are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The consolidated financial statements are prepared for the same reporting period as the Parent Company's financial statements, using consistent accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Parent Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for within equity. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Parent Company.

When a change in ownership interest in a subsidiary occurs which results in a loss of control over the subsidiary, the Parent Company:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the Parent Company's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

When there are business combinations in which all the combining entities within the Group are ultimately controlled by the same ultimate parent (i.e. controlling shareholders) before and after the business combination and the control is not transitory (business combinations under common control), the Group accounts for such business combinations similar to a pooling of interests. The assets and liabilities of the acquired entities and that of the Group are reflected at their carrying values in the stand-alone financial statements of the investee companies. The difference in the amount recognized and the fair value of the consideration given is accounted for as an equity transaction, i.e., as either a contribution or distribution of equity. Further, when a subsidiary is disposed in a common control transaction without loss of control, the difference in the amount recognized and the fair value consideration received, is also accounted for as an equity transaction.

The Group recorded the above difference as Equity Reserve and is presented as a separate component of equity in the consolidated statement of financial position. Comparatives shall be restated to include balances and transactions as if the entities had been acquired at the beginning of the earliest period presented in the consolidated financial statements, regardless of the actual date of combination.

The Group consolidated the assets, liabilities, income and expenses of the Parent Company starting May 2012, which was the date when the controlling shareholders acquired or gained control over the Parent Company.

3. Segment Information

For management's purposes, the Group's operating segments are organized and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group has four reportable operating segments as follows:

Low-cost mas Mass Housing

This segment pertains to the housing market segment of the Group. It caters to the development and sale of residential lots and units.

Medium-rise Condominium Units

This segment pertains to the medium-rise condominium segment of the Group. It caters to the development and sale of condominium units.

Preferred Share

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

High-rise Condominium Units

This segment pertains to the high-rise condominium segment of the Group. It caters to the development and sale of condominium units with more than four (4) storeys.

Hotel Operations

This segment pertains to the activities from hotel operations, which are considered incidental revenues while the Group has not yet sold all of the timeshares of its vacation hotel, Azalea Baguio Residences.

The hotel operation's peak season is during the holiday and summer seasons. For other supplementary businesses, there is no significant seasonality that would materially affect their operations. This information is provided to allow for a proper appreciation of the results of the Company's operations.

The Group has only one geographical business segment as all the assets and liabilities are located in the Philippines. The Group derives all of its revenues from domestic operations. Thus, geographical business segment information is not presented. No operating segments have been aggregated to form the above operating business segments.

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment operating income or loss. The presentation and classification of segment revenues and expenses are consistent with the consolidated statements of comprehensive income. This segment information is presented monthly to the Parent Company' BOD who is the Chief Operating Decision Maker. Finance income consists on interest earned from installment contract receivables and deposits in banks.

The amount of segment assets and liabilities are based on the measurement principles that are similar with those used in measuring the assets and liabilities in the statement of financial position which is in accordance with PFRS. Capital expenditures represent acquisitions of 'Land held for future development', 'Property and equipment', and 'Investment properties'. The Group has no significant customer which contributes 10% or more of their segment revenue.

4. Cash on Hand and in Banks

This account consists of:

	30-Jun		31-Dec	
	2016	2015	2015	2014
	Unaudited	Unaudited	Audited	Audited
Cash on hand	1,544,598	1,123,498	2,394,766	3,318,393
Cash in banks	318,257,727	501,548,086	597,836,139	601,829,743
	319,802,325	502,671,583	600,230,905	605,148,136

5. Trade and Other Receivables

This account consists of:

	30-Jun		31-Dec	
	2016 Unaudited	2015 Unaudited	2015 Audited	2014 Audited
Trade Receivables				
Installment contract receivables	929,822,637	765,244,246	1,201,317,283	635,973,013
Others	9,993,588	17,985,688	13,509,864	12,527,462
Advances to external marketing managers	60,874,416	40,136,994	72,528,405	40,310,909
Retention Receivables	256,134,823	165,207,095	215,629,479	133,351,614
Receivables from employees	217,085,616	184,700,742	132,791,687	111,775,722
Other Receivables	162,666,745	194,555,845	101,404,509	141,058,071
	1,636,577,823	1,367,830,610	1,737,181,227	1,074,996,791
Less: Allowance for impairment losses	237,994,233	127,373,374	235,125,665	127,373,374
	1,398,583,590	1,240,457,236	1,502,055,562	947,623,417
Non current				
Trade Receivables				
Installment contract receivables	19,704,170,759	16,216,537,109	17,565,634,589	13,477,108,808
Retention Receivables		-	-	-
	19,704,170,759	16,216,537,109	17,565,634,589	13,477,108,808
	21,102,754,349	17,450,994,345	19,067,690,151	14,424,732,225

Ninety three percent (93%) of total receivables of the Company are on long-term basis. Current portion of installment contract receivables stands at PhP929.82 million which pertains to portion of receivables from buyers due within one (1) year.

6. Inventories

This account consists of:

	30-Jun		31-Dec	
	2016 Unaudited	2015 Unaudited	2015 Audited	2014 Audited
Real estate inventories				
Low-cost mass housing	3,417,690,957	2,798,196,338	3,444,857,924	2,935,975,193
Medium-rise condominium units	784,316,741	358,023,695	238,275,698	80,160,171
High-rise condominium units	1,318,183,201	119,410,128	1,409,199,037	61,970,821
	5,520,190,899	3,275,630,161	5,092,332,659	3,078,106,185
Timeshares	-	-	-	-
	5,520,190,899	3,275,630,161	5,092,332,659	3,078,106,185

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-Jun		31-Dec	
	2016	2015	2015	2014
	Unaudited	Unaudited	Audited	Audited
Current				
Advances to contractors and brokers	1,063,821,706	874,542,088	765,559,684	565,281,388
Input tax	177,170,847	56,916,754	60,789,182	51,273,314
Advances to landowners	992,788,948	-	1,155,852,449	-
Creditable withholding tax	33,773,657	11,432,962	25,974,944	9,109,233
Prepaid expenses	67,387,531	5,032,716	33,478,986	2,347,706
Others	-	71,619	38,908,097	7,147
	2,334,942,689	947,996,140	2,080,563,342	628,018,788
Less: Allowance for impairment losses	55,375,203	55,184,293	55,375,203	55,184,293
	2,279,567,486	892,811,847	2,025,188,139	572,834,495
Non-current				
Deposits	126,028,604	113,541,406	122,959,182	95,859,608
AFS Equity Investments				
Advances to contractors and brokers	546,564,867	-	546,564,867	
Software cost	1,492,522	1,492,522	1,492,522	1,492,522
Others	11,776,934	8,267,870	14,177,410	8,267,870
	685,862,927	123,301,798	685,193,981	105,620,000
Less: Allowance for impairment losses	2,511,974	2,511,974	2,511,974	2,511,974
	683,350,953	120,789,824	682,682,007	103,108,026
	2,962,918,439	1,013,601,671	2,707,870,146	675,942,521

9. Land Held for Future Development

This account consists of:

	30-Jun		31-Dec	
	2016	2015	2015	2014
	Unaudited	Unaudited	Audited	Audited
Balance at beginning of year	6,593,194,295	6,527,048,427	6,527,048,427	3,784,727,576
Land acquired during the year	4,423,165,171	3,108,985,719	1,454,581,648	3,618,606,775
Transfers/Reclassification	(287,536,811)	(1,474,799,694)	(1,387,178,498)	(854,085,924)
Provision for write down	(1,257,282)	-	(1,257,282)	(22,200,000)
Balance at end of year	10,727,565,372	8,161,234,452	6,593,194,295	6,527,048,427

10. Property and Equipment

This account consists of:

30-Jun-16

Unaudited

	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machineries and Equipment	Transportation Vehicles	Waterlines	Construction in Progress	Total
Cost										
Balances at beginning of year	107,405,010	55,691,345	10,458,647	8,092,569	39,904,666	52,823,585	79,722,542	10,655,635	-	364,753,999
Additions	-	-	-	180,032	12,631,642	10,065,835	31,708,802	-	68,847	54,655,158
Transfers/Disposals										
Balances at end of year	107,405,010	55,691,345	10,458,647	8,272,601	52,536,308	62,889,420	111,431,344	10,655,635	68,847	419,409,157
Accumulated Depreciation and Amortization										
Balances at beginning of year	-	14,488,494	7,335,972	7,198,962	19,527,523	18,898,703	48,225,947	1,102,945	-	116,778,546
Depreciation and Amortization	-	2,099,927	776,364	257,440	3,609,100	5,439,649	6,089,202	1,065,563	-	19,337,246
Transfers/Disposals										
Balances at end of year	-	16,588,421	8,112,336	7,456,402	23,136,623	24,338,352	54,315,149	2,168,508	-	136,115,792
Accumulated Impairment Losses										
Balances at beginning of year	8,970,000	-	-	-	-	-	-	-	-	8,970,000
Provision for impairment loss	-	-	-	-	-	-	-	-	-	-
Balances at end of year	8,970,000	-	-	-	-	-	-	-	-	8,970,000
Net Book Value	98,435,010	39,102,924	2,346,311	816,199	29,399,685	38,551,068	57,116,194	8,487,127	68,847	274,323,365

30-Jun-15

Unaudited

Cost	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Equipment	Transportation vehicles	Waterlines	Construction in Progress	Total
Balances at beginning of year	107,405,010	52,743,858	10,458,647	10,089,216	27,216,545	43,302,465	66,560,348	2,821,648	1,339,286	322,537,023
Additions	-	-	-	-	2,614,494	3,337,000	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	47,333,507	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	1,553,856	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	10,321,050	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-Dec-15

Audited

	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machinery 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	-	1,462,000	-	868,310	12,688,121	9,027,691	15,562,194	7,833,987	-	47,442,303
Transfers from construction in progress		1,339,286							(1,339,286)	-
Transfers from inventories		146,201								146,201
Disposals		-	-	(2,864,957)	-	(6,571)	(2,500,000)	-	-	(5,371,528)
Balances at end of year	107,405,010	55,691,345	10,458,647	8,092,569	39,904,665	52,823,585	79,722,542	10,655,635	-	364,753,999
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	-	2,550,711	1,822,230	740,384	4,508,339	9,631,479	10,632,035	1,055,122	-	30,940,300
Disposal		-	-	(1,482,391)	-	(5,035)	(1,800,000)	-	-	(3,287,426)
Balances at end of year	-	14,488,494	7,335,972	7,198,962	19,527,523	18,898,703	48,225,947	1,102,945	-	116,778,546
Accumulated Impairment Losses										
Balances at beginning of year	6,279,000	-	-	-	-	-	-	-	-	6,279,000
Provision for impairment loss	2,691,000	-	-	-	-	-	-	-	-	2,691,000
Balances at end of year	8,970,000	-	-	-	-	-	-	-	-	8,970,000
Net Book Value										
	98,435,010	41,202,851	3,122,675	893,607	20,377,143	33,924,882	31,496,595	9,552,690	-	239,005,453

31-Dec-14

Audited

	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machinery 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	43,345,543	8,133,847	2,821,648	163,159	63,785,065
Disposals	-	(350,000)	-	-	-	(12,563,413)	-	-	-	-
Balances at end of year	107,405,010	52,743,858	10,458,647	10,089,216	27,216,545	43,302,465	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	4,475,529	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

11. Investment Properties

This account consists of:

30-Jun-16 Unaudited					
	Land				
	Land	Building	Improvements	Joint operations	Total
Cost					
Balances at beginning of year	232,971,353	8,604,750	89,372,001	-	330,948,104
Additions	4,546,709	-	92,750	11,801,339	16,440,797
Balances at end of year	237,518,062	8,604,750	89,464,751	11,801,339	347,388,901
Accumulated Depreciation and Amortization					
Balances at beginning of year	-	2,627,152	19,309,682	-	21,936,834
Depreciation and Amortization	-	215,118	2,234,686	-	2,449,805
Balances at end of year	-	2,842,270	21,544,368	-	24,386,639
Net Book Value	237,518,062	5,762,480	67,920,383	11,801,339	323,002,263

	30 Jun 15 Unaudited			
	Land	Building	Land Improvements	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	-	215,119	2,234,300	2,449,419
Balances at end of year	-	2,412,033	17,075,382	19,487,415
Net Book Value	215,377,426	6,192,717	72,296,619	293,866,762

31-Dec-15 Audited				
	Land	Building	Land Improvements	Total
Cost				
Balances at beginning of year	215,377,426	8,604,750	89,372,001	313,354,177
Transfers/Reclassification	17,593,927	-	-	17,593,927
Additions	-	-	-	-
Balances at end of year	232,971,353	8,604,750	89,372,001	330,948,104
Accumulated Depreciation and Amortization				
Balances at beginning of year	-	2,196,914	14,841,082	17,037,996
Depreciation and Amortization	-	430,238	4,468,600	4,898,838
Balances at end of year	-	2,627,152	19,309,682	21,936,834
Net Book Value	232,971,353	5,977,598	70,062,319	309,011,270

31-Dec-14 Audited				
	Land	Building	Land Improvements	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

12. Trade and Other Payables

This account consists of:

	30-Jun		31-Dec	
	2016	2015	2015	2014
	Unaudited	Unaudited	Audited	Audited
Current				
Trade and accounts payables	364,991,124	1,482,606,970	1,171,035,888	967,663,926
Accrued expenses	831,185,381	617,956,468	1,092,797,654	746,327,680
Interest Payable	116,362,327		-	
Retention payables	240,864,667	222,570,872	115,419,763	78,118,197
Withholding tax payables	30,125,802	27,980,293	12,083,117	29,894,775
Construction bonds	36,110,155	27,161,055	20,951,955	21,000,000
Net out put tax	12,048,002	29,925,130	11,965,649	79,041,811
Deferred Rent	1,666,667	8,928,572	7,440,476	8,928,572
Others	874,269,235	529,644,584	185,260,024	291,757,243
	2,507,953,659	2,947,077,845	2,626,967,526	2,225,801,812
Non-current				
Trade and accounts payables	-	-	31,816,667	-
Deferred Rent	8,452,381	5,208,333	-	7,440,475
Pension Liability	10,548,766	7,067,510	10,548,766	7,067,510
Retention payables		-	26,057,512	3,780,467
Others	54,606,289	-	-	-
	73,607,436	12,275,843	68,422,945	18,288,452
	2,581,561,095	2,959,353,688	2,695,390,471	2,244,090,264

13. Loans Payable

This account consists of:

	30-Jun		31-Dec	
	2016	2015	2015	2014
	Unaudited	Unaudited	Audited	Audited
Short-term loans payable	4,121,395,838	3,368,353,774	1,980,934,640	2,380,816,677
Long-term loans payable	8,271,011,526	9,057,414,217	3,975,433,053	6,453,061,864
	12,392,407,365	12,425,767,991	5,956,367,693	8,833,878,541

14. Deposits from Customers

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

15. Equity

This account consists of:

	30-Jun		31-Dec	
	2016	2015	2015	2014
	Unaudited	Unaudited	Unaudited	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	5,517,990,720	5,517,990,720	5,517,990,720	4,655,804,670
Issuance of shares		-	-	862,186,050
Issued and outstanding at end of year	5,517,990,720	5,517,990,720	5,517,990,720	5,517,990,720

16. Revenue

This account consists of:

	Six Months Ended June 30		Three Months Ended June 30	
	2016	2015	2016	2015
	Unaudited	Unaudited	Unaudited	Unaudited
Real estate				
Low-cost mass housing	4,222,493,111	3,877,499,934	2,347,823,461	2,226,294,186
Medium-rise condominium units				
Condominium units	507,003,750	516,896,236	208,796,000	237,094,754
Parking space	-	26,515,000	-	3,680,000
	507,003,750	543,411,236	208,796,000	240,774,754
	4,729,496,861	4,420,911,171	2,556,619,461	2,467,068,940
Rental income	5,846,444	27,952,098	4,730,373	13,168,669
Others	-	-	-	-
	4,735,343,305	4,448,863,268	2,561,349,834	2,480,237,609
Timeshare and Hotel Operations				
Timeshare	-	-	-	-
	4,735,343,305	4,448,863,268	2,561,349,834	2,480,237,609

17. Cost of Sales and Services

This account consists of:

	Six Months Ended June 30		Three Months Ended June 30	
	2016	2015	2016	2015
	Unaudited	Unaudited	Unaudited	Unaudited
Real estate				
Low-cost mass housing	1,761,967,864	1,617,329,073	946,472,419	884,711,014
Medium-rise condominium units	197,740,617	179,764,699	85,614,621	108,513,994
	1,954,708,475	1,796,593,771	1,032,087,040	993,225,008
Cost of rental services	98,591	5,690,854	-	2,326,779
Cost of others	55,187,797	18,657,132	32,024,650	12,028,900
	2,009,994,863	1,820,941,757	1,064,111,690	1,007,580,687
Timeshare and Hotel Operations				
Timeshare	-	-	-	-
	2,009,994,863	1,820,941,757	1,064,111,690	1,007,580,687

18. Operating Expenses

This account consists of:

	Six Months Ended June 30		Three Months Ended June 30	
	2016	2015	2016	2015
	Unaudited	Unaudited	Unaudited	Unaudited
Marketing and selling	295,833,353	273,834,256	171,748,237	147,646,313
Documentation	155,148,813	142,250,620	92,639,783	75,099,314
Taxes and licenses	65,399,539	120,218,997	5,021,751	32,019,037
Salaries and employee benefits	51,515,774	45,817,779	31,049,214	25,720,929
Write-off of assets	-	-	-	-
Provision for credit and impairment losses	-	-	-	-
Management and professional fees	16,079,694	14,425,506	10,111,537	8,381,301
Communication, light and water	21,063,217	20,648,797	15,875,526	12,307,590
Provision for (reversal of) probable losses	-	-	-	-
Security, messengerial and janitorial	20,377,019	11,206,313	15,506,347	6,268,914
Depreciation and amortization	21,778,823	18,057,430	11,296,512	9,842,149
Transportation and travel	43,148,788	24,245,173	36,205,115	15,921,472
Repairs and maintenance	25,978,252	20,956,012	17,496,020	10,310,502
Entertainment, amusement and representation	22,559,075	14,865,098	21,597,562	10,004,413
Donations and contributions	-	-	-	-
Rent	8,572,523	9,783,008	4,362,334	4,435,361
Supplies	3,704,110	4,075,299	2,335,476	2,476,893
Insurance	13,981,720	-	13,193,629	2,529,933
Provision for write-down	-	-	-	-
Subscription dues and fees	4,380,321	5,111,035	2,809,960	875,873
Miscellaneous	18,470,693	8,305,096	11,873,342	3,786,105
	787,991,714	733,800,420	463,122,346	367,626,101

19. Finance Costs

This account consists of:

	Six Months Ended June 30		Three Months Ended June	
	2016	2015	2016	2015
	Unaudited	Unaudited	Unaudited	Unaudited
Borrowings	111,263,672	204,180,165	70,418,332	117,592,751
Accretion	9,969,121	14,396,024	2,771,109	7,198,012
Bonds	289,637,926		144,997,695	-
Bank charges	331,508	322,502	164,480	93,120
Net interest expense on pension obligation		-	-	-
	411,202,226	218,898,691	218,351,615	124,883,883

20. Other Income

This account consists of:

	Six Months Ended June 30		Three Months Ended June 30	
	2016	2015	2016	2015
	Unaudited	Unaudited	Unaudited	Unaudited
Interest Income from:				
Installment contract receivables	693,964,479	574,887,120	355,536,610	294,432,121
Cash in banks and long term investments	425,639	730,672	205,295	353,033
Accretion			-	-
Penalties	14,123,038	10,421,132	5,913,827	10,421,132
Water income	3,433,330	5,648,325	2,951,561	5,648,325
Maintenance fee			-	-
Collection service fees	133,263	351,965	124,183	351,965
Gain on sale of property and equipment			-	289,255
Gain on sale of building and improvements	-	289,255	-	-
Miscellaneous	38,561,084	20,842,192	2,271,757	17,352,921
	750,640,833	613,170,661	367,003,235	328,848,752

21. Related Party Transactions

This account consists of:

30-Jun-16					
Unaudited					
Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditions
Entities under common control	Advances	Due from related parties	499,564,531	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	89,843,799	Non-interest bearing, payable on demand	Unsecured

30-Jun-15
Unaudited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	375,437,370	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	308,167,921	Non-interest bearing, payable on demand	Unsecured

2015
Audited

Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Stockholders	Advances	Due from related parties	70,581,804.00	Non-interest bearing, payable on demand	unsecured, no impairment
Stockholders	Advances	Due to related parties	17,138,944.00	Non-interest bearing, payable on demand	unsecured
Major shareholders	Advances		70,941,563.00		
Major shareholders	Advances		63,030,040.00		
Entities under common control	Advances	Due from related parties	148,193,628	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	34,043,880	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

Financial Highlights and Key Performance Indicators

Table below shows comparative consolidated balance sheet financial highlights of 8990 Holdings, Inc. for six months ended June 30, 2016 and 2015, both unaudited.

Consolidated Balance Sheet	As of June 30, 2016	As of June 30, 2015	Increase	
	Unaudited	Unaudited	Amount	%
Total Assets	42,905,173,740	32,489,212,958	10,415,960,783	32.06%
Current Assets	10,017,708,832	7,442,120,131	2,575,588,701	34.61%
Trade Receivables	21,102,754,349	17,456,994,345	3,645,760,004	20.88%
Total Liabilities	24,760,754,760	16,465,976,190	8,294,778,570	50.38%
Current Liabilities	7,063,167,748	6,997,472,139	65,695,609	0.94%
Loans Payable	12,392,407,365	12,425,767,991	(33,360,627)	-0.27%
Stockholder's Equity	18,144,418,980	16,023,236,767	2,121,182,213	13.24%
Permitted Lien	4,290,517,374	-		
Loans under Permitted Liens	2,937,359,037	-		

Table below shows comparative consolidated statement of income financial highlights of 8990 Holdings, Inc. for six months ended June 30, 2016 and 2015, both unaudited.

Consolidated Statements of	As of June 30, 2016	As of June 30, 2015	Increase	
	Unaudited	Unaudited	Amount	%
Income				
Revenue	4,735,343,305	4,448,863,268	286,480,037	6.44%
Gross Income	2,725,348,441	2,627,921,512	97,426,930	3.71%
Operating Expenses	787,991,714	733,800,420	54,191,294	7.39%
Net Operating Income	1,937,356,728	1,894,121,092	43,235,636	2.28%
EBITDA	2,709,776,384	2,525,441,844	184,334,540	7.30%
Net Income Before Tax	2,276,795,335	2,288,485,722	(11,690,388)	-0.51%
Net Income After Tax	2,181,314,899	2,127,261,732	54,053,167	2.54%

Tables below show quarter one 2016 key performance indicators of the Company, with relevant comparative figures.

Key Performance Indicators	As of June 30, 2016	As of June 30, 2015
	Unaudited	Unaudited
Current Ratio	1.42	1.06
Book Value Per Share	0.53	-
Debt to Equity Ratio	1.35	1.00
Asset to Equity Ratio	2.36	2.03
Asset to Debt Ratio	1.73	1.97
Debt Service Ratio	3.54	3.02
Interest Coverage Ratio	24.16	12.28

Key Performance Indicators	As of June 30, 2016	As of June 30, 2015
	Unaudited	Unaudited
Gross Margin	57.55%	59.07%
EBITDA Margin	57.22%	56.77%
Net Income Margin	46.06%	47.82%

Description of Consolidated Statements of Comprehensive Income Line Items

Revenue

8990 Holdings, Inc.'s (the Company) sales primarily comprise revenues received from its sales of low-cost mass housing units and subdivision lots and medium-rise building housing units, as well as revenues derived from its timeshare and hotel operations.

Cost of Sales and Services

Cost of sales and services comprises of the Company's costs of sales from its low-cost mass housing sales of housing units and subdivision lots, costs of sales from sales of medium-rise condominium units, costs of sales from sales of medium-rise condominium units, and costs of sales from sales of timeshares.

Operating Expenses

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

Finance Costs

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

Other Income

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

Provision for Income Tax

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

Results of Operations

Six months ended June 30, 2016 compared to six months ended June 30, 2015

Revenue

For the six months ended June 30, 2016, the Company recorded consolidated revenue of PhP4,735 million, an increase of 6% from consolidated revenue of PhP4,449 million recorded for the six months ended June 30, 2015. The increase was mainly attributable to increased sales in the Company's low cost mass housing segment.

Cost of Sales and Services

The Company's consolidated cost of sales and services for the six months ended June 30, 2016 was PhP2,010 million, an increase of 10% from consolidated cost of sales and services of PhP1,821 million recorded for the six months ended June 30, 2015. 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.

Gross Income

The Company's consolidated gross income for the six months ended June 30, 2016 was PhP2,725 million, an increase from consolidated gross income of PhP2,628 million recorded for the six months ended June 30, 2015. The Company's gross income margin for the six months ended June 30, 2016 was 57.55%, compared to a gross income margin of 59.07% recorded for the six months ended June 30, 2015. 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 six months ended June 30, 2016, the Company recorded consolidated operating expenses of PhP788 million, an increase from consolidated operating expenses of PhP734 million recorded for the six months ended June 30, 2015.

Net Operating Income

The Company's consolidated net operating income for the six months ended June 30, 2016 was PhP1,937 million, an increase from consolidated net operating income of PhP1,894 million recorded for the six months ended June 30, 2015. The Company's consolidated net operating margin was 40.91%, compared to a consolidated net operating margin of 42.58% for the six months ended June 30, 2015.

Finance Costs

The Company's consolidated finance costs for the six months ended June 30, 2016 were PhP411 million, a significant increase from consolidated finance costs of PhP219 million recorded for the six months ended June 30, 2015. The increase was mainly attributable to interest expense resulting from the Company's issuance of PhP9 billion fixed rate bonds.

Other Income

For the six months ended June 30, 2016, the Company recorded consolidated other income of PhP751 million, an increase from the consolidated other income of PhP613 million recorded for the six months ended June 30, 2015. 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 six months ended June 30, 2016 was PhP2,277 million, an increase from consolidated income before income tax of PhP2,288 million recorded for the six months ended June 30, 2015.

Provision for Income Tax

The Company's consolidated provision for income tax for the six months ended June 30, 2016 was PhP95 million, a decrease from consolidated provision for income tax of PhP186 million recorded for the six months ended June 30, 2015.

Net Income

As a result of the foregoing, the Company's consolidated net income for the six months ended June 30, 2016 was PhP2,181 million, an increase from consolidated net income of PhP2,127 million recorded for the six months ended June 30, 2015. The Company's consolidated net income margin for the six months ended June 30, 2016 was 46.06%, compared to a consolidated net income margin of 47.82% for the six months ended June 30, 2015.

Financial Position

As at June 30, 2016 compared to as at June 30, 2015

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were PhP320 million as at June 30, 2016, a decrease from consolidated cash on hand and in banks of PhP503 million as at June 30, 2015.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were PhP1,399 million as at June 30, 2016, an increase from consolidated current portion of trade and other receivables of PhP1,240 million as at June 30, 2015.

Inventories

The Company's consolidated inventories were PhP5,520 million as at June 30, 2016, an increase from consolidated inventories of PhP3,276 million as at June 30, 2015.

Due from related parties

The Company's consolidated due from related parties were PhP500 million as at June 30, 2016, an increase from consolidated due from related parties of PhP375 million as at June 30, 2015.

Other current assets

The Company's consolidated other current assets were PhP2,280 million as at June 30, 2016, a significant increase from consolidated other current assets of PhP893 million as at June 30, 2015, 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 PhP19,704 million as at June 30, 2016, an increase from consolidated trade and other receivables - net of current portion of PhP16,216 million as at June 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 PhP10,728 million as at June 30, 2016, an increase from consolidated land held for future development of PhP8,161 million as at June 30, 2015, as the Company acquired certain real properties as part of its land banking.

Property and equipment

The Company's consolidated property and equipment was PhP274 million as at June 30, 2016, an increase from consolidated property and equipment of PhP231 million as at June 30, 2015.

Investment properties

The Company's consolidated investment properties were PhP323 million as at June 30, 2016, an increase from consolidated investment properties of PhP294 million as at June 30, 2015.

Other noncurrent assets

The Company's other noncurrent assets were PhP683 million as at June 30, 2016, an increase from other noncurrent assets of PhP121 million as at June 30, 2015.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were PhP2,506 million as at June 30, 2016, an increase from consolidated current portion of trade and other payables of PhP2,947 million as at June 30, 2015.

Current portion of loans payable

The Company's consolidated current portion of loans payable were PhP4,121 million as at June 30, 2016, an increase from consolidated current portion of loans payable of PhP3,368 million as at June 30, 2015. The decrease was due to increased short-term borrowing of the Company.

Deposits from customers

The Company's consolidated deposits from customers were PhP278 million as at June 30, 2016, an increase from consolidated deposits from customers of PhP250 million as at June 30, 2015.

Due to related parties

The Company's consolidated due to related parties were PhP90 million as at June 30, 2016, a significant decrease from consolidated due to related parties of PhP308 million as at June 30, 2015.

Income tax payable

The Company's consolidated income tax payable was PhP66 million as at June 30, 2016, an increase from consolidated income tax payable of PhP124 million as at June 30, 2015.

Trade and other payables - net of current portion

The Company's consolidated trade and other payables - net of current portion were PhP74 million as at June 30, 2016, an increase from consolidated trade and other payables - net of current portion of PhP12 million as at June 30, 2015.

Loans payable - net of current portion

The Company's consolidated loans payable - net of current portion was PhP8,271 million as at June 30, 2016, a significant decrease from consolidated loans payable - net of current portion of PhP9,057 million as at June 30, 2015.

Deferred tax liability

The Company's consolidated deferred tax liability was PhP457 million as at June 30, 2016, an increase from consolidated deferred tax liability of PhP399 million as at June 30, 2015. 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 PhP900 million for the period ended June 30, 2016, net cash used in operating activities were PhP745 million for the period ended June 30, 2015.

Cash flows used in investing activities

Consolidated net cash flow used in investing activities for the periods ended June 30, 2016 and June 30, 2015 were PhP4,202 million and PhP1,654 million, respectively.

For the six months ended June 30, 2016, 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 June 30, 2016 and June 30, 2015 were PhP4,822 million and PhP2,296 million, respectively.

PART II--OTHER INFORMATION

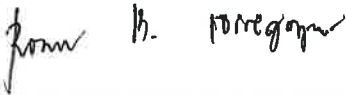
There is no material information to be reported by the Company aside from those reported in SEC 17C.

SIGNATURES

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

Issuer: 8990 Holdings, Inc.

By:

A handwritten signature in black ink, appearing to read "Roan B. Torregoza", is written above the printed name.

ROAN BUENAVENTURA-TORREGOZA
Acting Chief Finance Officer

Date: