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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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Document Type 17-Q (FORM 11-Q: QUARTERLY REPORT/FS)

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Remarks

COVER SHEET

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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 I 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
Chief Finance Officer

Contact Person/s

(632) 4789659/5333915/5333917

Company Telephone Number

0 9

Month

3 0

Day

Calendar Year

SEC Form 17-Q
September 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) THEREUNDER

1. For the quarterly period ended September 30, 2016

2. Commission identification number CS 2005 11 816

3. BIR Tax Identification No 239-508-223-000

4. Exact name of issuer as specified in its charter

8990 HOLDINGS, INC.

5. Province, country or other jurisdiction of incorporation or organization Metro Manila, Philippines

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code

11F Liberty Center, 104 HV Dela Costa, Salcedo Village, Makati City, 1200 Philippines

8. Issuer's telephone number, including area code (632) 4789659/5333915/5333917

9. Former name, former address and former fiscal year, if changed since last report N/A

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

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

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 [☒] No [☐]

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

Yes [☒] No [☐]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

8990 HOLDINGS, INC AND SUBSIDIARIES

Unaudited Consolidated Statements of Financial Position (in Philippine Peso)

	30-Sep		31-Dec	
	2016	2015	2015	2014
	Unaudited	Unaudited	Audited	Audited
ASSETS				
Current Assets				
Cash on hand and in banks	353,549,509	826,381,563	600,230,905	605,148,136
Current portion of trade and other receivables	1,525,879,276	1,289,437,429	1,502,055,562	947,623,417
Inventories	5,995,312,392	3,239,708,091	5,092,332,659	3,078,106,185
Due from related parties	534,375,300	1,155,028,040	289,716,995	133,418,914
Current portion of available-for-sale securities	-	283,107,463	-	1,155,111,934
Other current assets	2,342,659,950	1,098,868,866	2,025,188,139	572,834,495
Total Current Assets	10,751,776,426	7,892,531,452	9,509,524,260	6,492,243,081
Noncurrent Assets				
Trade and other receivables - net of current portion	20,234,774,567	17,477,383,011	17,565,634,589	13,477,108,808
Available for sale securities	1,166,091,725		1,178,187,216	23,745,500
Land held for future development	11,479,124,237	8,402,064,704	6,593,194,295	6,527,048,427
Property and equipment	274,983,490	238,616,043	239,005,453	227,132,351
Investment properties	310,545,055	292,642,053	309,011,270	296,316,181
Other noncurrent assets	700,800,004	155,154,355	682,682,007	103,108,026
Total Noncurrent Assets	34,166,319,078	26,565,860,166	26,567,714,830	20,654,459,293
	44,918,095,505	34,458,391,618	36,077,239,090	27,146,702,374
LIABILITIES AND EQUITY				
Current Liabilities				
Current portion of trade and other payables	3,174,315,254	2,713,139,209	2,626,967,526	2,225,801,812
Current portion of loans payable	4,214,060,913	1,317,725,012	1,980,934,640	2,380,816,677
Deposits from customers	322,835,814	257,939,002	411,732,827	274,371,315
Due to related parties	84,141,573	199,779,226	114,212,864	369,019,267
Income tax payable	90,275,885	180,470,656	213,934,544	137,315,630
Total Current Liabilities	7,885,629,439	4,669,053,105	5,347,782,401	5,387,324,701
Noncurrent Liabilities				
Trade and other payables - net of current portion	65,155,055	150,984,741	68,422,945	18,288,452
Loans payable - net of current portion	8,456,976,168	3,571,615,196	3,975,433,053	6,453,061,864
Bonds payable	8,901,587,396	8,881,608,700	8,886,496,988	-
Deferred tax liability	456,501,942	398,813,991	456,501,942	398,813,991
Total Noncurrent Liabilities	17,880,220,561	13,003,022,628	13,386,854,928	6,870,164,307
Total Liabilities	25,765,850,000	17,672,075,733	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	9,239,244,872	6,871,757,618	7,429,601,128	4,974,655,099
Total Equity	19,152,245,505	16,786,315,885	17,342,601,761	14,889,213,366
	44,918,095,505	34,458,391,619	36,077,239,090	27,146,702,374

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

	For nine months ended September 30		For three months ended September 30	
	2016	2015	2016	2015
	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	7,185,535,666	6,997,041,460	2,450,192,360	2,548,178,192
Cost of Sales and Services	3,151,497,159	2,996,915,020	1,141,502,296	1,175,973,263
Gross Income	4,034,038,506	4,000,126,440	1,308,690,064	1,372,204,929
Operating Expenses	1,115,041,002	1,109,722,468	327,049,288	375,922,048
Net Operating Income	2,918,997,504	2,890,403,973	981,640,776	996,282,881
Finance Costs	(662,911,103)	(402,861,066)	(251,708,877)	(183,962,375)
Other Income	1,120,187,563	953,716,428	369,546,731	340,453,106
Income Before Income Tax from Continuing Operations	3,376,273,965	3,441,259,334	1,099,478,629	1,152,773,612
Provision for Income Tax	187,132,541	275,018,947	91,652,105	88,624,629
Income from Continuing Operations	3,189,141,424	3,166,240,387	1,007,826,524	1,064,148,983
Income Before Income Tax from Discontinuing	-	-	-	(25,170,328)
Net Income	3,189,141,424	3,166,240,387	1,007,826,524	1,038,978,656
Other Comprehensive Loss	-	-	-	-
Total Comprehensive Income	3,189,141,424	3,166,240,387	1,007,826,524	1,038,978,656

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

	For nine months ended September 30, 2016						
	Capital Stock	Subscribed Capital Stock	Additional Paid in Capital	Equity Reserve	Other 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)	-	-	-	-	-	3,189,141,424	3,189,141,424
Balance at September 30, 2016	5,517,990,720	-	4,400,126,855	-	(5,116,942)	9,239,244,872	19,152,245,505
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

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	-	(3,559,308)	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)	-	-	-	-	-	3,166,240,387	3,166,240,387
Balance at September 30, 2015	5,517,990,720	-	4,400,126,855	-	(3,559,308)	6,871,757,620	16,786,315,887

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

	For nine months ended September 30		For years ended December 31	
	2016	2015	2015	2014
	Unaudited	Unaudited	Unaudited	Audited
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	3,376,273,965	3,441,259,333	4,134,418,070	3,613,817,934
Adjustments for:				
Interest income	(1,063,039,737)	(883,550,420)	(1,210,782,426)	(901,811,810)
Finance cost	662,434,976	402,308,280	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	34,135,082	27,240,758	35,839,138	36,629,536
Amortization of bond issue costs	15,090,409	3,950,813	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 PPE	(89,583)	-	(571,399)	(10,943,948)
Pension expense	-	-	1,595,596	1,387,016
Unrealized foreign exchange loss	-	-	14,101	2,879
Operating income before changes in working capital	3,024,805,112	2,991,208,764	3,689,637,326	3,427,325,068
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Trade and other receivables	(2,602,003,002)	(4,342,000,215)	(4,761,221,108)	(3,549,968,401)
Inventories	(902,979,733)	(161,601,906)	(683,306,872)	(1,409,098,313)
Other assets	(335,589,807)	(554,335,200)	(2,086,843,036)	(284,466,528)
Increase (decrease) in:				
Trade and other payables	544,079,838	620,033,686	667,256,278	(1,051,343,269)
Deposits from customers	(88,897,013)	(16,432,313)	137,361,511	226,624,552
Net cash used in operations	(451,545,295)	(1,463,215,185)	(3,037,115,991)	(2,645,926,891)
Interest received	1,062,915,595	883,329,340	1,213,020,188	901,811,810
Interest paid	(662,434,976)	(402,308,280)	(140,683,474)	(385,211,596)
Income tax paid	(310,667,058)	(231,647,850)	(250,052,366)	(30,455,229)
Net cash used in operating activities	(361,731,734)	(1,213,836,975)	(2,214,831,643)	(2,159,781,906)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (Acquisitions) of:				
Land held for future development	(4,885,929,942)	(1,875,016,277)	(1,454,581,648)	(3,618,606,774)
Available-for-sale securities	12,095,491	83,894	-	(788,755,357)
Property and equipment	(67,481,611)	(35,061,307)	(47,442,303)	(63,785,065)
Investment properties	(5,209,459)	-	-	(80,210)
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	1,133,748	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	(4,945,391,773)	(1,909,982,696)	(1,498,971,039)	(4,120,845,576)
CASH FLOWS FROM FINANCING ACTIVITIES				
Availment/retirement of loans payable	6,714,669,388	(3,944,538,333)	(3,401,155,544)	1,521,040,226
Issuance of corporate bonds (net of issuance cost)	-	8,877,657,887	8,877,657,887	-
Issuance of shares	-	-	-	5,262,312,905
Decrease (increase) in the amount of due from related parties	(244,658,305)	(149,688,549)	(153,658,524)	(373,217,602)
Increase (decrease) in the amount of due to related parties	(30,071,291)	(169,240,041)	(254,806,403.00)	502,502,412.00
Payment of cash dividends	(1,379,497,680)	(1,269,137,866)	(1,269,137,866)	(275,899,536)
Net cash provided by financing activities	5,060,442,112	3,345,053,098	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	(246,681,394)	221,233,427	(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	353,549,509	826,381,563	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-Sep		31-Dec	
	2016	2015	2015	2014
	Unaudited	Unaudited	Audited	Audited
Cash on hand	1,613,598	1,279,598	2,394,766	3,318,393
Cash in banks	351,935,911	825,101,965	597,836,139	601,829,743
	353,549,509	826,381,563	600,230,905	605,148,136

5. Trade and Other Receivables

This account consists of:

	30-Sep		31-Dec	
	2016	2015	2015	2014
	Unaudited	Unaudited	Audited	Audited
Trade Receivables				
Installment contract receivables	954,861,368	824,742,465	1,201,317,283	635,973,013
Others	20,215,340	18,186,386	13,509,864	12,527,462
Advances to external marketing manager:	88,849,765	40,124,471	72,528,405	40,310,909
Retention Receivables	287,458,101	183,582,092	215,629,479	133,351,614
Receivables from employees	205,109,540	229,842,860	132,791,687	111,775,722
Other Receivables	207,379,395	120,332,530	101,404,509	141,058,071
	1,763,873,509	1,416,810,804	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
	1,525,879,276	1,289,437,429	1,502,055,562	947,623,417
Non current				
Trade Receivables				
Installment contract receivables	20,234,774,567	17,477,383,011	17,565,634,589	13,477,108,808
Retention Receivables	-	-	-	-
	20,234,774,567	17,477,383,011	17,565,634,589	13,477,108,808
	21,760,653,843	18,766,820,440	19,067,690,151	14,424,732,225

Ninety five percent (95%) of total receivables of the Company are on long-term basis. Current portion of installment contract receivables stands at PhP954.86 million which pertains to portion of receivables from buyers due within one (1) year.

6. Inventories

This account consists of:

	30-Sep		31-Dec	
	2016	2015	2015	2014
	Unaudited	Unaudited	Audited	Audited
Real estate inventories				
Low-cost mass housing	3,520,072,588	2,607,424,069	3,444,857,924	2,935,975,193
Medium-rise condominium units	799,174,781	455,959,481	238,275,698	80,160,171
High-rise condominium units	1,676,065,023	176,324,541	1,409,199,037	61,970,821
	5,995,312,392	3,239,708,091	5,092,332,659	3,078,106,185
Timeshares	-	-	-	-
	5,995,312,392	3,239,708,091	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-Sep		31-Dec	
	2016	2015	2015	2014
	Unaudited	Unaudited	Audited	Audited
Current				
Advances to contractors and brokers	1,109,899,008	1,069,664,642	765,559,684	565,281,388
Input tax	230,179,202	63,745,353	60,789,182	51,773,314
Advances to landowners	973,711,860	-	1,155,852,449	-
Creditable withholding tax	32,551,283	17,917,399	25,974,944	9,109,233
Prepaid expenses	51,693,800	2,721,169	33,478,986	2,347,706
Others	-	4,596	38,908,097	7,147
	2,398,035,153	1,154,053,159	2,080,563,342	628,018,788
Less: Allowance for impairment losses	55,375,203	55,184,293	55,375,203	55,184,293
	2,342,659,950	1,098,868,866	2,025,188,139	572,834,495
Non-current				
Deposits	133,395,516	124,160,437	122,959,182	95,859,608
AFS Equity Investments		23,745,500		
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	21,859,073	8,267,870	14,177,410	8,267,870
	703,311,970	157,666,329	685,193,981	105,620,000
Less: Allowance for impairment losses	2,511,974	2,511,974	2,511,974	2,511,974
	700,800,004	155,154,355	682,682,007	103,108,026
	3,043,459,954	1,254,023,221	2,707,870,146	675,942,521

9. Land Held for Future Development

This account consists of:

	30-Sep		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	5,174,724,036	2,601,561,687	1,454,581,648	3,618,606,775
Transfers/Reclassification	(287,536,811)	(726,545,410)	(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	11,479,124,237	8,402,064,704	6,593,194,295	6,527,048,427

10. Property and Equipment

This account consists of:

30-Sep-16 Unaudited										
	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Waterlines	Construction in Progress	Total
Cost										
Balances at beginning of year	107,405,010	55,691,345	10,458,647	8,092,569	39,904,666	52,823,585	79,722,542	10,655,635	-	364,753,999
Additions				524,099	16,680,838	11,589,623	38,662,802	24,249	-	67,481,611
Transfers/Disposals							(4,275,333)			(4,275,333)
Balances at end of year	107,405,010	55,691,345	10,458,647	8,616,668	56,585,504	64,413,208	114,110,010	10,679,884	-	427,960,277
	ok	ok	ok		8,616,668	56,585,504	64,413,208	114,110,010	10,679,884.49	
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		3,151,115	1,164,547	482,765	5,719,411	8,476,919	9,839,169	1,625,484		30,459,409
Transfers/Disposals							(3,231,168)			(3,231,168)
Balances at end of year	-	17,639,609	8,500,519	7,681,727	25,246,934	27,375,622	54,833,948	2,728,429	-	144,006,787
		17,639,609	8,500,519	7,681,727	25,246,934	27,375,622	54,833,948	2,728,429		
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	38,051,736	1,958,128	934,941	31,338,571	37,037,586	59,276,063	7,951,456	-	274,983,490

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 at end of year	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 at end of year	-	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 at end of year	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

31-Dec-15

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	52,743,858	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	39,904,666	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	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Waterlines	Construction in Progress	Total
Cost										
Balances at beginning of year	107,405,010	52,716,704	10,458,647	7,112,051	21,254,001	13,116,335	58,526,501	-	1,176,127	271,765,376
Additions	-	377,154	-	2,977,165	5,962,544	43,349,548	8,133,847	2,821,648	163,159	63,785,065
Disposals	-	(350,000)	-	-	-	(12,663,418)	-	-	-	-
Balances at end of year	107,405,010	52,743,858	10,458,647	10,089,216	27,216,545	43,802,465	66,660,348	2,821,648	1,339,286	322,537,023
Accumulated Depreciation and Amortization										
Balances at beginning of year	-	9,495,048	3,422,013	4,140,404	11,432,376	4,479,529	29,925,539	-	-	62,894,909
Depreciation and Amortization	-	2,442,735	2,091,729	3,800,565	3,586,808	8,590,079	9,468,373	47,823	-	30,028,112
Disposal	-	-	-	-	-	(3,797,349)	-	-	-	(3,797,349)
Balances at end of year	-	11,937,783	5,513,742	7,940,969	15,019,184	9,272,259	39,393,912	47,823	-	89,125,672
Accumulated Impairment Losses										
Balances at beginning of year	-	-	-	-	-	-	-	-	-	-
Provision for impairment loss	6,279,000	-	-	-	-	-	-	-	-	6,279,000
Balances at end of year	6,279,000	-	-	-	-	-	-	-	-	6,279,000
Net Book Value	101,126,010	40,806,075	4,944,905	2,148,247	12,197,361	34,530,206	27,266,436	2,773,825	1,339,286	317,127,751

11. Investment Properties
This account consists of:

30-Sep-16 Unaudited					
	Land	Building	Land Improvements	Joint operations	Total
Cost					
Balances at beginning of year	232,971,353	8,604,750	89,372,001	-	330,948,104
Additions	5,116,709	-	92,750	-	5,209,459
Balances at end of year	238,088,062	8,604,750	89,464,751	-	336,157,563
	238,088,062	8,604,750	89,464,751		
Accumulated Depreciation and Amortization					
Balances at beginning of year	-	2,627,152	19,309,682	-	21,936,834
Depreciation and Amortization	-	322,678	3,352,996	-	3,675,673
Balances at end of year	-	2,949,830	22,662,678	-	25,612,507
		2,949,830	22,662,678		
Net Book Value	238,088,062	5,654,920	66,802,073	-	310,545,055

30 Sep 16 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	3,351,150	-	3,674,128
Balances at end of year	-	2,519,592	18,192,232	-	20,712,124
Net Book Value	215,377,426	6,085,158	71,179,769	-	292,642,353

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	8,660,896	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-Sep		31-Dec	
	2016	2015	2015	2014
	Unaudited	Unaudited	Audited	Audited
Current				
Trade and accounts payables	1,003,145,231	939,720,108	1,171,035,888	967,663,926
Accrued expenses	800,010,331	660,559,549	1,092,797,654	746,327,680
Interest Payable	116,629,825	115,348,678	-	-
Retention payables	265,770,458	166,115,624	115,419,763	78,118,197
Withholding tax payables	24,909,222	45,591,161	12,083,117	29,894,775
Construction bonds	38,574,955	29,123,455	30,964,955	24,069,608
Net out put tax	20,270,075	31,832,162	11,965,649	79,041,811
Deferred Rent	744,048	8,928,572	7,440,476	8,928,572
Others	904,261,110	715,919,900	185,260,024	291,757,243
	3,174,315,254	2,713,139,209	2,626,967,526	2,225,801,812
Non-current				
Trade and accounts payables	-	-	31,816,667	-
Deferred Rent	-	4,092,261	-	7,440,475
Pension Liability	10,548,766	7,067,510	10,548,766	7,067,510
Retention payables	-	-	20,057,512	3,780,167
Others	54,606,289	139,824,970	-	-
	65,155,055	150,984,741	68,422,945	18,288,452
	3,239,470,309	2,864,123,950	2,695,390,471	2,244,090,264

13. Loans Payable

This account consists of:

	30-Sep		31-Dec	
	2016	2015	2015	2014
	Unaudited	Unaudited	Audited	Audited
Short-term loans payable	4,214,060,913	1,317,725,012	1,980,934,640	2,380,816,677
Long-term loans payable	8,456,976,168	3,571,615,196	3,975,433,053	6,453,061,864
	12,671,037,081	4,889,340,208	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-Sep		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 year	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:

	Nine Months Ended September 30		Three Months Ended September 30	
	2016	2015	Q3 2016	Q3 2015
	Unaudited	Unaudited	Unaudited	Unaudited
Real estate				
Low-cost mass housing	6,131,836,605	5,852,253,947	1,909,343,494	1,914,154,012
Medium-rise condominium units				
Condominium units	995,684,000	1,087,449,675	488,680,250	570,553,439
Parking space	-	26,515,000	-	-
	995,684,000	1,113,964,675	488,680,250	570,553,439
	7,127,520,605	6,966,218,622	2,398,023,744	2,545,307,451
Rental income	8,643,127	30,662,618	2,796,683	2,710,520
Others	-	-	-	-
	7,136,163,731	6,996,881,240	2,400,820,426	2,548,017,972
Timeshare and Hotel Operations				
Timeshare	49,371,934	160,220	49,371,933	160,220
	7,185,535,666	6,997,041,460	2,450,192,360	2,548,178,192

17. Cost of Sales and Services

This account consists of:

	Nine Months Ended September 30		Three Months Ended September 30	
	2016	2015	Q3 2016	Q3 2015
	Unaudited	Unaudited	Unaudited	Unaudited
Real estate				
Low-cost mass housing	2,696,186,996	2,580,384,207	933,383,894	963,055,134
Medium-rise condominium units	364,731,828	361,011,225	92,991,216	181,746,527
	3,060,918,823	2,941,395,432	1,026,375,110	1,144,801,660
Cost of rental services	98,591	6,436,735	-	745,882
Cost of others	90,479,745	49,082,853	35,291,948	30,425,721
	3,151,497,159	2,996,915,020	1,061,667,058	1,175,973,263
Timeshare and Hotel Operations				
Timeshare	-	-	-	-
	3,151,497,159	2,996,915,020	1,061,667,058	1,175,973,263

18. Operating Expenses

This account consists of:

	Nine Months Ended September 30		Three Months Ended September 30	
	2016	2015	Q3 2016	Q3 2015
	Unaudited	Unaudited	Unaudited	Unaudited
Marketing and selling	422,957,550	454,066,301	73,521,206	180,232,044.56
Documentation	172,454,380	213,762,481	(14,854,432)	71,511,860.75
Taxes and licenses	134,105,770	152,987,462	68,706,231	32,768,464.43
Salaries and employee benefits	79,988,011	68,813,612	28,472,238	22,995,833.33
Write-off of assets	-	-	-	-
Provision for credit and impairment losses	-	-	-	-
Management and professional fees	27,342,793	20,482,219	11,263,098	6,056,712.82
Communication, light and water	38,407,619	30,147,923	17,344,402	9,499,126.53
Provision for (reversal of) probable losses	-	-	-	-
Security, messengerial and janitorial	24,182,103	19,362,079	3,805,085	8,155,765.49
Depreciation and amortization	34,135,082	27,240,758	12,356,258	9,183,327.49
Transportation and travel	51,020,674	31,626,283	7,871,886	7,381,110.29
Repairs and maintenance	32,652,599	36,302,605	6,674,347	15,346,592.92
Entertainment, amusement and representation	33,794,846	13,550,445	11,235,772	(1,314,653.10)
Donations and contributions	-	-	-	-
Rent	13,055,893	12,518,685	4,483,370	2,735,677
Supplies	6,790,029	6,489,195	3,085,920	2,413,896
Insurance	18,611,669	-	4,629,949	-
Provision for write-down	-	-	-	-
Subscription dues and fees	5,280,427	6,747,008	900,106	1,635,973
Miscellaneous	20,261,547	15,625,412	1,790,854	7,320,316
	1,115,041,002	1,109,722,468	241,289,288	375,922,048

19. Finance Costs

This account consists of:

	Nine Months Ended September 30		Three Months Ended September 30	
	2016	2015	Q3 2016	Q3 2015
	Unaudited	Unaudited	Unaudited	Unaudited
Borrowings	212,349,705	261,678,507	101,086,033	57,498,342
Accretion	15,090,409	21,594,036	5,121,288	7,198,012
Bonds	434,994,863	119,035,738	145,356,937	119,035,738
Bank charges	476,127	552,786	144,619	230,283
Net interest expense on pension obligation	-	-	-	-
	662,911,103	402,861,066	251,708,877	183,962,375

20. Other Income

This account consists of:

	Nine Months Ended September 30		Three Months Ended September 30	
	2016	2015	Q3 2016	Q3 2015
	Unaudited	Unaudited	Unaudited	Unaudited
Interest Income from:				
Installment contract receivables	1,062,294,702	882,223,924	368,330,223	307,336,804
Cash in banks and long term investments	620,893	1,084,719	195,255	354,048
Accretion	-	-	-	-
Penalties	21,926,726	14,684,783	7,803,688	4,263,652
Water income	3,433,330	7,074,536	-	1,426,212
Maintenance fee	-	-	-	-
Collection service fees	133,263	547,775	-	195,809
Gain on sale of property and equipment	89,583	-	89,583	-
Gain on sale of building and improvements	-	449,476	-	100,210
Miscellaneous	11,000,007	12,004,435	2,208,295	12,022,213
	1,120,187,563	938,929,649	378,717,043	325,758,988

21. Related Party Transactions

This account consists of:

30-Sep-16 Unaudited					
Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditions
Entities under common control	Advances	Due from related parties	534,375,300	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	84,141,573	Non-interest bearing, payable on demand	Unsecured

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	177,779,226	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 nine months ended September 30, 2016 and 2015, both unaudited.

Consolidated Balance Sheet	As of September 30, 2016	As of September 30, 2015	Increase	
	Unaudited	Unaudited	Amount	%
Total Assets	44,918,095,505	34,458,391,618	10,459,703,886	30.35%
Current Assets	10,751,776,426	7,892,531,452	2,859,244,974	36.23%
Trade Receivables	21,760,653,843	18,766,820,440	2,993,833,402	15.95%
Total Liabilities	25,765,850,000	17,672,075,733	8,093,774,266	45.80%
Current Liabilities	7,885,629,439	4,669,053,105	3,216,576,334	68.89%
Loans Payable	21,572,624,477	13,770,948,908	7,801,675,568	56.65%
Stockholder's Equity	19,152,245,505	16,786,315,885	2,365,929,620	14.09%
Permitted Lien	4,491,809,550			
Loans under Permitted Lien	2,580,150,414			

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

Consolidated Statements of Income	As of September 30, 2016	As of September 30, 2015	Increase	
	Unaudited	Unaudited	Amount	%
Revenue	7,185,535,666	6,996,881,240	188,654,426	2.70%
Gross Income	4,034,038,506	3,999,966,220	34,072,287	0.85%
Operating Expenses	1,115,041,002	1,109,722,468	5,318,535	0.48%
Net Operating Income	2,918,997,504	2,890,243,752	28,753,752	0.99%
EBITDA	4,073,320,150	3,871,361,157	201,958,992	5.22%
Net Income Before Tax	3,376,273,965	3,441,259,333	(64,985,369)	-1.89%
Net Income After Tax	3,189,141,474	3,166,240,387	22,901,037	0.72%

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

Key Performance Indicators	As of September 30, 2016	As of September 30, 2015	Bond Covenant
	Unaudited	Unaudited	
Current Ratio	1.36	1.69	minimum of 1.0
Book Value Per Share	3.47	3.04	
Debt to Equity Ratio	1.14	0.84	maximum of 1.50
Asset to Equity Ratio	2.35	2.05	
Asset to Debt Ratio	1.74	1.95	
Debt Service Ratio	1.54	0.19	minimum of 1.25
Interest Coverage Ratio	19.07	14.69	

Key Performance Indicators	As of September 30, 2016	As of September 30, 2015
	Unaudited	Unaudited
Gross Margin	56.14%	57.17%
EBITDA Margin	56.69%	55.33%
Net Income Margin	44.38%	45.25%

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 preferred share 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 preferred shares.

Operating Expenses

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

Finance Costs

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

Other Income

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

Provision for Income Tax

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

Results of Operations

Nine months ended September 30, 2016 compared to nine months ended September 30, 2015

Revenue

For the nine months ended September 30, 2016, the Company recorded consolidated revenue of PhP7,186 million, an increase of 3% from consolidated revenue of PhP6,997 million recorded for the nine months ended September 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 nine months ended September 30, 2016 was PhP3,151 million, an increase of 5% from consolidated cost of sales and services of PhP2,997 million recorded for the nine months ended September 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 nine months ended September 30, 2016 was PhP4,034 million, an increase from consolidated gross income of PhP4,000 million recorded for the nine months ended September 30, 2015. The Company's gross income margin for the nine months ended September 30, 2016 was 56.14%, compared to a gross income margin of 57.17% recorded for the nine months ended September 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 nine months ended September 30, 2016, the Company recorded consolidated operating expenses of PhP1,115 million, an increase from consolidated operating expenses of PhP1,110 million recorded for the nine months ended September 30, 2015.

Net Operating Income

The Company's consolidated net operating income for the nine months ended September 30, 2016 was PhP2,919 million, an increase from consolidated net operating income of PhP2,890 million recorded for the nine months ended September 30, 2015. The Company's consolidated net operating margin was 40.62%, compared to a consolidated net operating margin of 41.31% for the nine months ended September 30, 2015.

Finance Costs

The Company's consolidated finance costs for the nine months ended September 30, 2016 were PhP663 million, a significant increase from consolidated finance costs of PhP403 million recorded for the nine months ended September 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 nine months ended September 30, 2016, the Company recorded consolidated other income of PhP1,120 million, an increase from the consolidated other income of PhP954 million recorded for the nine months ended September 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 nine months ended September 30, 2016 was PhP3,376 million, an increase from consolidated income before income tax of PhP3,441 million recorded for the nine months ended September 30, 2015.

Provision for Income Tax

The Company's consolidated provision for income tax for the nine months ended September 30, 2016 was PhP187 million, a decrease from consolidated provision for income tax of PhP275 million recorded for the nine months ended September 30, 2015.

Net Income

As a result of the foregoing, the Company's consolidated net income for the nine months ended September 30, 2016 was PhP3,189 million, an increase from consolidated net income of PhP3,166 million recorded for the nine months ended September 30, 2015. The Company's consolidated net income margin for the nine months ended September 30, 2016 was 44.38%, compared to a consolidated net income margin of 45.25% for the nine months ended September 30, 2015.

Financial Position

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

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were PhP354 million as at September 30, 2016, a decrease from consolidated cash on hand and in banks of PhP826 million as at September 30, 2015.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were PhP1,526 million as at September 30, 2016, an increase from consolidated current portion of trade and other receivables of PhP1,289 million as at September 30, 2015.

Inventories

The Company's consolidated inventories were PhP5,995 million as at September 30, 2016, an increase from consolidated inventories of PhP3,240 million as at September 30, 2015.

Due from related parties

The Company's consolidated due from related parties were PhP534 million as at September 30, 2016, a decrease from consolidated due from related parties of PhP1,155 million as at September 30, 2015.

Other current assets

The Company's consolidated other current assets were PhP2,343 million as at September 30, 2016, a significant increase from consolidated other current assets of PhP1,099 million as at September 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 PhP20,235 million as at September 30, 2016, an increase from consolidated trade and other receivables - net of current portion of PhP17,477 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 PhP11,479 million as at September 30, 2016, an increase from consolidated land held for future development of PhP8,402 million as at September 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 PhP275 million as at September 30, 2016, an increase from consolidated property and equipment of PhP239 million as at September 30, 2015.

Investment properties

The Company's consolidated investment properties were PhP311 million as at September 30, 2016, an increase from consolidated investment properties of PhP293 million as at September 30, 2015.

Other noncurrent assets

The Company's other noncurrent assets were PhP701 million as at September 30, 2016, an increase from other noncurrent assets of PhP155 million as at September 30, 2015.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were PhP3,174 million as at September 30, 2016, an increase from consolidated current portion of trade and other payables of PhP2,713 million as at September 30, 2015.

Current portion of loans payable

The Company's consolidated current portion of loans payable were PhP4,214 million as at September 30, 2016, an increase from consolidated current portion of loans payable of PhP1,318 million as at September 30, 2015. The increase was due to increased short-term borrowing of the Company.

Deposits from customers

The Company's consolidated deposits from customers were PhP323 million as at September 30, 2016, an increase from consolidated deposits from customers of PhP258 million as at September 30, 2015.

Due to related parties

The Company's consolidated due to related parties were PhP84 million as at September 30, 2016, a significant decrease from consolidated due to related parties of PhP200 million as at September 30, 2015.

Income tax payable

The Company's consolidated income tax payable was PhP90 million as at September 30, 2016, an increase from consolidated income tax payable of PhP180 million as at September 30, 2015.

Trade and other payables - net of current portion

The Company's consolidated trade and other payables - net of current portion were PhP65 million as at September 30, 2016, a decrease from consolidated trade and other payables - net of current portion of PhP151 million as at September 30, 2015.

Loans payable - net of current portion

The Company's consolidated loans payable - net of current portion was PhP8,457 million as at September 30, 2016, a significant increase from consolidated loans payable - net of current portion of PhP3,572 million as at September 30, 2015.

Deferred tax liability

The Company's consolidated deferred tax liability was PhP457 million as at September 30, 2016, an increase from consolidated deferred tax liability of PhP399 million as at September 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 PhP362 million for the period ended September 30, 2016, net cash used in operating activities were PhP1,214 million for the period ended September 30, 2015.

Cash flows used in investing activities

Consolidated net cash flow used in investing activities for the periods ended September 30, 2016 and September 30, 2015 were PhP4,945 million and PhP1,910 million, respectively.

For the nine months ended September 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 September 30, 2016 and September 30, 2015 were PhP5,060 million and PhP3,345 million, respectively.

PART II--OTHER INFORMATION

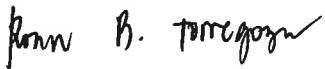
There is no material information to be reported by the Company aside from those reported in SEC 17C.

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", written in a cursive style.

ROAN BUENAVENTURA-TORREGOZA
Chief Finance Officer

Date: