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S.E.C. Registration Number

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(Company's Full Name)

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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

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

Roan Buenaventura-Torregoza  
Chief Finance Officer

Contact Person/s

(632) 4789659/5333915/5333917

Company Telephone Number

0 3

Month

Calendar Year

3 1

Day

SEC Form 17-Q  
March 31,2020

FORM TYPE

0 7

Month  
Annual Meeting

2 8

Day

[Empty box]

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

33

Total No. of Stockholders

30

Domestic

3

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **March 31, 2020**

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
<b>Common</b>	<b>5,517,990,720</b>
<b>Preferred Shares</b>	<b>50,000,000</b>
<b>Fixed Rate Bonds</b>	<b>9,000,000,000</b>

11. Are any or all of the securities listed on a Stock Exchange?

Yes [  ] No [  ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

**Name of Stock Exchange:** **Philippine Stock Exchange**

**Class of Securities Listed:** **Common Shares**

12. Indicate by check mark whether the registrant:

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

Yes  No

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

Yes  No

**PART I--FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**8990 HOLDINGS, INC AND SUBSIDIARIES**

**Unaudited Consolidated Statements of Financial Position (in Philippine Peso)**

	31-Mar		31-Dec	
	2020	2019	2019	2018
	Unaudited	Unaudited	Audited	Audited
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash on hand and in banks	576,195,126	456,984,638	853,902,368	2,143,615,711
Current portion of trade and other receivables	4,558,614,849	3,633,112,293	4,406,960,663	3,158,894,392
Inventories	38,458,610,316	31,637,713,263	36,925,318,545	29,131,375,817
Due from related parties	1,971,609,868	1,492,896,696	1,230,669,970	1,007,656,721
Other current assets	4,424,849,457	4,162,342,363	4,377,768,039	4,262,146,435
<b>Total Current Assets</b>	<b>49,989,879,616</b>	<b>41,383,049,252</b>	<b>47,794,619,585</b>	<b>39,703,689,076</b>
<b>Noncurrent Assets</b>				
Trade and other receivables - net of current portion	19,139,627,867	17,364,185,667	17,790,085,254	17,268,916,719
Available for sale securities	1,212,863,555	1,349,484,111	1,212,863,555	1,349,484,111
Property and equipment	803,597,140	1,351,303,367	808,466,409	826,474,150
Investment properties	304,373,548	265,579,227	313,096,011	183,805,148
Goodwill	526,474,833	-	526,474,833	-
Other noncurrent assets	365,596,205	252,120,345	374,463,516	312,130,501
<b>Total Noncurrent Assets</b>	<b>22,352,533,148</b>	<b>20,582,672,717</b>	<b>21,025,449,579</b>	<b>19,940,810,628</b>
	<b>72,342,412,764</b>	<b>61,965,721,969</b>	<b>68,820,069,163</b>	<b>59,644,499,705</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Current portion of trade and other payables	6,052,844,348	4,834,465,827	6,438,856,129	5,703,346,881
Current portion of loans payable	13,952,542,851	8,188,055,914	11,828,160,185	7,242,845,485
Bonds payable	8,391,497,498	-	8,385,745,688	-
Deposits from customers	853,701,449	522,382,423	905,526,780	518,309,156
Due to related parties	78,688,308	338,302,472	83,767,452	56,974,725
Income tax payable	88,476,508	48,350,929	82,233,768	65,555,280
<b>Total Current Liabilities</b>	<b>29,417,750,961</b>	<b>13,931,557,564</b>	<b>27,724,290,002</b>	<b>13,587,031,527</b>
<b>Noncurrent Liabilities</b>				
Trade and other payables - net of current portion	1,059,949,361	60,099,037	1,059,949,361	190,176,308
Loans payable - net of current portion	6,790,621,778	8,777,487,856	5,756,697,041	7,764,234,753
Bonds payable	590,794,002	8,957,182,592	590,389,052	8,951,507,702
Deferred tax liability	869,986,728	354,420,711	869,986,728	201,168,505
<b>Total Noncurrent Liabilities</b>	<b>9,311,351,867</b>	<b>18,149,190,197</b>	<b>8,277,022,181</b>	<b>17,107,087,268</b>
<b>Total Liabilities</b>	<b>38,729,102,828</b>	<b>32,080,747,761</b>	<b>36,001,312,184</b>	<b>30,694,118,795</b>
<b>Equity</b>				
Capital Stock	5,567,990,720	5,567,990,720	5,567,990,720	5,567,990,720
Additional paid-in capital	9,303,641,204	9,303,641,204	9,303,641,204	9,303,641,204
Treasury Shares	(1,717,709,658)	(243,347,368)	(1,266,523,478)	-
Revaluation reserve	794,938,306	937,243,793	794,938,306	937,243,793
Retained earnings	19,664,449,364	14,319,445,859	18,418,710,227	13,141,505,193
<b>Total Equity</b>	<b>33,613,309,936</b>	<b>29,884,974,208</b>	<b>32,818,756,979</b>	<b>28,950,380,910</b>
	<b>72,342,412,765</b>	<b>61,965,721,969</b>	<b>68,820,069,163</b>	<b>59,644,499,705</b>

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

	For three months ended March 31		For years ended December 31	
	2020	2019	2019	2018
	Unaudited	Unaudited	Audited	Audited
<b>REVENUES</b>				
<b>Real Estate Operations</b>				
Real estate sales	3,384,261,927	2,903,891,985	14,873,220,812	11,677,869,283
Rental income	1,398,870	1,292,690	16,469,214	12,508,357
Others	79,865,184	105,187,041	386,815,133	55,496,721
	3,465,525,982	3,010,371,716	15,276,505,158	11,745,874,362
<b>Gain on Sale of Preferred Shares</b>	-	-	-	-
	3,465,525,982	3,010,371,716	15,276,505,158	11,745,874,362
<b>COST OF SALES AND SERVICES</b>				
<b>Real Estate Operations</b>				
Cost of real estate sales	1,492,750,142	1,291,063,385	6,853,164,352	5,263,869,231
Cost of rental services	-	-	265,056	1,774,863
Others	50,035,965	40,808,636	157,331,927	16,335,911
	1,542,786,107	1,331,872,021	7,010,761,335	5,281,980,005
<b>Gross Income</b>	1,922,739,875	1,678,499,696	8,265,743,824	6,463,894,358
Operating Expenses	557,099,572	460,713,716	2,474,326,180	1,985,624,275
Other Operating Income	256,044,922	298,369,168	1,689,669,223	1,403,930,328
Finance Costs	269,338,731	292,825,288	1,621,737,017	1,204,575,440
Operating Income	1,352,346,493	1,223,329,859	5,859,349,850	4,677,624,970
Other Income	-	-	-	130,437
Income Before Income Tax				
from Continuing Operations	1,352,346,493	1,223,329,859	5,859,349,850	4,677,755,408
Provision for Income Tax	31,377,637	45,389,192	280,829,816	2,857,572
Net Income	1,320,968,857	1,177,940,666	5,578,520,034	4,674,897,835
Other Comprehensive Loss	-	-	(142,305,487)	83,935,932
Total Comprehensive Income	1,320,968,857	1,177,940,666	5,436,214,547	4,758,833,767

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

	For the years ended March 31, 2020									
	Capital Stock	Subscribed Capital Stock	Treasury Shares	Additional Paid in Capital	on Post-employment Benefit Plan	Investment Securities thorough FVOCI	Equity Reserve	Subtotal	Retained Earnings	Total
Balance at January 1, 2020	5,567,990,720	-	(1,266,523,478)	9,303,641,204	(5,620,730)	800,559,036	-	794,938,306	18,418,710,227	32,818,756,980
Cash dividends declared by the Parent Company								-	(75,229,720)	(75,229,720)
Restatement of previous years (Effect of PFRS15 adjustments on Genvi)								-		-
Treasury Shares			(451,186,180)					-		(451,186,180)
Other Comprehensive Income								-		-
Comprehensive income for the year								-	1,320,968,857	1,320,968,857
Balance at March 31, 2020	5,567,990,720	-	(1,717,709,658)	9,303,641,204	(5,620,730)	800,559,036	-	794,938,306	19,664,449,364	33,613,309,936
Balance at January 1, 2019	5,567,990,720	-		9,303,641,204	64,201	937,179,592		937,243,793	13,141,505,193	28,950,380,910
Cash dividends declared by the Parent Company								-	(301,315,000)	(301,315,000)
Restatement of previous years (Effect of PFRS15 adjustments on Genvi)								-		-
Treasury Shares			(1,266,523,478)					-		(1,266,523,478)
Other Comprehensive Income					(5,684,931)			(5,684,931)		(5,684,931)
Comprehensive income for the year						(136,620,556)		(136,620,556)	5,578,520,034	5,441,899,478
Balance at December 31, 2019	5,567,990,720	-	(1,266,523,478)	9,303,641,204	(5,620,730)	800,559,036	-	794,938,306	18,418,710,227	32,818,756,979
Balance at January 1, 2018										
As previously reported	5,567,990,720	-		9,303,641,204	(2,479,173)	-		(2,479,173)	11,832,097,031	26,701,249,782
Effect of adoption of PFRS 9						855,787,034		855,787,034	(53,451,381)	802,335,653
As restated	5,567,990,720	-		9,303,641,204	(2,479,173)	855,787,034		853,307,861	11,778,645,650	27,503,585,435
Cash dividends declared by the Parent Company								-	(3,336,209,896)	(3,336,209,896)
Comprehensive income for the year								-		-
Net income								-	4,674,897,835	4,674,897,835
Other comprehensive income					2,543,374	105,564,162		108,107,536		108,107,536
Transfer of fair value gain on investment securities at FVOCI						(24,171,604)		(24,171,604)	24,171,604	-
Balance at December 31, 2018	5,567,990,720	-		9,303,641,204	64,201	937,179,592		937,243,793	13,141,505,193	28,950,380,910

	For three months ended March 31, 2019									
	Capital Stock	Subscribed Capital Stock	Treasury Shares	Additional Paid in Capital	on Post-employment Benefit Plan	Investment Securities thorough FVOCI	Equity Reserve	Subtotal	Retained Earnings	Total
Balance at January 1, 2019	5,567,990,720	-	-	9,303,641,204	64,201	937,179,592	-	937,243,793	13,141,505,193	28,950,380,910
Cash dividends declared by the Parent Company								-		-
Restatement of previous years (Effect of PFRS15 adjustments on Genvi)								-		-
Treasury Shares			(243,347,368)					-		(243,347,368)
Other Comprehensive Income								-		-
Comprehensive income for the year								-	1,177,940,666	1,177,940,666
Balance at March 31, 2019	5,567,990,720	-	(243,347,368)	9,303,641,204	64,201	937,179,592	-	937,243,793	14,319,445,859	29,884,974,208

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

	For three months ended March 31		For years ended December 31	
	2020 Unaudited	2019 Unaudited	2019 Audited	2018 Audited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax	1,352,346,493	1,223,329,859	5,859,349,850	4,677,755,407
Adjustments for:				
Interest income	(213,435,495)	(267,627,146)	(1,217,507,161)	(1,212,646,509)
Finance cost	248,624,463	292,519,112	1,596,179,807	1,181,272,643
Write-off of assets	-	-	37,137,321	-
Provision for credit and impairment losses	-	-	112,394,407	74,788,837
Depreciation and amortization	22,561,732	22,550,077	110,338,448	73,826,233
Amortization of discount on bonds payable	6,156,759	5,674,890	24,627,038	23,085,294
Loss (gain) on repossession	-	-	(125,869,859)	97,680,357
Gain on sale of AFS	-	-	-	-
Gain on sale of building and improvements	-	-	-	(130,437)
Retirement Expense	-	-	1,837,185	2,185,046
Operating income before changes in working capital	1,416,253,952	1,276,446,791	6,398,487,036	4,917,816,869
Changes in operating assets and liabilities				
Decrease (increase) in:				
Trade and other receivables	(1,501,196,799)	(569,486,849)	(1,330,792,994)	2,924,002,315
Inventories	(1,633,067,073)	(3,061,957,527)	(4,966,678,832)	(2,813,358,839)
Other assets	(38,214,108)	159,814,228	(659,650,525)	(2,051,701,326)
Increase (decrease) in:				
Trade and other payables	(386,011,781)	(998,958,324)	441,091,671	1,371,747,790
Deposits from customers	(51,825,331)	4,073,267	387,217,624	76,833,397
Net cash used in operations	(2,194,061,140)	(3,190,068,415)	269,673,980	4,425,340,206
Interest received	229,011,078	267,663,997	1,169,174,348	1,196,297,372
Income tax paid	(25,134,897)	90,658,663	(259,577,808)	(329,683,420)
Net cash from (used in) operating activities	(1,990,184,959)	(2,831,745,753)	1,179,270,520	5,291,954,158
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition of business			(1,360,765,328)	(566,661,963)
Cash advance to related parties	(5,079,144)	281,327,747	(404,913,621)	(931,719,419)
Loans granted to a third party			(82,947,517)	(314,005,923)
Collections of advances to related parties			109,303,950	103,418,758
Interest received from loans to a third party			48,332,813	16,195,773
Acquisitions of:				
Property and equipment		(73,320,142)	(78,241,258)	(41,820,902)
Investment properties		-	(135,337,479)	(827,457)
Proceeds from (Acquisition of) Investment properties		(250,000)	-	-
Proceeds from:				
Sale of AFS				32,031,175
Disposal of property and equipment				466,410
Net cash used in investing activities	(5,079,144)	207,757,605	(1,904,568,440)	(1,702,923,549)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Availment (retirement) of loans payable	3,158,307,403	1,958,463,532	2,577,776,988	1,376,639,344
Interest paid on loans and bonds	(248,624,463)	(292,519,112)	(1,631,734,875)	(1,080,483,953)
Decrease (increase) in the amount of due from related parties	(740,939,898)	(485,239,975)	26,792,727	217,219,312
Buyback of shares (Treasury shares)	(451,186,180)	(243,347,368)	(1,266,523,478)	
Payment of cash dividends	-	-	(301,315,000)	(3,336,209,896)
Net cash provided by financing activities	1,717,556,862	937,357,077	(595,003,638)	(2,822,835,193)
Effect of changes in foreign exchange rates on hand and in banks	-	-	-	-
Net increase (decrease) in cash on hand and in banks	(277,707,242)	(1,686,631,073)	(1,320,301,558)	766,195,416
Cash of newly acquired subsidiary			30,588,215	
Cash Balance at the beginning of the year	853,902,368	2,143,615,711	2,143,615,711	1,377,420,295
Cash Balance at the end of the year	576,195,126	456,984,638	853,902,368	2,143,615,711

**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, 2019.

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 8990 Holdings, Inc. 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.

*High-rise Condominium Units*

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

*Hotel Operations*

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

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

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

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

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

**4. Cash on Hand and in Banks**

This account consists of:

	31-Mar		31-Dec	
	2020	2019	2019	2018
	Unaudited	Unaudited	Audited	Audited
Cash on hand	22,830,182	13,360,594	22,536,313	11,036,127
Cash in banks	553,364,944	443,624,044	831,366,055	2,132,579,584
	576,195,126	456,984,638	853,902,368	2,143,615,711

## 5. Trade and Other Receivables

This account consists of:

	31-Mar		31-Dec	
	2020	2019	2019	2018
	Unaudited	Unaudited	Audited	Audited
Trade Receivables				
Installment contract receivables	2,754,718,890	1,106,787,064	2,634,787,842	1,045,810,025
Finance Lease Receivables	10,962,314		49,518,866	21,278,199
Advances to external marketing manager	60,856,698	60,856,698	60,856,698	60,856,698
Retention Receivables	1,082,668,539	652,268,932	1,150,201,828	1,037,059,685
Receivables from employees	594,886,649	436,209,667	507,462,799	495,681,725
Contract assets	65,005,815		65,005,815	
Other Receivables	349,309,743	1,665,988,223	298,920,612	841,606,497
	4,918,408,647	3,922,110,584	4,766,754,461	3,502,292,829
Less: Allowance for impairment losses	359,793,798	288,998,291	359,793,798	343,398,437
	4,558,614,849	3,633,112,293	4,406,960,663	3,158,894,392

### Non current

Trade Receivables				
Installment contract receivables	17,657,405,359	16,370,981,256	16,888,662,265	16,508,118,092
Finance Lease Receivables	1,085,269,068	-	504,469,549	446,792,704
Loans Receivable	396,953,440		396,953,440	314,005,923
Retention Receivables	-	993,204,411	-	-
	19,139,627,867	17,364,185,667	17,790,085,254	17,268,916,719
	23,698,242,716	20,997,297,959	22,197,045,917	20,427,811,111

Eighty one percent (81%) of total receivables of the Company are on long-term basis. Current portion of installment contract receivables stands at PhP2,765.7 million which pertains to portion of receivables from buyers due within one (1) year.

## 6. Inventories

This account consists of:

	31-Mar		31-Dec	
	2020	2019	2019	2018
	Unaudited	Unaudited	Audited	Audited
Real estate inventories				
Low-cost mass housing	21,865,108,601	12,655,085,305	19,543,242,901	12,795,931,788
Medium-rise condominium units	1,260,653,404	2,214,639,928	1,693,461,140	1,466,450,795
High-rise condominium units	15,332,848,311	16,767,988,029	15,688,614,504	14,868,993,234
	38,458,610,316	31,637,713,263	36,925,318,545	29,131,375,817

## 7. Available for Sale Securities

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

## 8. Other Assets

This account consists of:

	31-Mar		31-Dec	
	2020 Unaudited	2019 Unaudited	2019 Audited	2018 Audited
<b>Current</b>				
Advances to contractors and brokers	3,747,829,291	3,343,569,415	3,555,673,047	3,470,575,004
Input tax	180,597,470	392,325,884	337,661,047	401,731,915
Advances to landowners	157,974,773	202,799,200	126,814,119	202,799,200
Creditable withholding tax	216,969,414	56,574,097	213,484,734	107,170,936
Prepaid expenses	87,320,460	129,921,348	112,056,869	84,993,113
Advances to brokers	39,969,681	37,801,628	39,969,681	37,801,628
Others	99,563,572	12,342,364	47,483,745	12,449,843
	4,530,224,660	4,175,333,937	4,433,143,242	4,317,521,638
Less: Allowance for impairment losses	55,375,203	12,991,574	55,375,203	55,375,203
	4,474,849,457	4,162,342,363	4,377,768,039	4,262,146,435
<b>Non-current</b>				
Deposits	253,518,777	155,339,106	160,161,205	154,914,523
Investment in joint operations			127,322,806	91,231,192
Software cost	44,782,402	1,492,522	49,364,636	1,492,522
Right of use assets - net	4,872,301		4,872,301	
Others	214,934,700	96,900,000	35,254,541	67,004,238
	518,108,179	253,731,629	376,975,490	314,642,475
Less: Allowance for impairment losses	2,511,974	1,611,284	2,511,974	2,511,974
	515,596,205	252,120,345	374,463,516	312,130,501
	4,990,445,663	4,414,462,707	4,752,231,555	4,574,276,936

## 9. Property and Equipment

This account consists of:

	31-Mar-20 Unaudited								
	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Total
<b>Cost</b>									
Balances at beginning of year	107,405,010	610,023,700	10,458,647	31,182,531	127,932,343	115,365,420	142,711,875	27,975,413	1,173,054,939
Additions									-
Transfers/Disposals									-
<b>Balances at end of year</b>	<b>107,405,010</b>	<b>610,023,700</b>	<b>10,458,647</b>	<b>31,182,531</b>	<b>127,932,343</b>	<b>115,365,420</b>	<b>142,711,875</b>	<b>27,975,413</b>	<b>1,173,054,939</b>
<b>Accumulated Depreciation and Amortization</b>									
Balances at beginning of year	-	65,519,356	10,458,647	18,394,817	75,785,836	79,233,865	106,226,011	-	355,618,531
Depreciation and Amortization	-	856,482		1,080,800	4,217,038	3,037,767	4,647,181		13,839,269
Transfers/Disposals	-								-
<b>Balances at end of year</b>	<b>-</b>	<b>66,375,838</b>	<b>10,458,647</b>	<b>19,475,617</b>	<b>80,002,874</b>	<b>82,271,632</b>	<b>110,873,191</b>	<b>-</b>	<b>369,457,800</b>
<b>Accumulated Impairment Losses</b>									
Balances at beginning of year	-	-	-	-	-	-	-	-	-
Provision for impairment loss	-	-	-	-	-	-	-	-	-
<b>Balances at end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Book Value</b>	<b>107,405,010</b>	<b>543,647,862</b>	<b>0</b>	<b>11,706,914</b>	<b>47,929,469</b>	<b>33,093,788</b>	<b>31,838,683</b>	<b>27,975,413</b>	<b>803,597,140</b>

31-Mar-19  
Unaudited

	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Total
<b>Cost</b>									
Balances at beginning of year	107,405,010	609,057,527	10,458,647	28,941,424	106,594,476	73,756,767	139,576,505	19,023,326	1,094,813,681
Additions	-	-			29,915,172	14,976,067	8,085,706	20,343,197	73,320,142
Transfers/Disposals	-	472,796,024							472,796,024
<b>Balances at end of year</b>	<b>107,405,010</b>	<b>1,081,853,551</b>	<b>10,458,647</b>	<b>28,941,424</b>	<b>136,509,648</b>	<b>88,732,834</b>	<b>147,662,211</b>	<b>39,366,523</b>	<b>1,640,929,847</b>
<b>Accumulated Depreciation and Amortization</b>									
Balances at beginning of year	-	35,248,780	10,458,647	13,595,946	56,133,109	55,870,079	88,062,971	-	259,369,531
Depreciation and Amortization		1,384,081	0	914,042	9,154,827	5,043,433	4,790,566	-	21,286,950
Transfers/Disposals									-
<b>Balances at end of year</b>	<b>-</b>	<b>36,632,861</b>	<b>10,458,647</b>	<b>14,509,988</b>	<b>65,287,936</b>	<b>60,913,512</b>	<b>92,853,537</b>	<b>-</b>	<b>280,656,481</b>
<b>Accumulated Impairment Losses</b>									
Balances at beginning of year	8,970,000	-	-	-	-	-	-	-	8,970,000
Provision for impairment loss	-	-	-	-	-	-	-	-	-
<b>Balances at end of year</b>	<b>8,970,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,970,000</b>
<b>Net Book Value</b>	<b>98,435,010</b>	<b>1,045,220,691</b>	<b>(0)</b>	<b>14,431,436</b>	<b>71,221,711</b>	<b>27,819,322</b>	<b>54,808,674</b>	<b>39,366,523</b>	<b>1,351,303,367</b>

31-Dec-19

Unaudited

	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Total
<b>Cost</b>									
Balances at beginning of year	107,405,010	609,057,527	10,458,647	28,941,424	106,594,476	73,756,767	139,576,505	19,023,326	1,094,813,681
Additions	-	966,173	-	2,241,108	21,337,867	38,008,653	6,735,370	8,952,087	78,241,258
Transfers/Disposals	-	-	-	-	-	3,600,000	(3,600,000)	-	-
Balances at end of year	<b>107,405,010</b>	<b>610,023,700</b>	<b>10,458,647</b>	<b>31,182,531</b>	<b>127,932,343</b>	<b>115,365,420</b>	<b>142,711,875</b>	<b>27,975,413</b>	<b>1,173,054,939</b>
						4,093,779.80	141,817,896	5,623,938	151,535,613
Accumulated Depreciation and Amortization									
Balances at beginning of year	-	35,248,780	10,458,647	13,595,946	56,133,109	55,870,079	88,062,971	-	259,369,531
Depreciation and Amortization	-	30,270,576	-	4,798,871	19,652,726	23,063,786	18,463,040	-	96,249,000
Transfers/Disposals	-	-	-	-	-	300,000	(300,000)	-	-
Balances at end of year	-	65,519,356	10,458,647	18,394,817	75,785,836	79,233,865	106,226,011	-	355,618,531
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
<b>Net Book Value</b>	<b>98,435,010</b>	<b>544,504,344</b>	<b>0</b>	<b>12,787,715</b>	<b>52,146,507</b>	<b>36,131,555</b>	<b>36,485,864</b>	<b>27,975,413</b>	<b>808,466,409</b>

31-Dec-18

Unaudited

	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Total
<b>Cost</b>									
Balances at beginning of year	107,405,010	57,548,576	10,458,647	20,687,019	85,982,371	66,943,489	141,847,857	26,618,286	517,491,255
Additions	-	543,075,127	-	8,254,405	20,662,551	6,813,278	6,293,948	838,864	585,938,173
Transfers/Disposals	-	8,433,824	-	-	(50,446)	-	(8,565,300)	(8,433,824)	(8,615,746)
<b>Balances at end of year</b>	<b>107,405,010</b>	<b>609,057,527</b>	<b>10,458,647</b>	<b>28,941,424</b>	<b>106,594,476</b>	<b>73,756,767</b>	<b>139,576,505</b>	<b>19,023,326</b>	<b>1,094,813,681</b>
Accumulated Depreciation and Amortization									
Balances at beginning of year	-	22,941,670	10,417,323	9,939,779	39,857,353	43,102,211	72,618,024	-	198,876,359
Depreciation and Amortization	-	12,307,110	41,324	3,656,167	16,308,546	12,767,868	23,691,931	-	68,772,945
Transfers/Disposals	-	-	-	-	(32,790)	-	(8,246,983)	-	(8,279,773)
<b>Balances at end of year</b>	<b>-</b>	<b>35,248,780</b>	<b>10,458,647</b>	<b>13,595,946</b>	<b>56,133,109</b>	<b>55,870,079</b>	<b>88,062,971</b>	<b>-</b>	<b>259,369,531</b>
Accumulated Impairment Losses									
Balances at beginning of year	8,970,000	-	-	-	-	-	-	-	8,970,000
Provision for impairment loss	-	-	-	-	-	-	-	-	-
<b>Balances at end of year</b>	<b>8,970,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,970,000</b>
<b>Net Book Value</b>	<b>98,435,010</b>	<b>573,808,748</b>	<b>0</b>	<b>15,345,478</b>	<b>50,461,366</b>	<b>17,886,688</b>	<b>51,513,534</b>	<b>19,023,326</b>	<b>826,474,150</b>



## 10. Investment Properties

This account consists of:

	31-Mar-20 Unaudited			
	Land	Building	Land Improvements	Total
<b>Cost</b>				
Balances at beginning of year	245,122,977	9,737,805	101,171,390	356,032,171
Additions	-			-
Transfers/Reclassification to REI				-
Balances at end of year	245,122,977	9,737,805	101,171,390	356,032,171
<b>Accumulated Depreciation and Amortization</b>				
Balances at beginning of year	-	4,383,233	38,552,928	42,936,161
Depreciation and Amortization		992,757	7,729,706	8,722,463
Balances at end of year	-	5,375,990	46,282,634	51,658,624
<b>Net Book Value</b>	<b>245,122,977</b>	<b>4,361,815</b>	<b>54,888,755</b>	<b>304,373,548</b>

	31-Mar-19 Unaudited			
	Land	Building	Land Improvements	Total
<b>Cost</b>				
Balances at beginning of year	119,030,686	8,832,630	92,831,377	220,694,693
Additions	-			-
Transfers/Reclassification to REI			83,037,661	83,037,661
Balances at end of year	119,030,686	8,832,630	175,869,038	303,732,354
<b>Accumulated Depreciation and Amortization</b>				
Balances at beginning of year	-	3,941,601	32,947,944	36,889,545
Depreciation and Amortization		110,408	1,153,174	1,263,582
Balances at end of year	-	4,052,009	34,101,118	38,153,127
<b>Net Book Value</b>	<b>119,030,686</b>	<b>4,780,621</b>	<b>141,767,921</b>	<b>265,579,227</b>

	31-Dec-19 Audited			
	Land	Building	Land Improvements	Total
<b>Cost</b>				
Balances at beginning of year	119,030,686	8,832,630	92,831,377	220,694,693
Additions	126,092,291	905,175	8,340,013	135,337,479
Transfers/Reclassification to REI		-		-
Balances at end of year	245,122,977	9,737,805	101,171,390	356,032,171
	1,767,625	5,623,938	5,705,064	
<b>Accumulated Depreciation and Amortization</b>				
Balances at beginning of year	-	3,941,601	32,947,944	36,889,545
Depreciation and Amortization	-	441,631	5,604,984	6,046,616
Balances at end of year	-	4,383,233	38,552,928	42,936,161
		-	383,559,019	
<b>Net Book Value</b>	<b>245,122,977</b>	<b>5,354,572</b>	<b>62,618,462</b>	<b>313,096,011</b>

**31-Dec-18**  
Audited

	Land	Building	Land Improvements	Total
<b>Cost</b>				
Balances at beginning of year	226,791,891	8,832,630	92,003,920	327,628,440
Additions	-	-	827,457	827,457
Transfers/Reclassification to REI	(107,761,205)	-		(107,761,205)
Balances at end of year	119,030,686	8,832,630	92,831,377	220,694,693
<b>Accumulated Depreciation and Amortization</b>				
Balances at beginning of year	-	3,499,970	28,336,289	31,836,259
Depreciation and Amortization	-	441,631	4,611,654	5,053,286
Balances at end of year	-	3,941,601	32,947,944	36,889,545
<b>Net Book Value</b>	<b>119,030,686</b>	<b>4,891,029</b>	<b>59,883,433</b>	<b>183,805,148</b>

**11. Trade and Other Payables**

This account consists of:

	31-Mar		31-Dec	
	2020	2019	2019	2018
	Unaudited	Unaudited	Audited	Audited
<b>Current</b>				
Trade and accounts payables	2,242,353,988	1,394,072,398	2,552,798,595	2,391,507,096
Accrued expenses	2,067,650,847	1,350,364,995	2,216,431,615	1,912,505,106
Interest Payable	69,023,651	232,273,913	181,056,192	216,611,260
Retention payables	633,946,989		461,554,626	365,376,921
Withholding tax payables	41,470,743	102,434,579	75,499,691	94,852,634
Construction bonds	75,385,068	67,658,270	77,830,455	64,252,002
Net out put tax	107,327,959	193,379,852	101,803,864	174,806,382
Lease liabilities	4,991,632		4,991,632	-
Others	810,693,471	1,494,281,820	746,606,954	483,435,480
	6,052,844,348	4,834,465,827	6,418,573,624	5,703,346,881
<b>Non-current</b>				
Trade and accounts payables		56,518,874	-	-
Contract liability	858,291,119		858,291,119	-
Pension Liability	10,580,053	3,580,163	10,580,053	3,440,369
Retention payables	191,006,930		191,006,930	186,735,939
Lease Liabilities	71,259	-	71,259	-
	1,059,949,361	60,099,037	1,059,949,361	190,176,308
	7,112,793,709	4,894,564,864	7,478,522,985	5,893,523,189

**12. Loans Payable**

This account consists of:

	31-Mar		31-Dec	
	2020	2019	2019	2018
	Unaudited	Unaudited	Audited	Audited
Short-term loans payable	13,952,542,851	8,188,055,914	11,828,160,185	7,242,845,485
Long-term loans payable	6,790,621,778	8,777,487,856	5,756,697,041	7,764,234,753
	20,743,164,629	16,965,543,770	17,584,857,226	15,007,080,238

**13. 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.

**14. Revenue**

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2020	2019	2019	2018
	Unaudited	Unaudited	Audited	Audited
Real estate				
Low-cost mass housing	1,027,678,228	1,319,690,947	4,314,688,780	5,525,764,601
Medium-rise condominium units	534,140,705	877,930,268	2,386,196,242	2,730,480,016
High-rise condominium units	1,822,442,995	706,270,770	8,172,335,789	3,421,624,666
	3,384,261,927	2,903,891,985	14,873,220,812	11,677,869,283
Rental income	1,398,870	1,292,690	16,469,214	12,508,357
Hotel operations	79,865,184	105,187,041	386,815,132	55,496,721
	3,465,525,982	3,010,371,716	15,276,505,158	11,745,874,361
Sale of Timeshares	-	-	-	-
	3,465,525,982	3,010,371,716	15,276,505,158	11,745,874,361

**15. Cost of Sales and Services**

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2020	2019	2019	2018
	Unaudited	Unaudited	Audited	Audited
Real estate				
Low-cost mass housing	568,772,728	635,003,188	2,843,321,560	2,585,974,482
Medium-rise condominium units	281,390,646	382,785,994	1,140,959,980	1,085,120,332
High-rise condominium units	642,586,767	273,274,203	2,868,882,812	1,592,774,417
	1,492,750,142	1,291,063,385	6,853,164,352	5,263,869,231
Cost of rental services	-	-	265,056	1,774,863
Cost of hotel operations	50,035,965	40,808,636	157,331,927	16,335,910
	1,542,786,107	1,331,872,020	7,010,761,335	5,281,980,004
Timeshare and Hotel Operations				
Timeshare	-	-	-	-
	1,542,786,107	1,331,872,020	7,010,761,335	5,281,980,004

## 16. Operating Expenses

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2020	2019	2019	2018
	Unaudited	Unaudited	Audited	Audited
Marketing and selling	178,429,822	148,056,419	767,070,731	518,489,233
Documentation	102,763,920	60,488,080	368,312,230	353,856,036
Taxes and licenses	88,961,528	70,572,887	264,466,040	258,771,880
Salaries and employee benefits	30,146,078	19,602,563	161,295,821	143,952,161
Advertising and promotional		26,458,667	59,663,286	78,585,404
Management and professional fees	23,614,942	14,409,270	87,077,579	60,722,448
Communication, light and water	10,679,360	11,391,680	49,846,373	35,768,137
Expected credit and impairment losses			112,394,407	83,902,837
Security, messengerial and janitorial	17,127,582	15,504,556	89,353,701	64,316,497
Depreciation and amortization	22,561,732	22,550,077	110,338,448	73,826,231
Transportation and travel	9,684,479	21,141,276	57,970,446	39,463,705
Repairs and maintenance	29,588,458	24,966,446	83,195,522	75,092,281
Entertainment, amusement and representation	12,028,001	4,802,590	43,924,598	30,751,734
Donations and contributions				-
Rent	5,315,127	6,721,131	25,330,108	23,029,643
Supplies	4,063,200	3,882,865	16,924,617	13,211,175
Insurance	646,313	2,932,554	12,585,421	11,619,838
Losses from assets written off			37,137,321	-
Subscription dues and fees	5,326,045	1,991,150	9,516,593	6,009,891
Loss on repossession			-	97,680,357
Miscellaneous	16,162,983	5,241,505	117,922,935	16,574,787
	557,099,572	460,713,716	2,474,326,180	1,985,624,275

## 17. Finance Costs

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2020	2019	2019	2018
	Unaudited	Unaudited	Audited	Audited
Borrowings	103,522,362	147,417,011	1,036,121,342	620,403,033
Accretion	-	-	24,627,038	23,085,294
Bonds	145,102,101	145,102,101	560,058,465	559,872,605
Bank charges	20,714,268	306,176	930,173	997,005
Net interest expense on pension obligation			-	217,503
	269,338,731	292,825,288	1,621,737,017	1,204,575,440

**18. Other Operating Income**

This account consists of:

	Three Months Ended March 31		Years Ended December 31	
	2020	2019	2019	2018
	Unaudited	Unaudited	Audited	Audited
Interest Income from:				
Installment contract receivables	213,435,495	267,627,146	1,161,488,440	1,187,286,755
Cash in banks and long term investments	15,575,582	36,851	56,018,721	9,163,979
Loans receivable			54,154,064	16,195,774
Penalties	17,041,392	13,818,996	62,523,180	40,423,486
Gain on repossession of inventories	-	-	125,869,859	-
Maintenance fee	1,450,125		-	-
Reversal of credit losses			87,764,931	
Collection service fees			-	-
Loss on sale of a subsidiary				
Gain on sale of unquoted debt security classified as loans				
Miscellaneous	8,542,327	16,886,174	141,850,028	150,860,334
	256,044,922	298,369,168	1,689,669,223	1,403,930,328

## Item 2. Management Discussions and Analysis

### Financial Highlights and Key Performance Indicators

Table below shows comparative consolidated balance sheet financial highlights of 8990 Holdings, Inc. for three months ended March 31, 2020 and 2019, both unaudited.

Consolidated Balance Sheet	As of March 31, 2020	As of March 31, 2019	Increase	
	Unaudited	Unaudited	Amount	%
Total Assets	72,342,412,764	61,965,721,969	10,376,690,795	16.75%
Current Assets	49,989,879,616	41,383,049,252	8,606,830,363	20.80%
Trade Receivables	23,698,242,716	20,997,297,959	2,700,944,757	12.86%
Total Liabilities	38,729,102,828	32,080,747,761	6,648,355,068	20.72%
Current Liabilities	29,417,750,961	13,931,557,564	15,486,193,397	111.16%
Loans Payable	20,743,164,629	16,965,543,770	3,777,620,859	22.27%
Stockholder's Equity	33,613,309,936	29,884,974,208	3,728,335,728	12.48%
Permitted Liens	7,234,241,276	6,196,572,197		
Loans under Permitted Liens	856,488,683	206,894,273		

Table below shows comparative consolidated statement of income financial highlights of 8990 Holdings, Inc. for three months ended March 31, 2020 and 2019, both unaudited.

Consolidated Statements of Income	As of March 31, 2020	As of March 31, 2019	Increase	
	Unaudited	Unaudited	Amount	%
Revenue	3,465,525,982	3,010,371,716	455,154,266	15.12%
Gross Income	1,922,739,875	1,678,499,696	244,240,179	14.55%
Operating Expenses	557,099,572	460,713,716	96,385,856	20.92%
Net Operating Income	1,365,640,303	1,217,785,980	147,854,323	12.14%
EBITDA	1,644,246,957	1,538,705,224	105,541,733	6.86%
Net Income Before Tax	1,352,346,493	1,223,329,859	129,016,634	10.55%
Net Income After Tax	1,320,968,857	1,177,940,666	143,028,190	12.14%

Tables below show quarter one 2020 key performance indicators of the Company, with relevant comparative figures.

Key Performance Indicators	As of March 31, 2020	As of March 31, 2019	Bond Covenant
	Unaudited	Unaudited	
Current Ratio	1.70	2.97	minimum 1.0
Book Value Per Share	5.14	5.37	
Debt to Equity Ratio	1.15	1.07	
Net Debt to Equity Ratio	0.62	0.85	maximum 1.5
Asset to Equity Ratio	2.15	2.07	
Asset to Debt Ratio	1.87	1.93	
Debt Service Ratio*	4.03	5.21	minimum 1.25
Interest Coverage Ratio	13.19	8.26	

\*immediately preceding 12 months of the review period

Key Performance Indicators	As of March 31, 2020	As of March 31, 2019
	Unaudited	Unaudited
Gross Margin	55.48%	55.76%
EBITDA Margin	47.45%	51.11%
Net Income Margin	38.12%	39.13%

## **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 rental 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 rental and hotel operations.

### **Operating Expenses**

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

### **Finance Costs**

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

### **Other Income**

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

### **Provision for Income Tax**

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

## **Results of Operations**

### ***Three months ended March 31, 2020 compared to three months ended March 31, 2019***

#### *Revenue*

For the three months ended March 31, 2020, the Company recorded consolidated revenue of PhP3,465.5 million, an increase of 15% from consolidated revenue of PhP3,010.4 million recorded for the three months ended March 31, 2019. The increase was mainly attributable to the increased sales in NCR, Bacolod and Davao.

#### *Cost of Sales and Services*

The Company's consolidated cost of sales and services for the three months ended March 31, 2020 was PhP1,542.8 million, an increase of 16% from consolidated cost of sales and services of PhP1,331.9 million recorded for the three months ended March 31, 2019. The increase was mainly attributable to increased sales recorded for the period.

#### *Gross Income*

The Company's consolidated gross income for the three months ended March 31, 2020 was PhP1,922.7 million, an increase from consolidated gross income of PhP1,678.5 million recorded for the three months ended March 31, 2019. The Company's gross income margin for the three months ended March 31, 2020 was 55.5%, compared to a gross income margin of 55.8% recorded for the three months ended March 31, 2019. The Company attributes its strong and maintained gross income margin to its sound internal financial planning policies with respect to land banking activities and project budgeting process.

#### *Operating Expenses*

For the three months ended March 31, 2020, the Company recorded consolidated operating expenses of PhP557.1 million, an increase of 21% from consolidated operating expenses of PhP460.7 million recorded for the three months ended March 31, 2019.

#### *Finance Costs*

The Company's consolidated finance costs for the three months ended March 31, 2020 were PhP269.3 million, a decrease from consolidated finance costs of PhP292.8 million recorded for the three months ended March 31, 2019. The decrease was mainly attributable to decreased interest charged compared to same period last year.

#### *Other Operating Income*

For the three months ended March 31, 2020, the Company recorded consolidated other income of PhP256.0 million, a decrease from the consolidated other income of PhP298.4 million recorded for the three months ended March 31, 2019. Interest income on the Company's installment contract receivables under its CTS Gold program contributes to the majority of the other income.

#### *Income before Income Tax*

The Company's consolidated income before income tax for the three months ended March 31, 2020 was PhP1,352.3 million, an increase from consolidated income before income tax of PhP1,223.3 million recorded for the three months ended March 31, 2019.



### *Provision for Income Tax*

The Company's consolidated provision for income tax for the three months ended March 31, 2020 was PhP31.4 million, a decrease from consolidated provision for income tax of PhP45.4 million recorded for the three months ended March 31, 2019. The increase was mainly attributable to the Company's increased other income which are subject to income tax.

### *Net Income*

As a result of the foregoing, the Company's consolidated net income for the three months ended March 31, 2020 was PhP1,321.0 million, a 12% increase from consolidated net income of PhP1,177.9 million recorded for the three months ended March 31, 2019. The Company's consolidated net income margin for the three months ended March 31, 2020 was 38.1%, compared to a consolidated net income margin of 39.1% for the three months ended March 31, 2019.

## **Financial Position**

### ***As at March 31, 2020 compared to as at March 31, 2019***

#### ***Assets***

##### *Cash on Hand and in Banks*

The Company's consolidated cash on hand and in banks were PhP576.2 million as at March 31, 2020, an increase from consolidated cash on hand and in banks of PhP457.0 million as at March 31, 2019.

##### *Current portion of trade and other receivables*

The Company's consolidated current portion of trade and other receivables were PhP4,558.6 million as at March 31, 2020, an increase from consolidated current portion of trade and other receivables of PhP3,633.1 million as at March 31, 2019.

##### *Inventories*

The Company's consolidated inventories were PhP38,464.2 million as at March 31, 2020, an increase of 22% from consolidated inventories of PhP31,637.7 million as at March 31, 2019. The increase is due to increased inventory for low cost mass housing projects.

##### *Due from related parties*

The Company's consolidated due from related parties were PhP1,971.6 million as at March 31, 2020, an increase from consolidated due from related parties of PhP1,492.9 million as at March 31, 2019.

##### *Other current assets*

The Company's consolidated other current assets were PhP4,424.8 million as at March 31, 2020, an increase from consolidated other current assets of PhP4,162.3 million as at March 31, 2019, 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 PhP19,139.6 million as at March 31, 2020, a 10% increase from consolidated trade and other receivables - net of current portion of PhP17,364.2 million as at March 31, 2019. The increase was due to additional sales which availed of in-house financing scheme.

#### *Property and equipment*

The Company's consolidated property and equipment was PhP803.6 million as at March 31, 2020, a decrease from consolidated property and equipment of PhP1,351.3 million as at March 31, 2019.

#### *Investment properties*

The Company's consolidated investment properties were PhP304.4 million as at March 31, 2020, an increase from consolidated investment properties of PhP265.6 million as at March 31, 2019.

#### *Other noncurrent assets*

The Company's other noncurrent assets were PhP365.6 million as at March 31, 2020, an increase from other noncurrent assets of PhP252.1 million as at March 31, 2019.

### **Liabilities**

#### *Current portion of trade and other payables*

The Company's consolidated current portion of trade and other payables were PhP6,052.8 million as at March 31, 2020, an increase from consolidated current portion of trade and other payables of PhP4,834.5 million as at March 31, 2019. The increase is mainly due to increased advances to contractors for downpayment of projects as well as increased accrued expenses for the accruals made in relation to recognition of sales.

#### *Current portion of loans payable*

The Company's consolidated current portion of loans payable were PhP13,952.5 million as at March 31, 2020, an increase from consolidated current portion of loans payable of PhP8,188.1 million as at March 31, 2019. The increase was due to increased short-term borrowing of the Company.

#### *Deposits from customers*

The Company's consolidated deposits from customers were PhP853.7 million as at March 31, 2020, an increase from consolidated deposits from customers of PhP522.4 million as at March 31, 2019. Increase were due to increased equity collections from Urban Deca Homes Ortigas project.

#### *Due to related parties*

The Company's consolidated due to related parties were PhP78.7 million as at March 31, 2020, a decrease from consolidated due to related parties of PhP338.3 million as at March 31, 2019.

#### *Income tax payable*

The Company's consolidated income tax payable was PhP88.5 million as at March 31, 2020, an increase from consolidated income tax payable of PhP48.4 million as at March 31, 2019.

#### *Trade and other payables - net of current portion*

The Company's consolidated trade and other payables - net of current portion were PhP1,059.9 million as at March 31, 2020, an increase from consolidated trade and other payables - net of current portion of PhP60.1 million as at March 31, 2019. The increase is due to recognition of contract liabilities amounting to PhP858.3 million in relation to sold but uncompleted units for Monterazzas de Cebu project by Genvi Development Corporation and Urban Deca Homes Ortigas by 8990 Housing Development Corporation.

#### *Loans payable - net of current portion*

The Company's consolidated loans payable - net of current portion was PhP6,790.6 million as at March 31, 2020, a decrease from consolidated loans payable - net of current portion of PhP8,777.5 million as at March 31, 2019.

#### *Deferred tax liability*

The Company's consolidated deferred tax liability was PhP870.0 million as at March 31, 2020, an increase from consolidated deferred tax liability of PhP354.4 million as at March 31, 2019. This deferred tax liability was attributable to uncollected revenue as most of the revenue recognition were under in-house financing scheme.

### **Liquidity and Capital Resources**

The Company mainly relies on the following sources of liquidity: [1] cash flow from operations, [2] cash generated from the sale or transfer of receivables to private financial institutions such as banks or to government housing related institutions such as the Home Development Mutual Fund ("PAG-IBIG"), and [3] financing lines provided by banks. The Company knows of no demands, commitments, events, or uncertainties that are reasonably likely to result in a material increase or decrease in liquidity. The Company is current on all of its loan accounts, and has not had any issues with banks to date. The Company does not anticipate having any cash flow or liquidity problems over the next twelve (12) months. The Company is not in breach or default on any loan or other form of indebtedness.

The Company expects to meet its operating assets and liabilities, capital expenditure, dividend payment and investment requirements for the next twelve (12) months primarily from its operating cash flows, borrowings and proceeds of the shares issuance. It may also from time to time seek other sources of funding, which may include debt or equity financings, depending on its financing needs and market conditions.

### **Cash Flows**

#### ***Cash flow used in operating activities***

The Company's consolidated net cash from operating activities is primarily affected by the revenues generated from its operations, primarily the sale of residential housing units, subdivision lots and MRB condominium units. The Company's consolidated net cash used in operating activities were PhP1,990.2 million and for the period ended March 31, 2020 and consolidated net cash from operating activities were PhP2,831.7 million for the period ended March 31, 2019.

***Cash flows used in investing activities***

Consolidated net cash flow used in investing activities for the period ended March 31, 2019 were PhP5.1 million, and consolidated net cash provided by investing activities for the period ended March 31, 2019 were PhP207.8 million.

For the three months ended March 31, 2020, 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 period ended March 31, 2020 were PhP1,717.6 million, and consolidated net cash flow used in financing activities for the period ended March 31, 2019 were PhP937.4 million.

**PART II--OTHER INFORMATION**

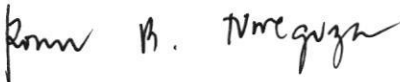
There is no material information to be reported by the Company aside from those reported in SEC 17C.

## SIGNATURES

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

Issuer: 8990 Holdings, Inc.

By:



**ROAN BUENAVENTURA-TORREGOZA**  
Chief Finance Officer

Date:  
**AUG 03 2020**