

COVER SHEET

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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 6

Month

Calendar Year

3 0

Day

SEC Form 17-Q
September 30, 2020

FORM TYPE

0 9

Month

Annual Meeting

1 4

Day

[Empty box]

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

35

Total No. of Stockholders

32

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 **September 30, 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
Common	5,391,399,020
Preferred Shares	50,000,000
Fixed Rate Bonds	9,000,000,000

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

Yes [] No []

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

Name of Stock Exchange: **Philippine Stock 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	
	2020 Unaudited	2019 Unaudited	2019 Audited	2018 Audited
ASSETS				
Current Assets				
Cash on hand and in banks	722,375,957	501,631,775	853,902,368	2,143,615,711
Current portion of trade and other receivables	3,421,850,771	8,869,103,160	4,406,960,662	3,158,894,392
Inventories	37,414,542,474	34,477,542,458	36,925,318,545	29,131,375,817
Due from related parties	1,344,556,872	1,136,328,257	1,230,669,970	1,007,656,721
Other current assets	4,906,876,780	4,369,699,793	4,377,768,041	4,262,146,435
Total Current Assets	47,810,202,853	49,354,305,443	47,794,619,586	39,703,689,076
Noncurrent Assets				
Trade and other receivables - net of current portion	27,519,926,383	16,164,476,042	17,790,085,254	17,268,916,719
Investment securities at fair value through other comprehensive income	1,212,863,555	1,349,484,111	1,212,863,555	1,349,484,111
Property and equipment	774,689,250	833,632,309	808,466,409	826,474,150
Investment properties	301,579,695	159,233,522	313,096,011	183,805,148
Available for sale securities				
Goodwill	526,474,833	-	526,474,833	
Other noncurrent assets	331,350,770	275,106,853	374,463,515	312,130,501
Total Noncurrent Assets	30,666,884,486	18,781,932,836	21,025,449,577	19,940,810,629
Total Assets	78,477,087,339	68,136,238,279	68,820,069,163	59,644,499,705
LIABILITIES AND EQUITY				
Current Liabilities				
Current portion of trade and other payables	9,445,720,079	4,719,562,213	6,438,856,129	5,703,346,881
Current portion of loans payable	14,811,575,998	9,983,281,415	11,828,160,185	7,242,845,485
Bonds payable	8,404,483,090	-	8,385,745,688	-
Deposits from customers	532,576,154	433,195,494	905,526,780	518,309,156
Due to related parties	85,928,956	67,275,375	83,767,452	56,974,725
Income tax payable	104,643,165	76,927,622	82,233,768	65,555,280
Total Current Liabilities	33,384,927,441	15,280,242,119	27,724,290,002	13,587,031,527
Noncurrent Liabilities				
Trade and other payables - net of current portion	1,061,776,826	29,340,543	1,059,949,361	190,176,308
Loans payable - net of current portion	7,208,708,234	11,934,481,800	5,756,697,041	7,764,234,753
Bonds payable	591,195,389	8,969,827,925	590,389,052	8,951,507,702
Deferred tax liability	869,986,728	55,201,147	869,986,728	201,168,505
Total Noncurrent Liabilities	9,731,667,176	20,988,851,414	8,277,022,181	17,107,087,268
Total Liabilities	43,116,594,617	36,269,093,533	36,001,312,183	30,694,118,795
Equity				
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	(1,806,540,154)	(1,066,143,652)	(1,266,523,478)	
Revaluation reserve	794,938,306	937,243,793	794,938,306	937,243,793
Retained earnings	21,500,462,645	17,124,412,681	18,418,710,227	13,141,505,193
Total Equity	35,360,492,722	31,867,144,746	32,818,756,980	28,950,380,910
Total Liabilities and Equity	78,477,087,339	68,136,238,279	68,820,069,163	59,644,499,705

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

	For nine months ended		For three months ended	
	September 30		September 30	
	2020	2019	2020	2019
	Unaudited	Unaudited	Unaudited	Unaudited
REVENUES				
Real Estate Operations				
Real estate sales	9,676,482,109	10,203,440,026	4,825,564,031	3,399,923,576
Rental income	4,549,204	1,196,000	2,852,899	320,000
Others	-	-	-	-
	9,681,031,313	10,204,636,026	4,828,416,929	3,400,243,576
Hotel operations	56,368,273	303,852,940	(28,393)	98,063,574
	9,737,399,586	10,508,488,966	4,828,388,537	3,498,307,150
COST OF SALES AND SERVICES				
Real Estate Operations				
Cost of real estate sales	4,648,489,842	4,677,770,609	2,450,029,359	1,797,575,339
Cost of rental services	-	-	-	-
Others	-	-	-	-
	4,648,489,842	4,677,770,609	2,450,029,359	1,797,575,339
Hotel Operations	33,608,362	107,091,006	1,838,251	32,041,196
	4,682,098,204	4,784,861,615	2,451,867,610	1,829,616,536
Gross Income	5,055,301,382	5,723,627,350	2,376,520,927	1,668,690,615
Operating Expenses	1,416,956,372	1,534,316,310	610,886,091	485,573,066
Other Operating Income (Expense)	965,492,356	1,283,013,728	639,085,482	705,094,711
Finance Costs	1,272,000,936	1,133,596,443	568,404,333	481,434,858
Operating Income	3,331,836,430	4,338,728,325	1,836,315,985	1,406,777,402
Other Income	-	-	-	-
Income Before Income Tax from Continuing Operations	3,331,836,430	4,338,728,325	1,836,315,985	1,406,777,402
Provision for Income Tax	24,097,762	129,834,586	11,949,120	16,913,638
Income from Continuing Operations	3,307,738,668	4,208,893,738	1,824,366,865	1,389,863,763
Income Before Income Tax from Discontinuing Operations	-	-	-	-
Net Income	3,307,738,668	4,208,893,738	1,824,366,865	1,389,863,763
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,307,738,668	4,208,893,738	1,824,366,865	1,389,863,763

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

	For nine months ended September 30, 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	32,818,756,979
Cash dividends declared by the Parent Company	-	-	-	-	-	-	-	-	(225,986,250)	(225,986,250)
Restatement of previous years (Effect of PFRS15 adjustments on Genvi)	-	-	-	-	-	-	-	-	-	-
Treasury Shares	-	-	(540,016,676)	-	-	-	-	-	-	(540,016,676)
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	-	-	-	-	-	3,307,738,668	3,307,738,668
Balance at September 30, 2020	5,567,990,720	-	(1,806,540,154)	9,303,641,204	(5,620,730)	800,559,036	-	794,938,306	21,500,462,645	35,360,492,721
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)	(136,620,556)	-	(142,305,487)	-	(142,305,487)
Comprehensive income for the year	-	-	-	-	-	-	-	-	5,578,520,034	5,578,520,034
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 nine months ended September 30, 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	-	-	-	-	-	-	-	-	(225,986,250)	(225,986,250)
Treasury Shares	-	-	(1,066,143,652)	-	-	-	-	-	-	(1,066,143,652)
Comprehensive income for the year	-	-	-	-	-	-	-	-	4,208,893,738	4,208,893,738
Balance at September 30, 2019	5,567,990,720	-	(1,066,143,652)	9,303,641,204	64,201	937,179,592	-	937,243,793	17,124,412,681	31,867,144,741

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	
	2020 Unaudited	2019 Unaudited	2019 Audited	2018 Audited
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	3,331,836,430	4,338,728,325	5,859,349,850	4,677,755,407
Adjustments for:				
Interest income	(684,520,717)	(922,430,381)	(1,217,507,161)	(1,212,646,509)
Interest costs	1,272,000,936	1,115,276,221	1,596,179,807	1,181,272,643
Losses from assets written-off	-	-	37,137,321	-
Provision for credit and impairment losses	-	-	112,394,407	74,788,837
Depreciation and amortization	67,625,774	60,700,500	110,338,448	73,826,231
Amortization of bond issue costs	19,543,739	18,320,223	24,627,038	23,085,294
Provision for inventory write-down	-	-	-	-
Loss (gain) on repossession	(240,607,798)	-	(125,869,859)	97,680,357
Gain on sale of AFS	-	-	-	-
Gain on sale of property and equipment	-	-	-	(130,437)
Unrealized foreign exchange loss	-	-	-	-
Retirement expense	-	-	1,837,185	2,185,046
Loss on sale of a subsidiary	-	-	-	-
Gain on sale of unquoted debt security classified as lo	-	-	-	-
Operating income before changes in working capital	3,765,878,363	4,610,594,887	6,398,487,036	4,917,816,869
Changes in operating assets and liabilities				
Decrease (increase) in:				
Trade and other receivables	(8,744,731,239)	(4,605,768,092)	(1,330,792,994)	2,924,002,315
Inventories	(248,616,131)	(5,346,166,641)	(4,966,678,832)	(3,380,020,802)
Other assets	(485,995,994)	(114,942,821)	(659,650,524)	(2,051,701,327)
Increase (decrease) in:				
Trade and other payables	2,989,147,676	(1,669,077,696)	441,091,672	1,371,747,790
Deposits from customers	(372,950,626)	(85,113,662)	387,217,624	76,833,397
Net cash used in operations	(3,097,267,950)	(7,210,474,025)	269,673,981	3,858,678,242
Interest received	684,520,717	922,430,381	1,169,174,348	1,196,297,372
Income tax paid	(1,688,365)	(220,016,489)	(259,577,808)	(329,683,420)
Net cash from (used in) operating activities	(2,414,435,598)	(6,508,060,134)	1,179,270,521	4,725,292,194
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of a new subsidiary	-	-	(1,360,765,328)	-
Cash advances granted to/collected from related parties	-	-	(295,609,671)	-
Loans granted to a third party	-	-	(82,947,517)	-
Interest received from loans to a third party	-	-	48,332,813	-
Acquisitions of:				
Property and equipment	(22,221,722)	(42,302,494)	(78,241,258)	(41,820,902)
Investment properties	(110,575)	(984,539)	(135,337,479)	(827,457)
Proceeds from:				
Sale of AFS	-	-	-	32,031,175
Disposal of property and equipment	-	-	-	466,410
Net cash used in investing activities	(22,332,298)	(43,287,033)	(1,904,568,440)	(1,136,261,585)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of cash dividends	(225,986,250)	(225,986,250)	(301,315,000)	(3,336,209,896)
Availment (retirement) of loans payable	4,435,427,005	6,910,682,977	2,577,776,988	1,376,639,344
Interest paid on loans and bonds	(1,252,457,197)	(590,818,958)	(1,631,734,875)	(1,080,483,953)
Cash advances from related parties	-	-	267,927,261.71	317,606,794
Availment (Repayment) of advances from related parties	(111,725,398)	(118,370,886)	-	(100,387,482)
Issuance of preferred shares	-	-	-	-
Buyback of shares (treasury stocks)	(540,016,676)	(1,066,143,652)	(1,266,523,478)	-
Payment of shares issuance costs	-	-	-	-
Net cash provided by financing activities	2,305,241,484	4,909,363,231	(595,003,638)	(2,822,835,193)
Effect of changes in foreign exchange rates on hand and in b	-	-	-	-
Net increase (decrease) in cash on hand and in banks	(131,526,412)	(1,641,983,936)	(1,320,301,557)	766,195,416
Cash of newly acquired subsidiary	-	-	30,588,215	-
Cash Balance at the beginning of the year	853,902,369	2,143,615,711	2,143,615,711	1,377,420,295
Cash Balance at the end of the year	722,375,957	501,631,775	853,902,369	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:

	30-Sep		31-Dec	
	2020 Unaudited	2019 Unaudited	2019 Audited	2018 Audited
Cash on hand	32,094,437	22,891,563	22,536,313	11,036,127
Cash in banks	690,281,520	478,740,212	831,366,055	2,132,579,584
	722,375,957	501,631,775	853,902,368	2,143,615,711

5. Trade and Other Receivables

This account consists of:

	30-Sep		31-Dec	
	2020 Unaudited	2019 Unaudited	2019 Audited	2018 Audited
Trade Receivables				
Installment contract receivables	1,664,963,665	770,335,091	2,634,787,842	1,045,810,025
Finance lease receivables	32,807,734	20,531,545	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	1,121,255,060	1,108,081,349	1,150,201,828	1,037,059,685
Receivables from employees	593,801,777	689,315,287	507,462,799	495,681,725
Contract Assets	70,052,479	-	65,005,815	
Other Receivables	237,907,155	6,650,944,490	298,920,611	841,606,497
	3,781,644,569	9,300,064,460	4,766,754,460	3,502,292,829
Less: Allowance for impairment losses	359,793,798.03	430,961,301	359,793,798	343,398,437
	3,421,850,771	8,869,103,160	4,406,960,662	3,158,894,392
Non current				
Trade Receivables				
Installment contract receivables	26,281,462,359	15,662,312,415	16,888,662,264	16,508,118,092
Finance lease receivables	688,886,140	502,163,627	504,469,549	446,792,704
Loans Receivables	549,577,883	-	396,953,440	314,005,923
	27,519,926,383	16,164,476,042	17,790,085,254	17,268,916,719
	30,941,777,153	25,033,579,202	22,197,045,916	20,427,811,111

Eighty nine percent (89%) of total receivables of the Company are on long-term basis. Current portion of installment contract receivables stands at Php1,664.96 million which pertains to portion of receivables from buyers due within one (1) year.

6. Inventories

This account consists of:

	30-Sep		31-Dec	
	2020 Unaudited	2019 Unaudited	2019 Audited	2018 Audited
Real estate inventories				
Low-cost mass housing	18,790,281,395	25,255,827,973	16,414,500,196	12,795,931,788
Medium-rise condominium units	1,769,371,405	1,761,994,901	1,693,461,140	1,466,450,795
High-rise condominium units	15,362,880,040	7,459,719,584	15,688,614,504	14,868,993,234
Developed subdivision lots	1,492,009,633	-	3,128,742,705	
	37,414,542,474	34,477,542,458	36,925,318,545	29,131,375,817
Timeshares	-	-	-	-
	37,414,542,474	34,477,542,458	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:

	30-Sep		31-Dec	
	2020 Unaudited	2019 Unaudited	2019 Audited	2018 Audited
Current				
Advances to contractors	3,951,452,476	3,664,558,739	3,555,673,047	3,470,575,004
Advances to brokers	47,769,118	32,048,580	39,969,681	37,801,628
Input tax	354,029,392	235,117,516	337,661,047	401,731,915
Advances to landowners	126,814,119	202,799,200	126,814,119	202,799,200
Creditable withholding tax	245,884,171	193,512,159	213,484,734	107,170,936
Prepaid expenses	181,451,714	85,142,720	112,056,869	84,993,113
Others	54,850,993	11,896,083	47,483,748	12,449,843
	4,962,251,983	4,425,074,996	4,433,143,244	4,317,521,638
Less: Allowance for impairment losses	55,375,203	55,375,203	55,375,203	55,375,203
	4,906,876,780	4,369,699,793	4,377,768,041	4,262,146,435
Non-current				
Deposits	177,920,895	143,748,699	160,161,205	154,914,523
AFS equity investment	-	-	-	-
Goodwill	526,474,833	-	526,474,833	-
Software cost	49,364,636	1,492,522	49,364,636	1,492,522
Investment in joint operations	133,450,640	-	127,322,806	91,231,192
Right-of-use assets net	4,704,799	-	4,872,301	-
Others	(31,578,226)	132,377,605	35,254,540	67,004,239
	860,337,577	277,618,827	903,450,322	314,642,475
Less: Allowance for impairment losses	2,511,974	2,511,974	2,511,974	2,511,974
	857,825,603	275,106,853	900,938,348	312,130,501
	5,764,702,384	4,644,806,646	5,278,706,389	4,574,276,936

9. Property and Equipment

This account consists of:

	30-Sep-20 Unaudited								
	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Total
Cost									
Balances at beginning of year	107,405,010	610,023,700	10,458,647	31,182,532	127,932,343	115,365,420	142,711,875	27,975,413	1,173,054,940
Additions	-	1,528,556	771,429	1,907,240	6,019,339	6,895,160	5,100,000	-	22,221,722
Transfers/Disposals	-	-	-	-	-	-	-	-	-
Balances at end of year	107,405,010	611,552,256	11,230,076	33,089,771	133,951,682	122,260,580	147,811,875	27,975,413	1,195,276,662
Accumulated Depreciation and Amortization									
Balances at beginning of year	-	65,519,356	10,458,647	18,394,817	75,785,835	79,233,865	106,226,011	-	355,618,531
Depreciation and Amortization	-	15,961,527	-	3,234,747	6,521,573	16,303,203	13,977,832	-	55,998,882
Transfers/Disposals	-	-	-	-	-	-	-	-	-
Balances at end of year	-	81,480,882	10,458,647	21,629,564	82,307,408	95,537,068	120,203,843	-	411,617,413
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	530,071,374	771,429	11,460,207	51,644,274	26,723,512	27,608,031	27,975,413	774,689,250
	30-Sep-19 Unaudited								
	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Total
Cost									
Balances at beginning of year	107,405,010	609,057,527	10,458,647	28,941,424	106,594,476	73,756,767	139,576,505	19,023,326	1,094,813,682
Additions	-	585,578	-	968,119	16,360,900	15,327,938	8,509,370	550,590	42,302,494
Transfers/Disposals	-	-	-	-	-	-	-	-	-
Balances at end of year	107,405,010	609,643,105	10,458,647	29,909,543	122,955,376	89,084,705	148,085,875	19,573,916	1,137,116,176
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	-	259,369,532
Depreciation and Amortization	-	(4,443,509)	-	3,521,629	14,854,888	6,908,802	14,302,524	-	35,144,335
Transfers/Disposals	-	-	-	-	-	-	-	-	-
Balances at end of year	-	30,805,271	10,458,647	17,117,575	70,987,997	62,778,881	102,365,495	-	294,513,867
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	578,837,834	-	12,791,968	51,967,378	26,305,823	45,720,379	19,573,916	833,632,309

31-Dec-19
Unaudited

	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Total
Cost									
Balances at beginning of year	107,405,010	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	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
						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
Net Book Value	98,435,010	544,504,344	0	12,787,715	52,146,507	36,131,555	36,485,864	27,975,413	808,466,409

31-Dec-18

Unaudited

	Land	Building	Land Improvements	Leasehold Improvements	Furnitures and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Total
Cost									
Balances at beginning of year	107,405,010	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)
Balances at end 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
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)
Balances at end of year	-	35,248,780	10,458,647	13,595,946	56,133,109	55,870,079	88,062,971	-	259,369,531
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
Net Book Value	98,435,010	573,808,748	0	15,345,478	50,461,366	17,886,688	51,513,534	19,023,326	826,474,150

10. Investment Properties

This account consists of:

	30-Sep-20 Unaudited			
	Land	Building	Land Improvements	Total
Cost				
Balances at beginning of year	245,122,977	9,737,805	101,171,390	356,032,172
Additions	101,442	-	9,133	110,575
Transfers/Reclassification to REI		-		-
Balances at end of year	245,224,419	9,737,805	101,180,523	356,142,747
	245,224,419	9,737,805	101,180,523	
Accumulated Depreciation and Amortization				
Balances at beginning of year	-	4,383,233	38,552,928	42,936,161
Depreciation and Amortization	-	7,119,361	4,507,530	11,626,891
Balances at end of year	-	11,502,594	43,060,458	54,563,052
Net Book Value	245,224,419	(1,764,789)	58,120,065	301,579,695

	30-Sep-19 Unaudited			
	Land	Building	Land Improvements	Total
Cost				
Balances at beginning of year	119,030,686	8,832,630	92,831,377	220,694,693
Additions	632,833	-	351,706	984,539
Transfers/Reclassification to REI		-		-
Balances at end of year	119,663,519	8,832,630	93,183,083	221,679,232
	119,663,519	8,832,630	93,183,083	221,679,232
Accumulated Depreciation and Amortization				
Balances at beginning of year	-	3,941,601	32,947,944	36,889,545
Depreciation and Amortization	-	21,600,477	3,955,688	25,556,166
Balances at end of year	-	25,542,079	36,903,632	62,445,710
Net Book Value	119,663,519	(16,709,449)	56,279,451	159,233,522

31-Dec-19

Audited

	Land	Building	Land Improvements	Total
Cost				
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	
Accumulated Depreciation and Amortization				
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	
Net Book Value	245,122,977	5,354,572	62,618,462	313,096,011

31-Dec-18

Audited

	Land	Building	Land Improvements	Total
Cost				
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
	-	-	-	
Accumulated Depreciation and Amortization				
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
		-	-	
Net Book Value	119,030,686	4,891,029	59,883,433	183,805,148

11. Trade and Other Payables

This account consists of:

	30-Sep		31-Dec	
	2020 Unaudited	2019 Unaudited	2019 Audited	2018 Audited
Current				
Trade and accounts payables	3,424,592,694	1,733,161,072	2,552,798,595	2,391,507,096
Accrued expenses	2,542,862,204	1,303,020,723	2,216,431,615	1,912,505,106
Interest Payable	195,300,384	116,278,635	181,056,192	216,611,260
Retention payables	536,543,323	660,737,996	461,554,626	365,376,921
Withholding tax payables	174,125,448	215,918,987	75,499,691	94,852,634
Construction bonds	79,763,768	71,681,915	77,830,455	64,252,002
Net out put tax	130,764,294	152,584,771	101,803,864	174,806,382
Deferred Rent	-	-	-	-
Contract Liabilities	4,991,633	-	4,991,633	-
Deposits	323,732,684	-	284,641,238	248,311,698
Others	2,033,043,646	466,178,113	482,248,221	235,123,782
	9,445,720,079	4,719,562,213	6,438,856,129	5,703,346,881
Non-current				
Pension Liability	12,407,518	3,283,031	10,580,053	3,440,369
Contract Liabilities	858,291,119	-	858,291,119	-
Retention payables	191,006,930	26,057,512	191,006,930	186,735,939
Lease liabilities	71,259	-	71,259	-
Others	-	-	-	-
	1,061,776,826	29,340,543	1,059,949,361	190,176,308
	10,507,496,905	4,748,902,756	7,498,805,490	5,893,523,189

12. Loans Payable

This account consists of:

	30-Sep		31-Dec	
	2020 Unaudited	2019 Unaudited	2019 Audited	2018 Audited
Short-term loans payable	14,811,575,998	9,983,281,415	11,828,160,185	7,242,845,485
Long-term loans payable	7,208,708,234	11,934,481,800	5,756,697,041	7,764,234,753
	22,020,284,232	21,917,763,215	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:

	Nine Months Ended September 30		Three Months Ended September 30	
	2020	2019	2020	2019
	Unaudited	Unaudited	Unaudited	Unaudited
Real estate				
Low-cost mass housing	3,943,244,232	4,114,550,099	2,207,083,993	1,731,148,100
Medium-rise condominium	1,492,015,128	1,688,094,558	806,040,046	129,033,858
High-rise condominium unit	4,188,282,749	4,400,795,370	1,812,439,991	1,539,741,618
Developed subdivision lots	52,940,000	-	-	-
	9,676,482,109	10,203,440,026	4,825,564,031	3,399,923,576
Rental income	4,549,204	1,196,000	2,852,899	320,000
	9,681,031,313	10,204,636,026	4,828,416,929	3,400,243,576
Hotel Operations	56,368,273	303,852,940	(28,393)	98,063,574
	9,737,399,586	10,508,488,966	4,828,388,537	3,498,307,150

15. Cost of Sales and Services

This account consists of:

	Nine Months Ended September 30		Three Months Ended September 30	
	2020	2019	2020	2019
	Unaudited	Unaudited	Unaudited	Unaudited
Real estate				
Low-cost mass housing	2,067,188,192	1,576,979,417	1,113,145,724	546,918,245
Medium-rise condominium units	770,487,114	870,467,936	401,580,540	139,224,085
High-rise condominium units	1,790,133,440	2,230,323,256	935,303,095	1,111,433,010
Developed subdivision lots	20,681,096	-	-	-
	4,648,489,842	4,677,770,609	2,450,029,359	1,797,575,339
Cost of rental services	-	-	-	-
	4,648,489,842	4,677,770,609	2,450,029,359	1,797,575,339
Hotel operations				
Cost of hotel operations	33,608,362	107,091,006	1,838,251	32,041,196
	4,682,098,204	4,784,861,615	2,451,867,610	1,829,616,536

16. Operating Expenses

This account consists of:

	Nine Months Ended September 30		Three Months Ended September 30	
	2020	2019	2020	2019
	Unaudited	Unaudited	Unaudited	Unaudited
Marketing and selling	496,311,519	444,127,598	233,885,505	56,251,028
Documentation	281,256,015	279,941,699	138,362,913	99,744,183
Taxes and licenses	209,817,485	260,528,688	85,308,544	93,021,300
Salaries and employee benefits	74,007,912	94,799,951	34,160,994	62,538,407
Loss on sales of equipment	-	-	-	-
Management and professional fees	32,950,861	52,698,199	7,120,271	19,931,100
Communication, light and water	42,560,422	36,518,265	24,272,482	13,631,777
Expected credit and impairment losses	-	-	-	-
Security, messengerial and janitorial	53,741,885	57,904,796	22,103,921	21,599,402
Depreciation and amortization	67,625,774	60,700,500	21,674,717	15,004,605
Transportation and travel	14,120,627	49,827,827	3,380,670	16,001,464
Repairs and maintenance	59,030,132	67,062,773	15,674,116	18,880,173
Entertainment, amusement and representati	17,823,015	50,048,274	4,460,989	37,764,959
Donations and contributions	-	-	-	-
Rent	12,493,895	18,485,029	4,146,898	4,027,463
Supplies	10,396,557	12,098,738	4,856,419	4,503,418
Insurance	13,092,672	16,263,566	8,739,407	4,393,791
Provision for write-down	-	-	-	-
Subscription dues and fees	9,643,365	7,030,785	2,864,340	2,611,776
Miscellaneous	22,084,236	26,279,624	(126,096)	15,668,221
	1,416,956,372	1,534,316,310	610,886,091	485,573,066

17. Finance Costs

This account consists of:

	Nine Months Ended September 30		Three Months Ended September 30	
	2020	2019	2020	2019
	Unaudited	Unaudited	Unaudited	Unaudited
Borrowings	832,465,974	694,968,259	421,475,023	339,375,791
Accretion	19,543,739	18,320,223	6,632,634	6,217,404
Bonds	419,904,455	419,904,455	140,235,650	140,235,649
Bank charges	86,768	403,507	61,027	(4,393,987)
	1,272,000,936	1,133,596,443	568,404,333	481,434,858

18. Other Operating Income

This account consists of:

	Nine Months Ended September 30		Three Months Ended September 30	
	2020	2019	2020	2019
	Unaudited	Unaudited	Unaudited	Unaudited
Interest Income from:				
Installment contract receivables	663,433,283	918,372,432	389,022,866	372,448,394
Cash in banks and long term investme	21,087,435	4,342,860	32,538	57,949
Penalties	29,431,697	45,595,760	9,467,973	15,525,412
Miscellaneous Income (Expense)	251,539,941	314,987,587	240,562,105	317,062,957
	965,492,356	1,283,298,639	639,085,482	705,094,711

19. Related Party Transactions

This account consists of:

30-Sep-20 Unaudited					
Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	1,417,153,294	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	85,928,956	Non-interest bearing, payable on demand	Unsecured
30-Sep-19 Unaudited					
Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	1,136,328,257	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	67,275,375	Non-interest bearing, payable on demand	Unsecured
31-Dec-19 Unaudited					
Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	1,303,266,391	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	83,767,452	Non-interest bearing, payable on demand	Unsecured
31-Dec-18 Audited					
Related Party	Nature of Transaction	Account	Outstanding Balance/Amount	Terms	Conditons
Entities under common control	Advances	Due from related parties	1,007,656,721	Non-interest bearing, payable on demand	Unsecured, no impairment
Entities under common control	Advances	Due to related parties	56,974,725	Non-interest bearing, payable on demand	Unsecured

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 nine months ended September 30, 2020 and 2019, both unaudited.

Consolidated Balance Sheet	As of September 30. 2020	As of September 30. 2019	Increase	
	Unaudited	Audited	Amount	%
Total Assets	78,477,087,339	68,136,238,279	10,340,849,060	15.18%
Current Assets	47,810,202,853	49,354,305,443	(1,544,102,590)	-3.13%
Trade Receivables	30,941,777,153	25,033,579,202	5,908,197,952	23.60%
Total Liabilities	43,116,594,617	36,269,093,533	6,847,501,084	18.88%
Current Liabilities	33,384,927,441	15,280,242,119	18,104,685,322	118.48%
Loans Payable	22,020,284,232	21,917,763,215	102,521,017	0.47%
Stockholder's Equity	35,360,492,722	31,867,144,746	3,493,347,976	10.96%
Permitted Liens	7,847,708,734	6,813,623,828	1,034,084,906	15.18%
Loans under Permitted Liens	2,620,244,876	2,222,250,224	397,994,652	17.91%

Table below shows comparative consolidated statement of income financial highlights of 8990 Holdings, Inc. for nine months ended September 30, 2020 and 2019, both unaudited.

Consolidated Statements of Income	As of September 30. 2020	As of September 30. 2019	Increase	
	Unaudited	Audited	Amount	%
Revenue	9,737,399,586	10,508,488,966	(771,089,380)	-7.34%
Gross Income	5,055,301,382	5,723,627,350	(668,325,968)	-11.68%
Operating Expenses	1,416,956,372	1,534,316,310	(117,359,938)	-7.65%
Net Operating Income	3,638,345,010	4,189,311,040	(550,966,030)	-13.15%
EBITDA	4,671,463,139	5,533,025,268	(861,562,129)	-15.57%
Net Income Before Tax	3,331,836,430	4,338,728,325	(1,006,891,895)	-23.21%
Net Income After Tax	3,307,738,668	4,208,893,738	(901,155,070)	-21.41%

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

Key Performance Indicators	As of September 30. 2020	As of September 30. 2019	Bond Covenant
	Unaudited	Unaudited	
Current Ratio	1.43	3.23	minimum 1.0
Book Value Per Share	6.56	5.86	
Debt to Equity Ratio	1.22	1.14	
Net Debt to Equity Ratio	0.86	0.95	maximum 1.5
Asset to Equity Ratio	2.22	2.14	
Asset to Debt Ratio	1.82	1.88	
Debt Service Ratio	1.93	2.08	minimum 1.25
Interest Coverage Ratio	4.37	6.03	

Key Performance Indicators	As of September 30. 2020	As of September 30. 2019
	Unaudited	Unaudited
Gross Margin	51.92%	54.47%
EBITDA Margin	47.97%	52.65%
Net Income Margin	33.97%	40.05%
Earnings per share	0.61	0.77

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

Nine months ended September 30, 2020 compared to nine months ended September 30, 2019

Revenue

For the nine months ended September 30, 2020, the Company recorded consolidated revenue of Php9,737.4 million, a decrease from consolidated revenue of Php10,508.5 million recorded for the nine months ended September 30, 2019. The decrease was mainly attributable by the restrictions on construction imposed because of the pandemic which has decreased production. Sales still exceeded Php9 billion levels since there were sizeable level of ready for occupancy units available by the end of 2019.

Cost of Sales and Services

The Company's consolidated cost of sales and services for the nine months ended September 30, 2020 was Php4,648.5 million, a decrease from consolidated cost of sales and services of Php4,784.9 million recorded for the nine months ended September 30, 2019. The decrease was mainly attributable to the decrease in sales recorded for the period.

Gross Income

The Company's consolidated gross income for the nine months ended September 30, 2020 was Php5,055.3 million, a decrease from consolidated gross income of Php5,723.6 million recorded for the nine months ended September 30, 2019. The Company's gross income margin for the nine months ended September 30, 2020 was 51.9%, compared to a gross income margin of 54.5% recorded for the nine months ended September 30, 2019. The Company attributes its strong 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, 2020, the Company recorded consolidated operating expenses of Php1,417.0 million, a decrease of 7.7% from consolidated operating expenses of Php1,534.3 million recorded for the nine months ended September 30, 2019.

Finance Costs

The Company's consolidated finance costs for the nine months ended September 30, 2020 were Php1,272.0 million, an increase from consolidated finance costs of Php1,133.6 million recorded for the nine months ended September 30, 2019. The increase was mainly attributable to increase interest charged brought about by increased borrowings compared to same period last year.

Other Operating Income

For the nine months ended September 30, 2020, the Company recorded consolidated other income of Php965.5 million, a decrease from the consolidated other income of Php1,283.0 million recorded for the nine months ended September 30, 2019. Interest income on the Company's installment contract receivables under its CTS Gold program contributes to the majority of the other income. The decrease was due to decreased collection on the CTS Gold program as the government imposed moratorium on installment payments under the Bayanihan to Heal as One Act 1 and 2.

Income before Income Tax

The Company's consolidated income before income tax for the nine months ended September 30, 2020 was Php3,331.8 million, a decrease from consolidated income before income tax of Php4,338.7 million recorded for the nine months ended September 30, 2019. The decrease in consolidated income before income tax was a result from the restrictions on construction due to the pandemic which decreased production.

Provision for Income Tax

The Company's consolidated provision for income tax for the nine months ended September 30, 2020 was Php24.1 million, a decrease from consolidated provision for income tax of Php129.8 million recorded for the nine months ended September 30, 2019. The decrease was mainly attributable to the Company's decreased collections which is the basis for the income tax due.

Net Income

As a result of the foregoing, the Company's consolidated net income for the nine months ended September 30, 2020 was Php3,307.7 million, a 21% decrease from consolidated net income of Php4,208.9 million recorded for the nine months ended September 30, 2019. The Company's consolidated net income margin for the nine months ended September 30, 2020 was 33.9% compared to a consolidated net income margin of 40.1% for the nine months ended September 30, 2019.

Financial Position

As at September 30, 2020 compared to as at September 30, 2019

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were Php722.4 million as at September 30, 2020, an increase of 44.0% from consolidated cash on hand and in banks of Php501.6 million as at September 30, 2019.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were Php3,421.9 million as at September 30, 2020, a decrease from consolidated current portion of trade and other receivables of Php8,869.1 million as at September 30, 2019.

Inventories

The Company's consolidated inventories were Php37,414.5 million as at September 30, 2020, an increase of 8.5% from consolidated inventories of Php34,477.5 million as at September 30, 2019. The increase is due to increased inventory for medium-rise and high-rise building projects, and developed subdivision lots of the Company.

Due from related parties

The Company's consolidated due from related parties were Php1,344.6 million as at September 30, 2020, an increase from consolidated due from related parties of Php 1,136.3 million as at September 30, 2019.

Other current assets

The Company's consolidated other current assets were Php4,906.9 million as at September 30, 2020, an increase from consolidated other current assets of Php4,369.7 million as at September 30, 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 Php27,519.9 million as at September 30, 2020, a 70.2% increase from consolidated trade and other receivables - net of current portion of Php16,164.5 million as at September 30, 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 Php774.7 million as at September 30, 2020, a decrease from consolidated property and equipment of Php833.6 million as at September 30, 2019.

Investment properties

The Company's consolidated investment property were Php301.6 million as at September 30, 2020, an increase from consolidated investment property of Php159.2 million as at September 30, 2019.

Other noncurrent assets

The Company's other noncurrent assets were Php331.4 million as at September 30, 2020, an increase from other noncurrent assets of Php275.1 million as at September 30, 2019.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were Php9,445.7 million as at September 30, 2020, an increase from consolidated current portion of trade and other payables of Php4,719.6 million as at September 30, 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 relations to recognition of sales.

Current portion of loans payable

The Company's consolidated current portion of loans payable were Php14,811.6 million as at September 30, 2020, an increase from consolidated current portion of loans payable of Php9,983.3 million as at September 30, 2019. The increase was due to increase short-term borrowing of the Company.

Deposits from customers

The Company's consolidated deposits from customers were Php532.6 million as at September 30, 2020, an increase from consolidated deposits from customers of Php433.2 million as at September 30, 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 Php85.9 million as at September 30, 2020, an increase from consolidated due to related parties of Php67.3 million as at September 30, 2019.

Income tax payable

The Company's consolidated income tax payable was Php106.million as at September 30, 2020, an increase from consolidated income tax payable of Php76.9 million as at September 30, 2019.

Trade and other payables - net of current portion

The Company's consolidated trade and other payables – net of current portion were Php1,061.8 million as at September 30, 2020, an increase from consolidated trade and other payables – net of current portion of Php 29.3 million as at September 30, 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 Php7,018.3 million as at June 30, 2020, a decrease from consolidated loans payable - net of current portion of Php10,676.3 million as at June 30, 2019.

Deferred tax liability

The Company's consolidated deferred tax liability was Php870.0 million as at September 30, 2020, an increase from consolidated deferred tax liability of Php55.2 million as at September 30, 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 Php2,414.4 million for the period ended September 30, 2020 and consolidated net cash used in operating activities were Php6,508.1 million for the period ended September 30, 2019.

Cash flows used in investing activities

Consolidated net cash flow used in investing activities for the period ended September 30, 2020 were Php22.3 million, and consolidated net cash used in investing activities for the period ended September 30, 2019 were Php43.3 million.

For the nine months ended September 30, 2020, consolidated net cash flow used in investing activities reflected purchase of property and equipment and investment properties.

Cash flow provided by financing activities

Consolidated net cash flow provided by financing activities for the period ended September 30, 2020 were Php2,305.2 million, and consolidated net cash flow provided by financing activities for the period ended September 30, 2019 were Php4,909.4 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:

A handwritten signature in black ink, appearing to read "Roan B. Torregosa". The signature is written in a cursive, slightly slanted style.

ROAN BUENAVENTURA-TORREGOZA
Chief Finance Officer

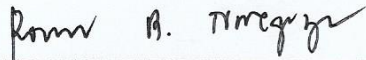
Date: November 6, 2020

CERTIFICATION

I, **ROAN BUENAVENTURA-TORREGOZA**, Chief Financial Officer of 8990 Holdings, Inc. with SEC registration number CS200511816 with principal office at 11th Floor, Liberty Center, 104 H.V. dela Costa Street, Salcedo Village, Makati City, on oath state:


1. That on behalf of 8990 Holdings, Inc., I have caused this 2020 Quarterly Report (SEC Form 17-Q) to be prepared;
2. That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
3. That the company 8990 Holdings, Inc. will comply with the requirements set forth in SEC Notice dated 24 June 2020 for a complete and official submission of reports and/or documents through electronic mail; and
4. That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this NOV 06 2020 day of _____, 2020.


ROAN BUENAVENTURA-TORREGOZA
Chief Financial Officer

SUBSCRIBED AND SWORN TO before me this NOV 06 2020 in Makati City, affiant exhibited to me her _____ issued on NOV 06 2020 at PASIG CITY.

Doc. No. 807;
Page No. 162;
Book No. 5;
Series of 2020.


GAUDENCIO A. BARBOZA, JR.
NOTARY PUBLIC
Until December 31, 2020
PTR No. A-4252429 / 1-03-2019 / Taguig City
IBP No. 053715 / 11-06-18 For Year 2019 / RSM
Roll No. 41969
MCLE Comp. No. VI-G021812 / March 29, 2019
Appointment No. 32 (2019-2020)