COVER SHEET

9 9 9 0 5

S.E.C. Registration Number

P H I L I P P I N E R E A L T Y A N D H O L D I N G S

C O R P O R A T I O N

(Company's Full Name)

O N E B A L E T E 1 B A L E T E D R I V E C O R

N D O M I N G O S T B R G Y K A U N L A R A N

D I S T R I C T 4 Q U E Z O N C I T Y 1 1 1 1

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

Mr. Mark Anthony M. Ramos

Contact Person

631-3179

Company Telephone

Number

0 3 3 1

Month Day

1 7 Q

FORM TYPE

Month Day

Annual Meeting

N/A

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Number/Section

Amended Articles

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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, 2018

2. Commission identification number 99905 3. BIR Tax Identification No. 000-188-233

4. Exact name of issuer as specified in its charter

PHILIPPINE REALTY AND HOLDINGS CORPORATION

5. Province, country or other jurisdiction of incorporation or organization PHILIPPINES

6. Industry Classification Code: [ ] (SEC Use Only)

....

7. Address of issuer's principal office Postal Code

One Balete, 1 Balete Drive cor. N. Domingo St., Brgy Kaunlaran, District 4, Quezon City 1111
Satellite Office: E-2001B East Tower, PSE Center, Exchange Rd., Ortigas Center, Pasig

8. Issuer's telephone number, including area code

(632) 631-3179

9. The Registrant has not changed its corporate name and fiscal year. Prior to its transfer to the above satellite office address the registrant held its satellite office at E-512/513 East Tower, PSE Center, Exchange Rd., Ortigas Center, Pasig City.

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	4,922,324,908 shares

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

Yes [X] No [ ]

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

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 [X] No [ ]

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

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

A copy of the comparative statements as of and for the quarters ended March 31, 2018 and 2017, is submitted as part of this report. The financial statements were prepared in accordance with accounting standards generally accepted in the Philippines. The accounting policies and methods of computations followed in the interim financial statements are the same compared with the audited financial statements for the period ended December 31, 2017.

Changes affecting balance sheet and income statement items are further disclosed in the Management Discussion and Analysis. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period. The company had reclassified accounts such as dividends, capital and foreign exchange gains, interest, and equity earnings to investment income during the period.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Refer to the 1st Quarter Analysis of Unaudited Consolidated Financial Statement attached as Exhibit I, Comparative Financial Soundness Indicators as Exhibit II, and Business Segments as Exhibit III.

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.

Alfredo S. Del Rosario Jr.	Vincent Fischer
President/CEO	Chief Finance Officer/Compliance Officer
May 10, 2018	May 10, 2018

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited March 31 2018	Audited December 31 2017
ASSETS		
Cash and cash equivalents	**148,673,774**	140,866,864
Trading investments	**26,006,562**	26,006,562
Available-for-sale investments (AFS)	**37,525,063**	38,000,567
Trade and other receivables - net	**1,105,616,251**	1,069,523,235
Prepayments and other assets - net	**247,751,780**	204,163,452
Real estate inventories	**1,373,013,382**	1,446,663,139
Held-to-maturity investments (HTM)	**1,000,000**	1,000,000
Real estate held for development and sale - net	**458,746,179**	458,546,179
Investments in and advances to associates - net	**85,619,772**	84,878,451
Property and equipment - net	**125,992,077**	129,293,232
Investment properties - net	**867,730,911**	865,348,710
	4,477,675,751	4,464,290,391
LIABILITIES AND EQUITY		
Trade and other payables	**384,328,947**	349,957,670
Unearned income	**3,943,772**	4,797,416
Deferred Income	**58,716,348**	64,853,259
Retirement benefit obligation	**32,312,140**	30,911,040
Loan Payable	**831,206,774**	856,821,163
Deferred tax liabilities	**75,250,971**	75,250,972
	1,385,758,952	1,382,591,520
Equity		
Capital stock	**2,901,212,812**	2,901,212,812
Reserves	**195,307,585**	195,307,585
Retained earnings	**163,328,392**	153,038,847
	3,259,848,788	3,249,559,244
Treasury stock	**(160,904,214)**	(160,904,214)
Equity attributable to equity holders of the parent	**3,098,944,574**	3,088,655,030
Minority interest	**(7,027,775)**	(6,956,159)
	3,091,916,799	3,081,698,871
	4,477,675,751	4,464,290,391

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Three Months Ended March 31	
	2018	2017
INCOME		
Sales of real estate	**226,791,869**	52,222,873
Rent	**17,595,628**	4,912,825
Management fees	**8,954,494**	8,044,596
Interest income	**1,858,459**	301,896
Commission	**2,660,494**	3,287,036
Equity in net earnings of associate	**694,958**	749,207
Other income	**1,489,043**	1,136,825
	260,044,944	70,655,258
COSTS AND EXPENSES		
Cost of service and unit sold	**160,937,720**	50,756,764
General and administrative	**83,208,538**	60,652,254
	244,146,258	111,409,018
FINANCE COSTS	**1,870,240**	2,947,154
INCOME (LOSS) BEFORE INCOME TAX	**14,028,446**	(43,700,914)
INCOME TAX EXPENSE	**3,321,590**	783,877
NET INCOME (LOSS)	**10,706,857**	(44,484,791)
ATTRIBUTABLE TO:		
Equity holders of the parent	**10,778,472**	(44,447,507)
Minority interest	**(71,616)**	(37,285)
	10,706,857	(44,484,791)
OTHER COMPREHENSIVE INCOME (LOSS):		
Unrealized holding gain on AFS investments	-	13,856,080
TOTAL COMPREHENSIVE INCOME (LOSS)	**10,706,857**	(30,628,711)
Income (Loss) per share		
Basic	**0.002210**	(0.009112)
Diluted	**0.002210**	(0.009112)
Number of shares outstanding		
Basic (net of treasury stock 125,644,005)	**4,877,907,002**	4,877,907,002
Diluted (net of treasury stock 125,644,005)	**4,877,907,002**	4,877,907,002

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	For the Three Months Ended March 31	
	2018	2017
Capital Stock		
Authorized 8,000,000,000 common shares		
Issued and outstanding 3,688,869,746 shares in 2018;		
3,688,869,746 shares in 2017		
Capital stock	**1,844,434,873**	1,844,434,873
Subscribed capital stock 1,314,711,262 shares in 2018;		
1,314,711,262 shares in 2017	**657,355,631**	657,355,631
Less: Subscription receivable	**157,592,009**	174,149,783
	499,763,622	483,205,848
Additional paid-in capital	**557,014,317**	557,014,317
Capital stock	**2,901,212,812**	2,884,655,038
Reserves		
Appropriated retained earnings for		
Treasury stock acquisition	**250,000,000**	250,000,000
Unrealized holding loss on avilable-for-sale investments		
Balance, beginning	**(129,819,262)**	(159,730,484)
Unrealized holding gain	**-**	13,856,080
Balance, end	**(129,819,262)**	(145,874,404)
Accumulated Remeasurement Losses	**(33,638,169)**	(25,355,531)
Reserve for fluctuation in market value of investments	**110,451,146**	110,451,146
Reserve for fluctuation in market value of stocks	**(1,686,131)**	415,402
Revaluation of property and equipment		
Balance,beginning	-	237,971
	195,307,585	189,874,585
Retained earnings/Deficit		
Balance, beginning	**152,549,918**	(111,450,180)
Net income (loss)	**10,778,472**	(44,447,507)
Balance, end	**163,328,391**	(155,897,688)
	3,259,848,788	2,918,631,937
Treasury Stock	**(160,904,214)**	(163,383,896)
	3,098,944,575	2,755,248,041
Minority Interest		
Balance, beginning	**(6,956,159)**	(6,694,818)
Share in net income	**(71,616)**	(37,285)
Share in fluctuation of market value		
of investments in shares of stocks	**-**	-
	(7,027,775)	(6,732,103)
	P3,091,916,799	P2,748,515,938

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Three Months Ended March 31	
	2018	2017
Cash flows from Operating Activities		
Net income (loss)	10,778,472	(44,447,507)
Adjustments for:		
Unrealized holding loss on available-for-sale investments	2,550,800	13,730,185
Revaluation of property and equipment	-	(91)
Accumulated Remeasurement Losses	682,830	(2,106,777)
Reserve for fluctuation in MV of investment in stocks	(3,522,560)	733,184
Decrease in minority interest	(71,616)	(37,284)
Depreciation and amortization	2,216,837	6,242,606
Gain (loss) from operations before working capital changes	12,634,764	(25,885,683)
Decrease (Increase) in:		
Real estate inventories	73,649,757	(65,254,897)
Trade and other receivables - net	(36,093,018)	35,206,774
Prepayments and other current assets	(43,588,328)	(150,587,525)
Increase (Decrease) in:		
Trade and other payables	34,371,277	153,640,629
Deferred Income	(6,136,911)	-
Deferred Tax Liability	-	133,622
Retirement Benefit Obligation	1,401,100	733,299
Unearned Income	(853,644)	(13,487,492)
Net cash used in operating activities	35,184,998	(65,501,272)
Cash Flows from Investing Activities		
Decrease (Increase) in:		
Deferred Tax Assets	-	(133,621)
Real estate held for development and sale - net	(200,000)	-
Investments in and advances to associates - net	(741,321)	(79,261,183)
Available-for-sale investments	475,504	(12,313,971)
Investment Property	(2,382,201)	(3,455,735)
Net additions to property and equipment	1,084,318	(17,054,923)
Net cash used in investing activities	(1,763,699)	(112,219,433)
Cash Flows from Financing Activities		
Proceeds of bank loans - net	-	118,985,648
Payment of Bank Loans	(25,614,389)	-
Collection from subscription receivable	-	69,762,198
Net cash from (used in) financing activities	(25,614,389)	188,747,846
Net Increse in Cash and Cash Equivalents	7,806,910	11,027,137
Cash and Cash Equivalents, Beginning	140,866,864	55,843,067
Cash and Cash Equivalents, End	148,673,774	66,870,204

PHILIPPINE REALTY AND HOLDINGS CORPORATION
AGING OF ACCOUNTS RECEIVABLE-TRADE
AS OF MARCH 31, 2018

PARTICULARS	*CURRENT*	*OVER DUE* 31-60 DAYS	61-90 DAYS	OVER 91 DAYS	*TOTAL*
PRHC	280,979,687	11,103,847	1,338,848	465,004,329	758,426,711
PPMI	2,099,090	295,738	723,887	3,856,140	6,974,855
TIBI	4,684,038				4,684,038
UTC	11,386				11,386
GRAND TOTAL	287,774,200	11,399,585	2,062,735	468,860,469	770,096,989

Accounts Receivable - Trade	770,096,989
Accounts Receivable - Others	335,519,262
Total	1,105,616,251

EXHIBIT 1

MANAGEMENT'S DISCUSSION AND ANALYSIS

I. Current Period First Quarter (2018 and 2017) Operational and Financial Information

Results of Operation

	Vertical		Horizontal	
	2018	2017	2018	2017
Sale of real estate	87.21%	73.91%	334.28%	104.04%
Other income	12.79%	26.09%	789.74%	438.34%
Cost of real estate	61.89%	71.84%	217.08%	139.24%
General and administrative expense	32.00%	85.84%	37.19%	31.19%

The sale of real estate pertains to units sold at Skyline Tower and SkyVillas located at Quezon City and Icon Plaza located at Bonifacio Global City. Other income consists of Rental income, Management fees, Commission Income, Interest income, and Equity in net gain of associates.

The Group posted net income of **P10.7** million for the first quarter ended March 31, 2018 compared to a **P44.5** million net loss in year 2017 of the same period due to the net effect of the following:

Sales of real estate increase by **334.28%** in the first quarter of 2018 higher than **104.04%** increase in 2017 of the same quarter. The increase is due to aggressive sale and marketing efforts of the Parent Company.

789.74% increase in Other income - due to the following:

a. **258.16% in Rental income** – due to additional leases agreement entered by the Parent Company.
b. **515.60% increase in Interest income** – due to collection of receivable under in-house financing.

217.08% increase in Cost of real estate - the increase is relatively due to increase in sale of Condominium units by the Parent Company.

37.19% increase in general and administrative expenses - due to net effect of the following Parent Company's expenses:

a. **11.8 million increases in Commission expense and other sales expenses** - relatively due to increase in sale of Condominium units by the Parent Company.
b. **1.5 million increases in Business permit expenses** - due to increase in revenue of the Parent Company as basis for the Computation of annual Business permit expenses.
c. **2.6 million increases in Condominium dues** – due to additional units included

in the computation of Condominium dues.

d. **2 million increases in Salaries and other benefits** – due to hiring of additional officers of the Company.
e. **0.7 million increases in Depreciation** - due to additional transportation equipment purchased for the period.
f. **0.8 million increases in Real Property Tax** – due to payment of Real Property tax for SkyVillas units.

Our property management subsidiary, PRHC Property Managers, Inc. (PPMI), registered a net income of **P0.4** million for the 1st quarter of year 2018. It is lower by 1.4 million compared to 1st quarter of year 2017 net income.

Tektite Insurance Brokers, Inc. (TIBI) the Group's insurance brokerage firm posted net income of **P1.6 million.** It is higher by 1.2 million or 300% from previous year.

FINANCIAL POSITION

	VERTICAL		HORIZONTAL	
	2018	2017	2018	2017
Cash and cash equivalents	3.32%	1.78%	5.54%	19.75%
Available for-sale investments (AFS)	0.84%	3.81%	(1.25%)	9.43%
Trade and other receivables	24.69%	20.64%	0.21%	(4.35%)
Real estate inventories	30.66%	46.31%	(5.09%)	3.91%
Real estate held for sale and development	10.25%	5.03%	0.04%	0.00%
Property and equipment	2.81%	2.81%	(2.55%)	16.11%
Investment properties	19.38%	5.25%	0.28%	(0.18%)
Prepayment and other assets	5.53%	8.27%	21.35%	94.95%
Trade and other payables	8.58%	11.75%	9.82%	52.35%
Unearned Income	0.09%	0.12%	(17.79%)	(74.85%)
Retirement Benefit Obligation	0.72%	3.86%	4.53%	0.51%
Loans payable	13.99%	10.85%	(2.99%)	41.36%
Reserves	4.30%	5.07%	(1.45%)	0.00%

Balance Sheet items – March 2018 vs. December 2017 (audited)

The Company's total assets stood at P4.5 billion as of March 31, 2018, higher by P13 million from year 2017. The Company's real estate assets comprise of 60.29% of the total assets of the Company for the first quarter of 2018.

The total assets increased by 0.3% for the 1st quarter of year 2018 because of the net effect of the following:

a. **5.54% increase in cash and cash equivalents** - due to increased cash collection from Sale of Condominium units.

b. **5.09% decrease in Real estate inventories** - due to increase in Sales of the Condominium units.

The total liabilities increased by 3.2 million because of the net effect the following:

a. **9.82% increase in Trade and other payables** – due to unpaid billings of the Parent Company related to ongoing completion of SkyVillas condominium project and renovation of One Balete Office ground floor for the 1st quarter of year 2018.

b. **17.79% decrease in Unearned income** - due to the recognition of percentage completed on sale of Sky Villas of the Parent Company.

Top Five Performance Indicators	**2018 (in millions)**	**2017 (in millions)**
Gross Revenue	**P 256**	**P 68.47**
Current Ratio = Current Assets / Current Liabilities	**2,939.6 / 388.27 = 7.57**	**3,052.15 / 444.97 = 6.86**
Debt-to-Equity Ratio= Liabilities / Equity	**831.21 / 3,256.54 = 0.26**	**406.7 / 2,775.25 = 0.15**
Book value per share=SHE + Subs. Rec. / # of shares outstanding	**3,256.4 / 4,877,91 = .67**	**2,929.4 / 4,877.91 = .60**
Earnings (loss) Before Interest, Tax, Depreciation and Amortization	**P18.12**	**(P29.32)**

Gross revenue includes sale of real estate, rent, and commission and management fees. The increase was due to additional sales recorded for the period.

Current ratio of the Group increased from 6.86 to 7.57 due to decrease in current liabilities as of 1st quarter of 2018 compare to same period of last year.

Debt to equity ratio also increase to 0.26 from 0.11 due to additional loan acquired and increased in total equity due to higher net income generated by the Parent Company as of 1st quarter of 2018 compare to same period of last year.

Book value per share increase from 0.60 to 0.67 due to increase in total assets of the Parent Company.

EBITDA increase from loss of 29.32 million in 2017 to income of 18.12 million in 2018 due to increase in total revenue of the Parent Company.

There was no issuance, repurchase and repayment of neither debt and equity securities nor dividends paid during the interim period.

Segment revenue and segment result for business segments or geographical segments is presented as Annex III of this report.

As of this report, there is no other known event that will trigger direct or contingent financial obligation that is material to the Company. Moreover, there is no material off-balance sheet transaction, arrangement, obligation and other relationship of the Company with unconsolidated entities or other persons created during this period.

The Group's activities expose it to a variety of financial risks. The Group's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Group. The policies for managing specific risks are summarized below:

FINANCIAL RISK MANAGEMENT

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise with respect to transactions denominated in US Dollars. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. Significant fluctuation in the exchange rates could significantly affect the Group's financial position.

Foreign exchange risk exposure of the Group is limited to its cash and cash equivalents. Currently, the Group has a policy not to incur liabilities in foreign currency. Construction and supply contracts, which may have import components, are normally denominated in Philippine peso.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group has adopted stringent procedure in evaluating and accepting risk by setting counterparty and transaction limits. In addition, the Group has policies in place to ensure that sales are made to customers with an appropriate credit history.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The primary source of the Group's interest rate risk relates to its cash and cash equivalents and loans payable.

Cash and cash equivalents are short-term in nature and with the current interest rate level, any variation in the interest will not have a material impact on the profit or loss of the Group.

Management is responsible for monitoring the prevailing market-based interest rate and ensures that the mark-up charged on its borrowings are optimal and benchmarked against the rates charged by other creditor banks.

Price risk

Price risk is the risk that the fair value of the financial instrument particularly equity instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Group's Board of Directors reviews and approves all equity investment decisions.

Liquidity Risk

The Group maintains adequate highly liquid assets in the form of cash and cash equivalents to assure necessary liquidity. Free cash flows have been restricted primarily for the settlement of the Parent's Company's debt obligation, in conformance with the rehabilitation plan.

Adoption of New and Revised Standards, Amendments to Standards and Interpretations

The Financial Reporting Standard Council approved the adoption of new and revised standards, amendments to standards, and interpretations issued by the IFRIC and PIC as part of PFRS.

The Group has adopted the following amendments to standards starting January 1, 2016. Except as otherwise indicated, the adoption of these amendments to standards did not have any significant impact on the Group's financial statements.

Amendments to Standards Adopted in 2016

PAS 1, 'Presentation of Financial Statements' – The amendment addresses some concerns expressed about existing presentation and disclosure requirements and to ensure that entities are able to use judgment when applying PAS 1. The amendments clarify that:

Information should not be obscured by aggregating or by providing immaterial information.

Materiality considerations apply to all parts of the financial statements, even when a standard requires a specific disclosure.

The list of line items to be presented in the statement of financial position and statement of profit or loss and other comprehensive income can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

An entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

PAS 16, 'Property, plant and equipment' and PAS 38, 'Intangible assets' issued in May 2014. This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

PAS 27, 'Separate Financial Statements', the amendment allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

2014 Annual improvements. These annual improvements amend standards from the 2012- 2014 reporting cycle. It includes changes to:

PFRS 7,'Financial instruments: Disclosures' - There are two amendments: (1) Servicing contracts – If an entity transfers a financial asset to a third party under condition which allow the transferor to derecognize the asset, PFRS 7 requires disclosure of all types of continuing involvement that the entity might still have in the transferred assets. The standard provides guidance about what is meant by continuing involvement. The amendment is prospective with an option to apply retrospectively. There is a consequential amendment to PFRS 1 to give the same relief to first time adopters. (2) Interim financial statements – the amendment clarifies that the additional disclosure required by the amendments to PFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods unless required by PAS 34. This amendment is retrospective.

PAS 19,'Employee benefits' - The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used. The amendment is retrospective but limited to the beginning of the earliest period presented.

New Standards and Amendments to Standards Not Yet Adopted
A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2016. However, the Group has not applied the following new or amended standards in preparing these consolidated financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Group's consolidated financial statements.

Effective January 1, 2017:

PAS 7, 'Statement of Cash Flows' - The amendments address financial statements users' requests for improved disclosures about an entity's net debt relevant to understanding an entity's cash flows. The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes – e.g. by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

The amendments are effective for annual periods beginning on or after January 1, 2017. Early adoption is permitted. When an entity first applies the amendments, it is not required to provide comparative information for preceding periods.

Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to PAS 12). The amendments clarify that:

the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset;

the calculation of future taxable profit in evaluating whether sufficient taxable profit will be available in future periods excludes tax deductions resulting from the reversal of the deductible temporary differences;

the estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and

an entity assesses a deductible temporary difference related to unrealized losses in combination with all of its other deductible temporary differences, unless a tax law restricts the utilization of losses to deduction against income of a specific type.

The amendments are to be applied retrospectively for annual periods beginning on or after January 1, 2017. Early adoption is permitted. On initial application, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. If an entity applies the relief, it shall disclose that fact.

Effective January 1, 2018:

PFRS 9, Financial Instruments issued in November 2009. PFRS 9 replaces the multiple classification models in PAS 39 Financial Instruments: Recognition and Measurement with a single model that has initially only two classification categories: amortized cost and fair value.

Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortized cost if: (a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, (b) the contractual cash flows under the instrument solely represent payments of principal and interest.

All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognized at fair value.

All fair value movements on financial assets are taken through the statement of income, except for equity investments that are not held for trading, which may be recorded in the statement of income or in reserves (without subsequent recycling to profit or loss).

For financial liabilities that are measured under the fair value option, entities will need to recognize the part of the of the fair value change that is due to changes in their own credit risk in other comprehensive income rather than in profit or loss.

The new hedge accounting rules align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

In July 2014, the final phase of PFRS 9 was issued. Further changes to the classification and measurement rules and introduction of a new impairment model were made. The changes introduce:

a third measurement category, fair value through other comprehensive income (FVOCI) for certain financial assets that are debt instruments;

a new expected credit loss (ECL) model which involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment losses and applies the effective interest rate method. A simplified approach is permitted for financial assets that do not have a significant financing component (eg. trade receivables). On initial recognition, entities will record a day-1 loss equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

PFRS 15 Revenue from Contracts with Customers replaces PAS 11 Construction Contracts, PAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter Transactions Involving Advertising Services. The new standard introduces a new revenue recognition model for contracts with customers which specifies that revenue should be recognized when (or as) a company transfers control of goods or services to a customer at the amount to which the company expects to be entitled. Depending on whether certain criteria are met, revenue is recognized over time, in a manner that best reflects the company's performance, or at a point in time, when control of the goods or services is transferred to the customer. The standard does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other PFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties. Furthermore, if a contract with a customer is partly in the scope of another IFRS, then the guidance on separation and measurement contained in the other PFRS takes precedence.

Upon approval by the Board of Accountancy, this standard will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

Effective January 1, 2019:

PFRS 16, Leases issued in January 2016. This new standard replaces PAS 17, 'Leases' and other related interpretations. For lessees, an entity obtains the right to use an asset at the start of the lease, and if lease payments are paid over time, it also obtains financing. Accordingly, PFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by PAS 17 and, instead, introduces a single lessee accounting model. In applying that model, a lessee is required to recognize (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. For lessors, this new standard carries forward the lessor accounting requirements in PAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases and to account for those types of leases differently. Currently, early adoption is not permitted in the Philippines.

The Group will assess the impact of the above new standards and amendments to standards effective subsequent to December 31, 2016 in its consolidated financial statements in the period of initial application. Additional disclosures as required will be included in the consolidated financial statements accordingly.

Deferral of the local implementation of Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to PFRS 10 and PAS 28). The amendments address an inconsistency between the requirements in PFRS 10 and in PAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Originally, the amendments apply prospectively for annual periods beginning on or after January 1, 2016 with early adoption permitted. However, on January 13, 2016, the FRSC decided to postpone the effective date of these amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Deferral of the local implementation of Philippine Interpretation IFRIC 15 Agreements for the Construction of Real Estate

Philippine Interpretation IFRIC 15 Agreements for the Construction of Real Estate applies to the accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. It provides guidance on the recognition of revenue among real estate developers for sales of units, such as apartments or houses, 'off plan'; i.e., before construction is completed. It also provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of PAS 11 Construction Contracts, or PAS 18 Revenue, and the timing of revenue recognition.

The SEC issued a Notice dated August 5, 2011 to further defer the implementation of Philippine Interpretation IFRIC 15 Agreements for the Construction of Real Estate until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and after an evaluation on the requirements and guidance in the said standard vis-à-vis the practices and regulations in the Philippine real estate industry is completed.

PHILIPPINE REALTY AND HOLDINGS CORPORATION
FINANCIAL SOUNDNESS INDICATORS

Exhibit II

		2018		2017	
Net Profit Margin: *Shows how much profit is made for every peso of revenue*	Net Income(Loss)/ Total Revenues	**10,706,857** **256,002,484**	**4.18%**	(44,484,792) 70,655,259	**-62.96%**
Asset Turnover: *Shows efficiency of asset used in operations*	Total Revenues/ Ave. Total Assets	**256,002,484** **4,470,983,071**	**0.06**	70,655,259 3,598,624,724	**0.02**
Interest Rate Coverage Ratio: *Determine how easily a company can pay interest on outstanding debt*	EBITDA/ Interest Expense	**18,115,523.15** **1,870,239.58**	**9.69**	-29,316,026 2,947,154.02	**-9.95**

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES **Exhibit III**

BUSINESS SEGMENTS

AS OF MARCH 31,2018

	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Travel Services	Other Income	Elimination	Consolidated
Revenue	243,977,537	9,033,924	2,557,471	23,593	1,899,002.62		257,491,527
Segment Result	8,513,977	8,946	1,570,528	(446,962)	1,828,541	-	11,475,029
Interest expense/Bank charges	-	-	-	-	-	-	-
Interest income	1,846,923	198	705	10,633			1,858,459
Dividend income	-	-	-	-	-	-	-
Gain on sale of PPE	-	-	-	-	-	-	-
Equity in net income of	-	-	-	-	-	-	-
associate	694,958	-	-	-	-	-	694,958
Income taxes	(3,141,969)	(179,620)	-	-	-	-	(3,321,590)
Income before minority interest	7,913,888	(170,476)	1,571,232	(436,329)	1,828,542	-	10,706,857
Minority interest	-	-	-	-	-	-	(71,616)
Net Income	7,913,888	(170,476)	1,571,232	(436,329)	1,828,542	-	10,706,857
Other Information							
Segment assets	4,289,152,608	59,248,354	19,443,202	30,111,172	22,078,867	(27,978,224)	4,392,055,979
Investment at equity method	204,972,725					(119,352,953)	85,619,772
Unallocated corporate assets	-	-					-
Consolidated Total Assets	4,494,125,333	59,248,354	19,443,202	30,111,172	22,078,867	(147,331,177)	4,477,675,751
Segment liabilities	1,284,265,274	25,542,545	1,588,950	54,121,188	74,261,866	(129,271,841)	1,310,507,981
Unallocated corporate liabilities	75,250,971	-	-	-			75,250,971
Consolidated Total Liabilities	1,359,516,245	25,542,545	1,588,950	54,121,188	74,261,866	(129,271,841)	1,385,758,953
Capital expenditure	-	-		-			-
Depreciation	2,068,760	15,876	91,254	40,948			2,216,837