



IMPACT OF COVID-19 ON THE BUSINESS OPERATIONS OF PHILIPPINE REALTY AND HOLDINGS CORPORATION AND MEASURES ADOPTED TO MITIGATE ITS RISKS

PREFACE

On 30 January 2020, the World Health Organization (“**WHO**”) considered the Coronavirus Disease 2019 health event (“**COVID-19**”) as a Public Health Emergency of International Concern (“**PHEIC**”).

Also on 30 January 2020, the Secretary of Health confirmed the first COVID-19 case in the Philippines.

On 8 March 2020, President Rodrigo R. Duterte, recognizing that the COVID-19 public health event constitutes a threat to national security, declared a State of Public Health Emergency throughout the entire Philippines through Proclamation No. 922.

On 12 March 2020, the WHO characterized COVID-19 as a pandemic.

In response, the Philippines raised the Code Alert System for the COVID-19 public health event to **Code Red Sub-Level Two**.

Malacañang on 14 March 2020 released the set of guidelines on how government agencies can implement the stringent social distancing measures and community quarantine in Metro Manila in a bid to contain the spread of COVID-19. In a memorandum signed on Friday night, Executive Secretary Salvador C. Medialdea detailed the set of guidelines for management of the COVID-19 situation.

The measures were crafted following a meeting of the Inter-Agency Task Force on Emerging Infectious Diseases (“**IATF-EID**”) on Friday, 13 March 2020, to iron out the details on how to implement the directive of President Rodrigo Duterte.

IMPACT OF COVID-19 ON THE BUSINESS OPERATIONS OF PHILIPPINE REALTY AND HOLDINGS CORPORATION

Philippine Realty and Holdings Corporation (“**RLT**” or the “**Company**”) is a property development company engaged in real estate development and sales of premium residential and commercial condominium units, as well as leasing of company-owned investment properties and property management services.

The high-end market that the Company caters to is generally conceded to be demand-inelastic.

The onset of COVID-19 has generally been favorable so far in terms of customer inquiries, particularly for lease arrangements, to address the need of businesses to have alternative offices, and for residential properties, as a means to have another place to address the need for voluntary quarantine.

CONTINUITY OF BUSINESS

The Company has Continuity of Business and Disaster Recovery Plan (“**COB-DRP**” or the “**Plan**”).

A principal component of the Plan is for the Company to have alternative offices. RLT’s **principal place of business** is at One Balete, 1 Balete Drive corner N. Domingo Street, Barangay Kaunlaran, District 4, Quezon City, 1111, and it has secured a **Satellite Office** located at Unit 2001B, 20th Floor, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City.

The Company makes use of a Computerized Accounting System (“**CAS**”) that utilizes SAP Business One. The said system addresses the core business functions of RLT, including Accounting and Financials (e.g., general ledger and journal entries, cost accounting, budget management, banking and payment processing, financial statements and reporting) as well as Sales and Customer Relationship Management, Purchasing and Supplier Relationship Management, Reporting and Administration, etc. A third-party Provider manages the cloud-based system as well as its back-up operating system and data base. Thus, in terms of the Company’s COB-DRP for its financial operations and data base, the said function has been outsourced. This insulates RLT from any disaster but it is admittedly dependent on internet connectivity with sufficient broadband bandwidth.

The Company is not into retail operations, thus direct face-to-face contact with customers and suppliers is very limited, and mostly confined to only the Company’s sales personnel.

TEMPORARY MEASURES ADOPTED TO MITIGATE RISKS

The most important resource of the Company is its human resource.

In order to protect and safeguard the interests of its workforce, the Company has adopted the following **temporary measures up to 14 April 2020 unless otherwise extended**:

1. The Company has temporarily curtailed public gatherings and to limit staff meetings only when extremely necessary. The following are not supposed to attend:
 - a. Those who are sick.
 - b. Those considered at increased risk for severe illness. These include, but not limited to the following:
 - 1) Elderly (55 years and older).
 - 2) Persons with underlying medical problems, including cardiovascular disease, diabetes, cancer, chronic lung disease and immunosuppression.
2. Corollary to the above, employees are encouraged the use of remote communications such as video calls, mobile phones, electronic mails etc., instead of face-to-face meetings.
3. Details of alternative and flexible working arrangements are being finalized by Management. These include, but may not be limited to, the following:
 - a. Work-from-home;
 - b. Compressed work-week (such as four-day work-week).
 - c. Staggered working hours in view of the imposition of curfew.
 - d. Formation of skeletal workforce.
 - e. Employee-rotation schedules.
4. The above working arrangements shall adhere to the following guidelines:

- a. Department Heads will be asked to submit the work schedule of each staff to Human Resources and Administration Department (“HRAD”) Head for monitoring.
 - b. Those who will be working from home shall be required to submit an Accomplishment Report of the tasks that have been completed during the day.
 - c. No overtime shall be filed while the employee works from home. Should there be an urgent need to render overtime, the Department Head shall notify HRAD ahead of time.
 - d. A call/phone tree has been prepared to be distributed among the officers and employees for easier communication access.
 - e. All employees must keep all the lines of communication open. Calls and messages must be answered and replied to as soon as possible.
 - f. Those who will be assigned to work in the office must observe the usual time schedule. Overtime work is not encouraged. Only when the task is urgent that Overtime shall be allowed and must have the prior approval of the Department Head.
5. In addition to the above, the Company has implemented/will implement the following:
- a. All employees have been **reminded in writing** of the following:
 - 1) Practice good personal hygiene.
 - 2) Practice social distancing (maintain at least one-meter distance or at least three-foot distance from persons with signs of respiratory illness).
 - 3) Monitor health including temperature checks at least twice daily.
 - 4) If not well, for the employee to no longer report for work, and/or go on sick leave.
 - 5) Practice frequent hand-washing with soap and water or use alcohol-based sanitizers.
 - 6) Use tissue paper or use surgical masks to cover the mouth when coughing or sneezing, properly dispose the tissue paper or the mask and wash hands afterwards.
 - 7) Distance oneself from others when coughing or sneezing.
 - b. **If a confirmed case is detected in the workplace**, the following shall be undertaken by the Company:
 - 1) The Company shall contact the Department of Health (“DOH”) and report the confirmed case. The DOH and the local government unit (“LGU”) contact tracing team shall be the ones to assess who should be placed on quarantine and advise which areas are to be vacated and cordoned-off.
 - 2) The Company shall provide necessary assistance and support to the joint DOH and LGU contact tracing team by helping identify persons who may have had close contact with the confirmed case.
 - 3) The Company shall immediately have the area or section of the workplace where the confirmed case worked to be vacated and cordoned-off.
 - 4) Carry out a thorough cleaning and disinfecting of the said area or section of the workplace using 0.1% bleach.
 - 5) The Company shall continue to be regularly in touch with employees who are suspects, confirmed cases or were placed under quarantine.

6. In addition to the above, the Company has implemented the following additional measures:
 - a. Medical bulletins are being sent every week or as often regarding COVID-19 as part of employee awareness campaign.
 - b. Beefed up coordination among partner hospitals, clinics and health providers in case of emergency.
 - c. Surgical masks are made available when needed.
 - d. Placement of 70% Isopropyl alcohol dispensers in strategic places within the office building.
 - e. Replacement of the existing handwashing soaps with anti-bacterial and germicidal liquid soaps.
 - f. Sanitation/disinfection of door handles/knobs, toilet bowl flushers, elevator buttons, biometric machines, etc., are being done twice a day.
 - g. Use of body temperature thermal scanner gun at the office entrance as well as wearing of gloves by the guard on duty.
7. The Company shall regularly provide timely information to employees on latest developments and reassure all the stakeholders of the Company that adequate measures are being taken to ensure their well-being and the safety of the workplace.