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S.E.C. Registration Number

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(Company's Full Name)

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

Mr. Mark Anthony M. Ramos

Contact Person

Number

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Month

3	1
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Day

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FORM TYPE

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Annual Meeting

N/A

Secondary License Type, If Applicable

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Dept. Requiring this Doc.
Number/Section

☐ I have no further comments.

Amended Articles

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Total No. of Stockholders
Foreign

Total Amount of Borrowings

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Domestic

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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, 2021
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) 8631-3179
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 | 4,922,324,907 shares |
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:
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 ☒ 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.

A copy of the comparative statements as of and for the quarters ended March 31, 2021 and 2020, 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, 2020.

Changes affecting balance sheet and income statement items are further disclosed in the Management Discussion and Analysis. There are no material events after 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 three months ended March 31, 2021 Analysis of Unaudited Consolidated Financial Statements 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.
President and Chief Executive Officer

May 12, 2021



EDMUNDO C. MEDRANO
Executive Vice President and Chief Operating
Officer and Treasurer

May 12, 2021

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited March 31 2021	Audited December 31 2020
ASSETS		
Current Assets		
Cash and cash equivalents	200,765,647	207,245,299
Financial assets at fair value through profit or loss (FVPL)	6,750,000	6,750,000
Trade and other receivables - current portion	1,013,399,766	1,073,360,534
Real estate inventories	793,557,645	801,055,720
Prepayments and other assets - net	473,473,508	408,738,974
Total Current Assets	2,487,946,566	2,497,150,527
Non-current Assets		
Financial assets at fair value through other comprehensive income (FVOCI)	39,156,053	41,010,520
Trade and other receivables - non current portion	179,880,445	179,618,624
Investments in and advances to associates - net	71,586,003	64,155,487
Investment properties	2,906,802,345	2,912,479,607
Property and equipment - net	79,443,947	81,045,297
Right of Use Asset	95,745,861	98,167,126
Investment in Finance Lease	227,354,892	230,261,995
Other non-current assets	53,386	53,386
Total Non-current Assets	3,600,022,932	3,606,792,042
	6,087,969,498	6,103,942,569
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Trade and other payables - current portion	201,664,856	128,580,812
Unearned income	-	1,361,382
Loans and note payable - current portion	287,417,384	340,339,916
Lease Liability - current	10,815,992	14,459,726
Total Current Liabilities	499,898,232	484,741,836
Non-current Liabilities		
Trade and other payables - net of current portion	157,208,433	148,000,694
Loans and note payable - net of current portion	692,985,762	692,985,762
Retirement benefit obligation	73,454,931	73,420,911
Deferred tax liabilities - net	507,682,654	504,925,466
Lease Liability - net of current portion	187,879,730	187,879,730
Other non-current liabilities	37,870,212	39,467,676
Total Non-current Liabilities	1,657,081,722	1,646,680,239
	2,156,979,954	2,131,422,075
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	2,344,226,245	2,344,226,245
Additional paid-in capital	557,014,317	557,014,317
Reserves	42,409,114	44,304,162
Retained earnings	1,115,440,616	1,155,073,841
Treasury stock	(110,049,633)	(110,049,633)
	3,949,040,658	3,990,568,932
Equity Attributable to Non-Controlling Interest	(18,051,114)	(18,048,438)
	3,930,989,544	3,972,520,494
	6,087,969,498	6,103,942,569

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Three Months Ended March 31	
	2021	2020
INCOME		
Sales of real estate	54,922,711	148,109,112
Rent	16,311,951	30,110,822
Management fees	9,780,990	12,081,284
Interest	422,550	761,847
Commission	1,771,653	1,736,625
Other income	3,287,884	597,091
	86,497,740	193,396,781
COSTS AND EXPENSES		
Cost of real estate sold	35,312,484	89,624,848
Cost of services	15,409,747	12,617,518
General and administrative expenses	66,948,098	66,546,565
Finance cost	6,815,173	7,799,865
Equity in net loss of associate	1,099,506	631,489
	125,585,009	177,220,285
INCOME (LOSS) BEFORE INCOME TAX	(39,087,269)	16,176,496
INCOME TAX EXPENSE	548,645	4,955,459
NET INCOME (LOSS)	(39,635,914)	11,221,037
Attributable To:		
Equity holders of the parent	(39,633,238)	11,225,164
Non-controlling interest	(2,676)	(4,127)
	(39,635,914)	11,221,037
OTHER COMPREHENSIVE INCOME (LOSS):		
Unrealized holding loss on AFS investments	(1,592,647)	(11,147,992)
TOTAL COMPREHENSIVE INCOME (LOSS)	(41,228,561)	73,045
Income (Loss) per share		
Basic	(0.008125)	0.002301
Diluted	(0.008125)	0.002301
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	
	2021	2020
Capital Stock		
Authorized 8,000,000,000 common shares		
Issued and outstanding 3,688,869,746 shares in 2021;		
3,688,869,746 shares in 2020		
Capital stock	1,844,434,873	1,844,434,873
Subscribed capital stock 1,314,711,262 shares in 2021;		
1,314,711,262 shares in 2020	657,355,631	657,355,631
Less: Subscription receivable	157,564,259	157,564,259
	499,791,372	499,791,372
Additional paid-in capital	557,014,317	557,014,317
Capital stock	2,901,240,562	2,901,240,562
Reserves		
Appropriated retained earnings for		
Treasury stock acquisition	109,712,439	109,712,439
Revaluation on FVOCI		
Balance, beginning	(20,596,912)	(25,988,876)
Unrealized holding loss on financial assets at FVOCI	(1,592,647)	(11,147,992)
Balance, end	(22,189,559)	(37,136,868)
Accumulated Remeasurement Losses	(45,113,753)	(37,749,021)
	42,409,128	34,826,551
Retained earnings		
Balance, beginning	1,155,073,841	1,113,176,533
Net income	(39,635,914)	11,221,037
Balance, end	1,115,437,927	1,124,397,570
	4,059,087,617	4,060,464,683
Treasury Stock	(110,049,633)	(110,049,633)
	3,949,037,984	3,950,415,050
Minority Interest		
Balance, beginning	(18,048,438)	(15,994,472)
Share in net income	-	-
	(18,048,438)	(15,994,472)
	P3,930,989,544	P3,934,420,578

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Three Months Ended March 31	
	2021	2020
Cash flows from Operating Activities		
Net Income (Loss)	(39,633,238)	11,225,164
Adjustments for:		
Financial assets at fair value through other comprehensive income (FVOCI)	(1,517,271)	(11,147,992)
Accumulated remeasurement loss	- 377,764	-
Decrease in minority interest	(2,676)	(4,127)
Depreciation and amortization	2,281,838	3,848,636
Gain (loss) from operations before working capital changes	(39,249,111)	3,921,680
Decrease (Increase) in:		
Real estate inventories	7,498,075	59,635,393
Trade and other receivables - net	59,698,947	(135,753,771)
Prepayments and other current assets	(64,734,534)	13,659,468
Increase (Decrease) in:		
Trade and other payables	82,291,772	22,487,014
Deferred Income	(1,597,464)	(4,848,095)
Deferred Tax Liability	2,757,188	2,084,278
Retirement Benefit Obligation	34,020	(1,465,330)
Unearned Income	(1,361,382)	33,413
Net cash provided (used in) operating activities	45,337,522	(40,245,950)
Cash Flows from Investing Activities		
Decrease (Increase) in:		
Right of Use Asset	2,421,265	-
Investment in Finance Lease	2,907,103	-
Lease Liability	(3,643,734)	-
Investments in and advances to associates - net	(7,430,516)	631,489
Financial assets at fair value through other comprehensive income (FVOCI)	1,854,467	11,485,185
Investment Property	5,677,262	(24,151,000)
Net additions to property and equipment	(680,488)	(856,464)
Net cash provided by (used in) investing activities	1,105,360	(12,890,790)
Cash Flows from Financing Activities		
Availment of loans payable	200,000,000	250,807,156
Payment of Bank Loans	(252,752,746)	(306,995,155)
Payment of notes payable	(169,787)	-
Net cash used in financing activities	(52,922,533)	(56,187,999)
Net decrease in Cash and Cash Equivalents	(6,479,651)	(109,324,738)
Cash and Cash Equivalents, Beginning	207,245,299	218,430,583
Cash and Cash Equivalents, End	200,765,647	109,105,845

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
AGING OF ACCOUNTS RECEIVABLE-TRADE
AS OF MARCH 31, 2021

PARTICULARS	CURRENT	OVER DUE		TOTAL
		31-60 DAYS	OVER 61 DAYS	
PRHC	9,902,562	18,406,312	670,292,488	698,601,362
PPMI	1,006,518	1,361,392	4,948,023	7,315,933
TIBI	12,291,747			12,291,747
UTC	-	-		-
GRAND TOTAL	23,200,828	19,767,704	675,240,511	718,209,043

Accounts Receivable - Trade	718,209,043
Accounts Receivable - Others	295,190,723
Total	1,013,399,766

FINANCIAL INFORMATION

Management's Discussion and Analysis of Financial Condition or Results of Operation

The first quarter 2021 financial performance of Philippine Realty and Holdings Corporation (interchangeably referred to by its PSE trading symbol “**RLT**” or “**Parent Company**” or as the “**RLT Group**” or “**Group**”) continued to maintain a very healthy and conservative liquidity and solvency position despite incurring a consolidated net loss of ₱39.6 Million.

Like most businesses, the RLT Group was negatively impacted by the continuing disruptions to business caused by the COVID-19 pandemic, that also adversely affected the Philippine economy in the first quarter of year 2021.

The slow and uncoordinated implementation by the government of its vaccination program added to the record rise in active COVID cases that choked the ability of the country’s healthcare system to arrest the unprecedented increase in COVID-19 infections.

The Philippines remained in recession in the first quarter of 2021, with its gross domestic product (“**GDP**”) contracting by a weaker-than-expected **4.2%** amid an uncontrolled rise in the number of COVID-19 cases, slow vaccine rollout, record unemployment and rise in headline inflation caused primarily by increasing prices of oil and food products (particularly pork) that kept a tight rein on business sentiment.

And the combination of these factors was crippling to business in general.

The Philippine Statistics Authority (“**PSA**”) reported that the 4.2% GDP decline in the first quarter of 2021 was below the 3.2% market expectation and also much worse than the 0.7% GDP contraction in the same period last year.

This marked the fifth straight quarter of economic decline, extending the recession in the country in desperate need of economic recovery.

The first quarter performance came even before the height of the renewed lockdowns toward the end of March until this month, causing consumer spending, business sentiment and overall economic activities to remain subdued.

Due to the alarming surge in COVID-19 cases in the first quarter of 2021 which was more severe than the first quarter of 2020, coupled with the emergence of four (4) COVID variants in the country, the National Capital Region (“**NCR**”) and four surrounding provinces namely Bulacan, Cavite, Laguna, and Rizal were placed under a more restrictive General Community Quarantine (“**GCQ**”), the NCR Plus Bubble. And on 29 March 2021, the most restrictive form of lockdown, the Enhanced Community Quarantine (“**ECQ**”), was enforced which lasted until 11 April 2021.

Household consumption, which accounts for about 70% of GDP, dipped 4.8% amid low incomes as the unemployment rate remains very high.

Growth in all major sectors also went down, led by industry at 4.7%, services at 4.4%, agriculture at 1.2% largely due to the African swine fever (“**ASF**”) and the spillover effects of last year’s typhoons.

I. **Review of Consolidated Statement of Income for the Period Ending 31 March 2021 vs. 31 March 2020**

1. **Consolidated net income after tax.** The RLT Group posted a net loss after tax of **₱39.6 Million** for the three (3) months ended 31 March 2021 compared to **₱11.2 Million** net income after tax for the same period last year, or decrease in the Company's consolidated net income after tax of **₱50.9 Million** or a 453% decrease.

The decline in the RLT Group's profitability is largely attributable to the decrease in the number of units sold by the Parent Company.

a. **Income**

- 1) **Sales of real estate.** Sales of real estate at **₱55 Million** declined by **₱93 Million** or by 63% for the first three (3) months of 2021 compared to the sales of real estate for the same period last year.

Sales of real estate pertains to units sold by the Parent Company at Skyline and SkyVillas Towers located in Quezon City, and at the Icon Plaza located in Bonifacio Global City ("**BGC**").

- 2) **Rent.** Rental income decreased by **₱13.8 Million** or by 46% due to termination of some lease contracts and because of the effect of new Accounting standard on Leases.
- 3) **Management fees.** Management fees was lower by 19% due to non-renewal of Management contract between PPMI and one of their clients.

b. **Costs and Expenses**

- 1) **Cost of real estate sold.** For the three months ended 31 March 2021 compared to the three months ended 31 March 2020, the Cost of Real estate sold decreased by **₱54.3 Million** or a decline of 60.60%.

The decrease is mainly attributable to the proportionate decrease in the Real Estate Units Sold during the period.

- 2) **General and administrative expenses.** General and administrative expenses have increased slightly by **₱0.4 Million** or by 0.60%.
- 3) **Finance cost.** The reduction in interest expense to **₱6.8 Million** from **₱7.8 Million** last year, or a decrease by 13%, was due to the payments of loans by the Parent Company incurred to finance the acquisition of Investment Properties.

c. **Subsidiaries.**

The contributions of the Company's subsidiaries to revenues and net income are shown below.

- 1) **PRHC Property Managers, Inc. ("PPMI")**. The RLT Group's property management company, PPMI, registered a Net income of ₱0.3 Million for the three months ended 31 March 2021.

It is lower by ₱0.80 Million compared to the Net income that the company registered for the same period last year.

- 2) **Tektite Insurance Brokers, Inc. ("TIBI")**. The RLT Group's insurance brokerage firm posted a net income of ₱0.30 Million for the for three months ended 31 March 2021 which is lower by ₱0.10 Million compared to the ₱0.40 Million net income registered for the same period last year.

II. Review of Consolidated Statement of Financial Position for the Period Ending 31 March 2021 vs. 31 December 2020

1. **Total assets.** The RLT Group's Total assets stood at ₱6.10 Billion as of 31 March 2021, lower by ₱16 Million compared to the ₱6.10 Billion Total Assets reported by the Group as of 31 December 2020. The RLT Group's Real Estate Assets accounted for 61% of the Total Assets of the Group as of 31 March 2021.

Real Estate Inventories decreased by ₱7.5 Million from 31 December 2020 to 31 March 2021, or by 1%, due to the sales by the Parent Company to sell Skyline and SkyVillas condominium units.

The decrease in Net Trade and Other Receivables by ₱59.7 Million or a 5.44% decline from 31 December 2020 to 31 March 2021 is explained by the collections of installments receivables from the Parent Company's buyers.

Investment Properties decreased by ₱5.7 Million or from ₱2.91 Billion in 2020 to ₱2.90 Billion in 2021 due to the sale of parking slots at The Icon Plaza by the Parent Company.

2. **Total liabilities.** Total liabilities as of 31 March 2021 increased by ₱26 Million compared to 31 December 2020. The increase came from Real estate deposits payable booked by the Parent Company during the first quarter of year 2021 as well as tax and other government remittances payable.

3. **Total Equity.** Total Equity as of 31 March 2021 decreased by ₱42 Million compared to 31 December 2020.

Retained earnings decreased by ₱39.6 Million as a result of the Net Loss contribution by the Parent Company for the period ending 31 March 2021.

III. Performance Indicators

The table below presents the comparative performance indicators of the RLT Group as of 31 March 2021 compared to 31 December 2020.

Performance Indicators	31 March 2021 Unaudited	31 December 2020 Audited
Current ratio ¹	4.98:1	5.15:1
Debt-to-equity ratio ²	0.55:1	0.53:1
Asset-to-equity ratio ³	1.55:1	1.53:1
Book value per share ⁴	₱0.84	₱0.85
Earnings per share ⁵	(₱0.03)	₱0.01

¹ Current assets / current liabilities

² Total debt / consolidated stockholders' equity

³ Total assets / Total stockholders' equity

⁴ Total stockholders' equity plus Subscriptions receivable / No. of shares outstanding

⁵ Net income attributable to equity holders of Parent Company / Weighted average no. of common shares issued and outstanding

The table above reflects the conservative stance of Management in terms of the Group's liquidity and solvency positions.

1. **Current ratio.** The Group's Current ratio, although it reflected a decrease by 3% from 31 December 2020 to 31 March 2021 remains healthy at 4.98:1.
2. **Debt-to-equity ratio.** Similarly, the RLT Group's Debt-to-Equity Ratio has remained very conservative for the periods under review as the Group's leverage position almost remained unchanged at 0.53:1 as of 31 December 2020 and 0.55:1 as of 31 March 2021.

As of end-March 2021, the Group reflected lower total Loans Payable compared to end-December 2020 due to continuing loan payments by the Parent Company.

3. **Asset-to-equity ratio.** The Asset-to-equity ratio at 1.53:1 of the Group as of 31 December 2020 was somehow maintained at 1.55:1 as of 31 March 2021.

The steady performance of Debt-to-Equity ratio of the Group for the periods under review clearly demonstrate that the Group's real estate business is currently being financed substantially by funds provided by its shareholders and internally-generated funds and a small amount of debt.

4. **Book value per share.** The performance of the Company's Book Value per share has also been very encouraging. It remains steady at ₱0.85 per share as of December 2020 and at ₱0.84 per share as of 31 March 2021.

There was no issuance, repurchase or payment of equity securities or dividends during the year 2021.

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.

IV. **Financial Risk Management**

The Company'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:

1. **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.

2. **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 procedures 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 and acceptable credit history.

With respect to installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Company also undertakes supplemental credit review procedures for certain installment payment structures. The Company's stringent customer requirements and policies in place contribute to lower customer default than its competitors. Customer payments are facilitated through various collection modes including the use of postdated checks. Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment have been made and the requirement for remedial procedures is minimal given the profile of buyers.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Company security deposits and advance rentals which help reduce the Company's credit risk exposure in case of defaults by the tenants. For existing tenants, the Company has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity.

Other financial assets are comprised of cash and cash equivalents excluding cash on hand, financial assets at Fair Value through Profit and Loss ("FVPL"), financial assets at Fair Value through Other Comprehensive Income ("FVOCI") and advances to subsidiaries and associates. The Company adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank investment limits are established on the basis of an internal rating system that principally covers the areas

of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Company closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

3. **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.

4. **Price risk.** Price risk is the risk that the fair value of the financial investments particularly debt and 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.

5. **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 obligations.

The Company manages liquidity risk by maintaining adequate reserves, establishing banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

6. **Risks Related to COVID-19.** Currently, many countries, including the Philippines, are suffering from a surge of the COVID-19 global pandemic. We consider this to be a key risk element as this has adversely affected our Company's business in 2020 with spillover effects to 2021. The RLT Group has keenly monitored the situation as COVID-19 has been identified as a genuine risk and game changer. With the continuing escalation of the COVID-19 pandemic, the RLT Group has activated its business continuity plan ("**BCP**") to mitigate the risk impact to operations and its personnel. The Group subscribes to, adheres to and follows national and local government directives and guidelines as well as the best practices being promoted by the Department of Health ("**DOH**"), the Inter-Agency Task Force for the Management of Emerging Infectious Diseases ("**IATF**"), Department of Trade and Industry ("**DTI**"), Department of Public Works and Highways ("**DPWH**"), Department of Labor and Employment ("**DOLE**"), local government units ("**LGUs**") where the Group operates in, etc.

Experienced gained from this pandemic will be used to improve the Group's handling of similar emergencies moving forward.

PHILIPPINE REALTY AND HOLDINGS CORPORATION
FINANCIAL SOUNDNESS INDICATORS
March 31 , 2021

Exhibit II

			2021		2020
Net Profit Margin:					
<i>Shows how much profit is made for every peso of revenue</i>	Net Income(Loss)/ Total Revenues	<u>(39,635,914)</u> <u>86,497,740</u>	-45.82%	<u>11,221,037</u> <u>193,396,781</u>	5.80%
Asset Turnover:					
<i>Shows efficiency of asset used in operations</i>	Total Revenues/ Ave. Total Assets	<u>86,497,740</u> <u>-</u>	#DIV/0!	<u>193,396,781</u> <u>3,096,436,589</u>	0.06
Interest Rate Coverage Ratio:					
<i>Determine how easily a company can pay interest on outstanding debt</i>	EBITDA/ Interest Expense	<u>(29,990,257.42)</u> <u>6,815,173.44</u>	-4.40	<u>27,824,997</u> <u>7,799,865.00</u>	3.57

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
BUSINESS SEGMENTS
AS OF MARCH 31,2021

Exhibit III

	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Travel Services	Other Income	Elimination	Consolidated
Revenue	71,175,263	9,818,790	1,771,653	-	3,309,483.88		86,075,190
Segment Result	(35,459,863)	146,718	459,866	(14,489)	3,272,629	-	(31,595,140)
Interest expense/Bank charges	(6,815,173)						(6,815,173)
Interest income	421,152	786	612	-			422,550
Dividend income							-
Gain on sale of PPE							-
Equity in net loss of associate						(1,099,506)	(1,099,506)
Income taxes	(271,851)	(132,170)	(144,623)				(548,645)
Income before minority interest	(42,125,736)	15,333	315,855	(14,489)	3,272,629	(1,099,506)	(39,635,914)
Minority interest							
Net Income	(42,125,736)	15,333	315,855	(14,489)	3,272,629	(1,099,506)	(39,635,914)
Other Information							
Segment assets	5,825,337,350	85,600,139	35,198,978	1,173,454	2,502,842	78,965,099	6,028,777,863
Investment at equity method	114,401,124					(55,209,489)	59,191,635
Unallocated corporate assets	-	5,829,091	-	-	-	-	5,829,091
Consolidated Total Assets	5,939,738,475	91,429,230	35,198,978	1,173,454	2,502,842	23,755,610	6,093,798,589
Segment liabilities	1,494,737,693	33,913,643	22,059,672	29,971,822	78,730,621	(10,116,151)	1,649,297,300
Unallocated corporate liabilities	511,026,408	-	2,485,337	-	-	-	513,511,745
Consolidated Total Liabilities	2,005,764,101	33,913,643	24,545,009	29,971,822	78,730,621	(10,116,151)	2,162,809,045
Capital expenditure	-	-		-			-
Depreciation	1,953,653	219,060	109,126	-			2,281,838
Non-cash expenses other than depreciation							-