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

8631-3179

Company Telephone

Number

0 3 | 3 1

Month | Day

1 7 Q

FORM TYPE

0 6 | 3 0

Month | Day

Annual Meeting

N/A

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles

Number/Section

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, 2022

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	9,100,102,685 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, 2022 and 2021, 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, 2021.

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, 2022 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.
President and Chief Executive Officer

May 13, 2022

EDMUNDO C. MEDRANO
Executive Vice President and Chief Operating Officer and Treasurer
May 13, 2022

MARK ANTHONY M. RAMOS
Assistant Vice President for Accounting, Compliance Officer and Data Protection Officer
May 13, 2022

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2022 AND DECEMBER 31, 2021

	Unaudited March 31 2022	Audited December 31 2021
ASSETS		
Current Assets		
Cash and cash equivalents	**91,959,835**	202,643,198
Financial assets at fair value through profit or loss (FVPL)	**6,750,000**	6,750,000
Trade and other receivables-current portion	**54,503,632**	132,440,960
Real estate inventories	**2,130,360,957**	2,136,292,560
Prepayments and other assets-net	**413,016,246**	411,032,219
Investment in finance lease - current portion	**13,055,175**	13,055,174
Total Current Assets	**2,709,645,844**	2,902,214,110
Non-current Assets		
Financial assets at fair value through other comprehensive income (FVOCI)	**42,861,659**	37,644,536
Trade and other receivables - net of current portion	**467,066,100**	427,070,461
Investments in and advances to associates-net	**53,383,063**	59,667,432
Investment properties-net	**4,418,679,063**	4,406,355,439
Property and equipment - net	**100,372,822**	103,363,397
Right of Use Asset	**87,367,942**	89,431,827
Investment in finance lease - current portion	**198,391,656**	201,677,353
Other non-current assets	**3,553,386**	3,553,386
Total Non-current Assets	**5,371,675,692**	**5,328,763,832**
	8,081,321,536	8,230,977,942
LIABILITIES AND EQUITY		
LIABILITIES		
Current Liabilities		
Trade and other payables-current portion	**158,433,419**	150,248,583
Loans and notes payable - current portion	**230,678,021**	381,938,245
Lease Liability - current portion	**10,719,619**	14,116,765
Total Current Liabilities	**399,831,058**	546,303,593
Non-current Liabilities		
Trade and other payables - net of current portion	**85,303,107**	71,825,744
Loans and note payable - net of current portion	**429,275,074**	430,522,044
Retirement benefit obligation	**69,508,302**	70,930,176
Deferred tax liabilities-net	**572,541,369**	568,677,622
Other non-current liabilities	**40,220,569**	40,970,220
Lease Liability-noncurrent	**173,503,161**	173,503,161
Total Non-current Liabilities	**1,370,351,582**	1,356,428,967
	1,770,182,640	1,902,732,560
EQUITY		
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	**4,433,189,171**	4,433,189,171
Additional paid-in capital	**623,139,806**	623,139,806
Reserves	**57,418,237**	52,201,113
Retained earnings	**1,327,486,230**	1,349,807,235
Treasury stock	**(110,049,632)**	(110,049,632)
	6,331,183,812	6,348,287,693
Equity Attributable to Non-Controlling Interest	**(20,044,916)**	(20,042,311)
	6,311,138,896	6,328,245,382
	8,081,321,536	8,230,977,942

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED MARCH 31, 2022 AND 2021

	2022	2021
INCOME		
Sales of real estate	**54,516,094**	54,922,711
Rent	**13,793,830**	16,311,951
Management fees	**9,020,271**	9,780,990
Interest	**1,520,584**	422,550
Commission	**2,546,037**	1,771,653
Other income	**481,455**	3,287,884
	81,878,271	86,497,740
COSTS AND EXPENSES		
Cost of real estate sold	**23,356,969**	35,312,484
Cost of services	**15,815,969**	15,409,747
General and administrative expenses	**59,872,796**	66,948,098
Finance cost	**3,827,877**	6,815,173
Equity in net loss of associate	**561,573**	1,099,506
	103,435,184	125,585,009
LOSS BEFORE INCOME TAX	**(21,556,912)**	(39,087,268)
INCOME TAX EXPENSE	**766,699**	548,645
NET LOSS	**(22,323,611)**	(39,635,914)
ATTRIBUTABLE TO:		
Equity holders of the parent	**(22,321,006)**	(39,633,238)
Non-controlling interest	**(2,606)**	(2,676)
	(22,323,611)	(39,635,914)
OTHER COMPREHENSIVE INCOME (LOSS):		
Unrealized holding gain (loss) on AFS investments	**5,217,124**	(1,592,647)
TOTAL COMPREHENSIVE LOSS	**(17,106,488)**	(41,228,561)
Loss per share		
Basic	**(0.00)**	(0.01)
Diluted	**(0.00)**	(0.01)
Number of shares outstanding		
Basic	**9,099,309,288**	4,877,907,002
Diluted	**9,099,309,288**	4,877,907,002

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED MARCH 31, 2022 AND 2021

	2022	2021
Capital Stock		
Authorized 8,000,000,000 common shares		
Issued and outstanding 7,866,647,523 shares in 2022;		
3,688,869,746 shares in 2021		
Capital stock	**3,933,323,762**	1,844,434,873
Subscribed capital stock 1,314,711,262 shares in 2022;		
1,314,711,262 shares in 2021	**657,355,631**	657,355,631
Less: Subscription receivable	**157,490,223**	157,564,259
	499,865,408	499,791,372
Additional paid-in capital	**623,139,806**	557,014,317
Capital stock	**5,056,328,977**	2,901,240,562
Reserves		
Appropriated retained earnings for		
Treasury stock acquisition	**109,712,439**	109,712,439
Revaluation on FVOCI		
Balance, beginning	**(24,038,272)**	(20,596,912)
Unrealized holding loss on financial assets at FVOCI	**5,388,497**	(1,592,647)
Balance, end	**(18,649,773)**	(22,189,559)
Accumulated Remeasurement Losses	**(33,644,428)**	(45,113,753)
	57,418,238	42,409,128
Retained earnings		
Balance, beginning	**1,349,807,235**	1,155,073,841
Net loss	**(22,323,611)**	(39,635,914)
Balance, end	**1,327,483,624**	1,115,437,927
	6,441,230,839	4,059,087,617
Treasury Stock	**(110,049,632)**	(110,049,633)
	6,331,181,208	3,949,037,984
Minority Interest		
Balance, beginning	**(20,042,311)**	(18,048,438)
Share in net income	**-**	-
	(20,042,311)	(18,048,438)
	P6,311,138,895	P3,930,989,544

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FIRST QUARTER ENDED MARCH 31, 2022 AND 2021

		0	
		2022	2021
Cash flows from Operating Activities			
Net Loss		(22,321,006)	(39,633,238)
Adjustments for:			
Financial assets at fair value through other comprehensive income (FVOCI)		5,388,497	(1,517,271)
Accumulated remeasurement loss	-	171,374.41	377,764
Decrease in minority interest		(2,605)	(2,676)
Depreciation and amortization		3,346,130	2,281,838
Loss from operations before working capital changes		(13,760,358)	(39,249,111)
Decrease (Increase) in:			
Real estate inventories		5,931,603	7,498,075
Trade and other receivables - net		37,941,694	59,698,947
Prepayments and other current assets		(1,984,027)	(64,734,534)
Increase (Decrease) in:			
Trade and other payables		21,662,199	82,291,772
Deferred Income		(749,651)	(1,597,464)
Deferred Tax Liability		3,863,747	2,757,188
Retirement Benefit Obligation		(1,421,875)	34,020
Unearned Income		-	(1,361,382)
Net cash provided by operating activities		51,483,332	45,337,522
Cash Flows from Investing Activities			
Decrease (Increase) in:			
Right of Use Asset		2,063,885	2,421,265
Investment in Finance Lease		3,285,696	2,907,103
Lease Liability		(3,397,146)	(3,643,734)
Investments in and advances to associates - net		6,284,369	(7,430,516)
Financial assets at fair value through other comprehensive income (FVOCI)		(5,217,123)	1,854,467
Investment Property		(12,323,624)	5,677,262
Net additions to property and equipment		(355,555)	(680,488)
Net cash provided by (used in) investing activities		(9,659,498)	1,105,359
Cash Flows from Financing Activities			
Availment of loans payable		100,000,000	200,000,000
Payment of Notes and Bank Loans		(252,507,194)	(252,922,533)
Net cash used in financing activities		(152,507,194)	(52,922,533)
Net Decrease in Cash and Cash Equivalents		(110,683,360)	(6,479,652)
Cash and Cash Equivalents, Beginning		202,643,198	207,245,299
Cash and Cash Equivalents, End		91,959,835	200,765,646

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
AGING OF ACCOUNTS RECEIVABLE-TRADE
AS OF MARCH 31, 2022

		OVER DUE			
PARTICULARS	*CURRENT*	*31-60 DAYS*	*61-90 DAYS*	*OVER 91 DAYS*	*TOTAL*
PRHC	319,869,132	1,329,132	1,200,701	83,070,577	405,469,542
PPMI	1,199,169	942,269	128,519	1,448,065	3,718,022
TIBI	15,093,241				15,093,241
GRAND TOTAL	336,161,542	2,271,401	1,329,220	84,518,642	424,280,805

Accounts Receivable - Trade	424,280,805
Accounts Receivable - Others	97,288,927
Total	521,569,732

FINANCIAL INFORMATION

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

The first quarter 2022 financial results 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**") reflected a consolidated net loss after tax of ₱22.3 Million. But in spite of this, the Group continued to maintain a deliberate very conservative liquidity and solvency stance.

The RLT Group was negatively impacted by the continuing disruptions to business caused by the COVID-19 pandemic**,** particularly as regards physical viewing of properties by prospective buyers and lessees.

During the first quarter, the Philippines experienced the peak of the COVID-19 Omicron variant surge, forcing the government to tighten mobility restrictions. But the number of infections later fell within the quarter, and this allowed further reopening of the economy.

The slow and uncoordinated implementation by the government of its vaccination program added to the record rise of Omicron cases that placed businesses in open-close-open situations.

The Philippine Statistics Authority (**PSA**) reported that the Philippine economy grew at a better-than-expected 8.3% in the first quarter of 2022. The latest gross domestic product (GDP) growth figure is an improvement from the revised -3.9% reported in the first quarter of 2021.

The main contributors to the first quarter 2022 growth were: Manufacturing, 10.1 percent; Wholesale and retail trade; repair of motor vehicles and motorcycles, 7.3 percent; and Transportation and storage, 26.5 percent.

Industry and services posted growth rates of 10.4% and 8.6%, respectively, while agriculture grew a measly 0.2% on a year-on-year basis. Services had the largest share in the overall GDP growth figure, accounting for 5.1 points of the 8.3% growth. Industry's share was 3.1, while agriculture was just at 0.02.

But there are formidable headwinds moving forward.

The government's outstanding debt as of end-March 2022 totaled ₱12.679 trillion, a record high, as the government continued its borrowings to boost the state's war chest for COVID-19 recovery measures coupled with a weaker local currency during the period.

As a result, Bureau of Treasury (**BTr**) data showed that as of end-March, the country's debt-to-GDP ratio stood at 63.5%, which is well over the internationally recommended threshold of 60%. This is the highest debt-to-GDP ratio since 2005 when it hit 65.7% during the Arroyo administration.

The Bangko Sentral ng Pilipinas (**BSP**) is likely to hike its benchmark policy rate by as much as 75 bps this year on account of rising inflation and to reduce currency risks following the US Federal Reserve's tightening.

I. Review of Consolidated Statement of Income for the Period Ending 31 March 2022 vs. 31 March 2021

1. **Consolidated net income after tax**. The RLT Group posted a net loss after tax of **₱22.3 Million** for the three (3) months ended 31 March 2022 but it is a far better result compared to the ₱39.6 Million net loss after tax for the same period last year, or an improvement by ₱17.3 Million or by 44%.

   The reduction in the RLT Group's net loss is largely attributable to decreases in the costs and expenses incurred during the first quarter of 2022 compared to the same period last year.

   a. **Income**

      1) **Sales of real estate.** Sales of real estate at ₱55 Million declined by ₱0.4 Million or by 0.74% for the first three (3) months of 2022 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 ₱2.5 Million or by 15% due to termination of some lease contracts but more because of the effect of the new accounting standards on Leases.

      3) **Management fees.** Management fees was lower by 8% due to the non-renewal of the Management Contract between PPMI and one of its bigger clients.

   b. **Costs and Expenses**

      1) **Cost of real estate sold**. For the three months ended 31 March 2022 compared to the three months ended 31 March 2020, the Cost of Real estate sold decreased by ₱12 Million or a decline of 33.9%.

         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 decreased by ₱7.0 Million or by 11% due to lower Commission and Condominium expenses for the 1st quarter ending March 31, 2022.

      3) **Finance cost.** The reduction in interest expense to ₱3.8 Million from ₱6.8 Million last year, or a decrease by 44%, was due to the continuing repayment of loans by the Parent Company. These loans were used for the purpose of financing the acquisition of Investment Properties.

   c. **Subsidiaries.**

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

1) **<u>PRHC Property Managers, Inc. (PPMI)</u>**. The RLT Group's property management company, PPMI, registered a Net loss of ₱0.06 Million for the three months ended 31 March 2022.

   It is lower by ₱0.50 Million compared to the Net income that the company registered for the same period last year.

2) **<u>Tektite Insurance Brokers, Inc. (TIBI)</u>**. The RLT Group's insurance brokerage firm posted a net income of ₱1.4 Million for the for three months ended 31 March 2022 which is higher by ₱1.10 Million or by 367% compared to the ₱0.30 Million net income that TIBI registered for the same period last year.

II. Review of Consolidated Statement of Financial Position for the Period Ending 31 March 2022 vs. 31 December 2021

1. **Total assets**. The RLT Group's Total assets stood at ₱8.08 Billion as of 31 March 2022, lower by ₱149 Million compared to the ₱8.23 Billion Total Assets reported by the Group as of 31 December 2021. The RLT Group's Real Estate Assets accounted for 81% of the Total Assets of the Group as of 31 March 2022.

   Real Estate Inventories decreased by ₱5.9 Million from 31 December 2021 to 31 March 2022, or by 0.28%, due to the continuing sale of condominium units by the Parent Company.

   The decrease in Net Trade and Other Receivables by ₱37.5 Million or a 41.04% decline from 31 December 2021 to 31 March 2022 is explained by the collections of installments receivables from the Parent Company's buyers.

   Investment Properties increased by ₱12.3 Million or from ₱4.41 Billion in 2021 to ₱4.42 Billion in 2022 due the major renovations made by the Parent Company of Investment Properties located in Baguio City (the El Retiro Mansion Property) and in the Fourth Floor of the Tektite Towers.

2. **Total liabilities.** Total liabilities as of 31 March 2022 decreased by ₱132.5 Million compared to 31 December 2021. The decrease came from the repayments of bank loans by the Parent Company.

3. **Total Equity.** Total Equity as of 31 March 2022 decreased by ₱17 Million compared to 31 December 2021. This is due to the Net loss of the Group amounting to ₱22.3 Million which was partly mitigated by the ₱5.2 Million gain on change in market value of the Parent Company's investments.

   Retained earnings decreased by ₱22.3 Million as a result of the Net loss of the Group for the period ending 31 March 2022.

III. Performance Indicators

The table below presents the comparative performance indicators of the RLT Group as of 31 March 2022 compared to 31 December 2021.

Performance Indicators	31 March 2022 Unaudited	31 December 2021 Audited
Current ratio[1]	6.78:1	5.24:1
Debt-to-equity ratio[2]	0.28:1	0.30:1
Asset-to-equity ratio[3]	1.28:1	1.30:1
Book value per share[4]	₱0.71	₱0.71
Earnings per share[5]	(₱0.01)	₱0.08

[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 the RLT Group in terms of the Group's liquidity and solvency positions.

1. **<u>Current ratio</u>.** The Group's Current ratio, already at a very conservative level, still reflected further improvement from 5.24:1 as of 31 December 2021 to 6.78:1 as of 31 March 2022.

2. **<u>Debt-to-equity ratio</u>.** Similarly, the RLT Group's Debt-to-Equity Ratio remained very conservative for the periods under review. The Group's leverage position still improved from 0.30:1 as of 31 December 2021 to 0.28:1 as of 31 March 2022.

   The main reason for the improvement as of end-March 2022 of the Group's leverage ratio compared to end-December 2021 is due to the reduction in Total Loans Payable. This is explained by the continuing loan repayments by the Parent Company.

3. **<u>Asset-to-equity ratio</u>.** The Asset-to-equity ratio at 1.30:1 of the Group as of 31 December 2021 has remained almost unchanged at 1.28:1 as of 31 March 2022.

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

4. **<u>Book value per share</u>.** The performance of the Company's Book Value per share has also been very encouraging. It has been steady at ₱0.71 per share.

There was no issuance, repurchase or payment of equity securities or dividends during the year 2022.

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 has 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 **Exhibit II**
FINANCIAL SOUNDNESS INDICATORS
FOR THE FIRST QUARTER ENDED MARCH 31, 2022 AND 2021

			2022		2021
Net Profit Margin: *Shows how much profit is made for every peso of revenue*	Net Income(Loss)/ Total Revenues	**(22,323,611.42)** **81,878,271**	**-27.26%**	(39,087,268) 86,497,740	**-45.19%**
Asset Turnover: *Shows efficiency of asset used in operations*	Total Revenues/ Ave. Total Assets	**81,878,271** **8,156,149,739**	**0.01**	86,497,740 7,167,460,256	**0.01**
Interest Rate Coverage Ratio: *Determine how easily a company can pay interest on outstanding debt*	EBIT/ Interest Expense	**- 17,729,035.43** **3,827,876.72**	**-4.63**	-32,272,095 6,815,173.44	**-4.74**

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES **Exhibit III**
BUSINESS SEGMENTS
AS OF MARCH 31,2022

	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Travel Services	Other Income	Elimination	Consolidated
Revenue	68,247,524	9,045,471	2,546,037	-	518,655.27		80,357,687
Segment Result	(20,465,276)	(123,846)	1,412,636	(14,107)	502,546	-	(18,688,047)
Interest expense/Bank charges	(3,827,877)						(3,827,877)
Interest income	1,521,726	458	(1,599)	-	-		1,520,584
Dividend income							-
Gain on sale of PPE							-
Equity in net loss of							-
associate						(561,573)	(561,573)
Income taxes	(350,434)	18,206	(434,471)				(766,699)
Income before minority interest	(23,121,861)	(105,183)	976,566	(14,107)	502,546	(561,573)	(22,323,611)
Minority interest							
Net Income	(23,121,861)	(105,183)	976,566	(14,107)	502,546	(561,573)	(22,323,611)
Other Information							
Segment assets	7,918,188,275	85,658,801	32,406,241	1,250,628	34,628,162	(49,916,429)	8,022,215,677
Investment at equity method	101,929,858					(42,823,999)	59,105,859
Unallocated corporate assets	-	3,675,664	-	-	-	-	3,675,664
Consolidated Total Assets	8,020,118,133	89,334,465	32,406,241	1,250,628	34,628,162	(92,740,428)	8,084,997,200
Segment liabilities	1,127,087,882	33,788,480	19,571,595	30,086,183	80,974,204	(93,867,072)	1,197,641,271
Unallocated corporate liabilities	572,353,286	-	3,863,747	-	-	-	576,217,033
Consolidated Total Liabilities	1,699,441,169	33,788,480	23,435,342	30,086,183	80,974,204	(93,867,072)	1,773,858,304
Capital expenditure	-	-		-			-
Depreciation	3,077,350	248,571	20,209	-			3,346,130
Non-cash expenses other than depreciation							-