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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

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Day

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FORM TYPE

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Month Day

8631-3179

Company Telephone

Annual Meeting

N/A

Secondary License Type, If Applicable

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Dept. Requiring this Doc.
Number/Section

Amended Articles

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 June 30, 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: Unit E 1609 16th Floor 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 ☒ 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 June 30, 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 Six months ended June 30, 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

August 12, 2022



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

August 12, 2022



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

August 12, 2022

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2022 AND DECEMBER 31, 2021

	Unaudited June 30 2022	Audited December 31 2021
ASSETS		
Current Assets		
Cash and cash equivalents	95,025,469	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	118,247,054	132,440,960
Real estate inventories	2,107,880,783	2,136,292,560
Prepayments and other assets-net	414,378,502	411,032,219
Investment in finance lease - current portion	13,055,164	13,055,174
Total Current Assets	2,755,336,970	2,902,214,110
Non-current Assets		
Financial assets at fair value through other comprehensive income (FVOCI)	39,058,612	37,644,536
Trade and other receivables-non current portion	467,066,100	427,070,461
Investments in and advances to associates-net	52,705,919	59,667,432
Investment properties-net	4,422,954,538	4,406,355,439
Property and equipment - net	97,916,149	103,363,397
Right of Use Asset	85,328,820	89,431,827
Investment in Finance Lease	195,147,969	201,677,353
Other non-current assets	3,553,386	3,553,386
Total Non-current Assets	5,363,731,493	5,328,763,832
	8,119,068,463	8,230,977,942
LIABILITIES AND EQUITY		
LIABILITIES		
Current Liabilities		
Trade and other payables-current portion	155,195,372	150,248,583
Loans and notes payable - current portion	279,417,831	381,938,245
Lease Liability-current	7,352,711	14,116,765
Total Current Liabilities	441,965,913	546,303,593
Non-current Liabilities		
Trade and other payables-net of current portion	85,548,174	71,825,744
Loans and note payable-net of current portion	428,680,054	430,522,044
Retirement benefit obligation	71,861,931	70,930,176
Deferred tax liabilities-net	572,541,369	568,677,622
Other non-current liabilities	38,816,471	40,970,220
Lease Liability-noncurrent	173,503,161	173,503,161
Total Non-current Liabilities	1,370,951,161	1,356,428,967
	1,812,917,074	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	53,615,189	52,201,113
Retained earnings	1,326,301,770	1,349,807,235
Treasury stock	(110,049,632)	(110,049,632)
	6,326,196,305	6,348,287,693
Equity Attributable to Non-Controlling Interest	(20,044,916)	(20,042,311)
	6,306,151,389	6,328,245,382
	8,119,068,463	8,230,977,942

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

	2022	2021
INCOME		
Sales of real estate	152,340,035	128,949,852
Rent	28,867,780	31,756,017
Management fees	18,252,626	19,411,905
Interest	2,541,157	1,308,429
Commission	3,503,158	2,725,735
Other income	2,549,788	3,615,788
	208,054,545	187,767,726
COSTS AND EXPENSES		
Cost of real estate sold	67,667,621	82,579,099
Cost of services	32,073,759	31,704,911
General and administrative expenses	121,270,476	124,588,238
Finance Cost	8,188,972	11,506,354
Equity in net loss of associate	1,238,717	1,850,282
	230,439,545	252,228,885
LOSS BEFORE INCOME TAX	(22,385,000)	(64,461,159)
INCOME TAX EXPENSE	1,123,059	726,698
NET LOSS	(23,508,060)	(65,187,857)
ATTRIBUTABLE TO:		
Equity holders of the parent	(23,505,454)	(65,185,181)
Non-controlling interest	(2,606)	(2,676)
	(23,508,060)	(65,187,857)
OTHER COMPREHENSIVE INCOME:		
Unrealized holding gain on AFS investments	1,414,076	1,188,318
TOTAL COMPREHENSIVE LOSS	(22,093,983)	(63,999,539)
Loss per share		
Basic	(0.002583)	(0.012708)
Diluted	(0.002583)	(0.012708)
Number of shares outstanding		
Basic	9,099,309,288	5,129,266,317
Diluted	9,099,309,288	5,129,266,317

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED JUNE 30, 2022 AND 2021

	For the Second Quarter Ended June 30	
	2022	2021
INCOME		
Sales of real estate	97,823,941	74,027,141
Rent	15,073,951	15,444,066
Management fees	9,232,355	9,630,915
Interest	1,020,572	885,879
Commission	957,121	954,082
Other income	2,068,333	327,904
	126,176,273	101,269,987
COSTS AND EXPENSES		
Cost of real estate sold	44,310,653	60,582,503
Cost of services	16,257,790	2,979,277
General and administrative expenses	61,397,681	57,640,140
Finance Cost	4,361,095	4,691,181
Equity in net loss of associate	677,144	750,776
	127,004,362	126,643,877
LOSS BEFORE INCOME TAX	(828,088)	(25,373,890)
INCOME TAX EXPENSE	356,360	178,053
NET LOSS	(1,184,448)	(25,551,944)
ATTRIBUTABLE TO:		
Equity holders of the parent	(1,184,448)	(25,551,944)
Minority interest	-	-
	(1,184,448)	(25,551,944)
OTHER COMPREHENSIVE INCOME (LOSS):		
Unrealized holding gain (loss) on AFS investments	(3,803,047)	2,780,965
TOTAL COMPREHENSIVE LOSS	(4,987,496)	(22,770,979)
Loss per share		
Basic	(0.000130)	(0.004982)
Diluted	(0.000130)	(0.004982)
Number of shares outstanding		
Basic	9,100,102,685	5,129,266,317
Diluted	9,100,102,685	5,129,266,317

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Capital Stock		
Authorized 8,000,000,000 common shares		
Issued and outstanding 7,866,647,523 shares in 2022; 7,866,647,523 shares in 2021		
Capital stock	3,933,323,762	3,933,323,762
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	724,125,428
Capital stock	5,056,328,977	5,157,240,562
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	1,585,449	1,188,330
Balance, end	(22,452,821)	(19,408,582)
Accumulated remeasurement losses	(33,644,427)	(24,338,915)
Reserve for fluctuation in market value of investments	-	20,774,851
	53,615,192	45,190,092
Retained earnings		
Balance, beginning	1,349,807,224	1,155,073,841
Net loss	(23,508,060)	(65,187,857)
Balance, end	1,326,299,164	1,089,885,984
	6,436,243,334	6,292,316,638
Treasury Stock	(110,049,632)	(110,049,633)
	6,326,193,703	6,182,267,005
Minority Interest		
Balance, beginning	(20,042,311)	(18,048,438)
Share in net income	-	-
	(20,042,311)	(18,048,438)
	P6,306,151,390	P6,164,218,566

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash flows from Operating Activities		
Net Loss	(23,505,454)	(65,185,181)
Adjustments for:		
Financial assets at fair value through other comprehensive income (FVOCI)	1,585,449	1,212,120
Accumulated remeasurement loss	171,373.41	
Decrease in minority interest	(2,605)	(2,676)
Depreciation and amortization	7,511,238	5,906,249
Loss from operations before working capital changes	(14,582,746)	(58,069,488)
Decrease (Increase) in:		
Real estate inventories	28,411,777	(2,205,646,326)
Trade and other receivables - net	(25,801,733)	134,299,115
Prepayments and other current assets	(3,346,283)	(73,582,268)
Increase (Decrease) in:		
Trade and other payables	18,669,219	68,959,241
Other non-current liabilities	(2,153,758)	(905,258)
Deferred Tax Liability	3,863,747	2,581,526
Retirement Benefit Obligation	931,755	2,588,816
Unearned Income	-	(1,361,382)
Net cash provided by (used in) operating activities	5,991,979	(2,131,136,026)
Cash Flows from Investing Activities		
Decrease (Increase) in:		
Right of Use Asset	4,103,007	4,842,530
Investment in Finance Lease	6,529,395	5,847,766
Lease Liability	(6,764,054)	(7,327,412)
Investments in and advances to associates - net	6,961,513	(7,216,464)
Financial assets at fair value through other comprehensive income (FVOCI)	(1,414,076)	(926,498)
Investment Property	(16,599,099)	7,135,269
Net additions to property and equipment	(2,063,989)	1,991,331
Net cash provided by (used in) investing activities	(9,247,303)	4,346,523
Cash Flows from Financing Activities		
Availment of loans payable	300,000,000	250,000,000
Payment of Bank Loans	(403,978,540)	(435,872,231)
Payment of notes payable	(383,864)	2,256,000,000
Net cash provided by (used in) financing activities	(104,362,404)	2,070,127,769
Net decrease in Cash and Cash Equivalents	(107,617,728)	(56,661,734)
Cash and Cash Equivalents, Beginning	202,643,198	207,245,299
Cash and Cash Equivalents, End	95,025,468	150,583,566

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
AGING OF ACCOUNTS RECEIVABLE-TRADE
AS OF JUNE 30, 2022

PARTICULARS	CURRENT	OVER DUE			TOTAL
		31-60 DAYS	61-90 DAYS	OVER 91 DAYS	
PRHC	392,112,179	1,233,956	6,538,702	69,602,512	469,487,349
PPMI	781,987	746,555	435,503	1,859,415	3,823,460
TIBI	9,065,614				9,065,614
GRAND TOTAL	401,959,780	1,980,511	6,974,205	71,461,927	482,376,423

Accounts Receivable - Trade	482,376,423
Accounts Receivable - Others	102,937,154
Total	<u>585,313,577</u>

FINANCIAL INFORMATION

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

The financial results for the first semester of 2022 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 ₱23.5 Million. But in spite of this, the Group continued to deliberately maintain very conservative liquidity and solvency stance.

The RLT Group continues to be negatively impacted by disruptions to business caused by the resurging omicron and other COVID-19 variants, in terms of reduced physical viewing of the Parent Company's residential, office and commercial properties being offered for sale or lease to prospective buyers and lessees.

The Philippine economy continues to encounter headwinds in attaining economic recovery.

The Philippine Statistics Authority (**PSA**) reported that the Philippine economy grew slower at 7.4% in the second quarter of 2022. It was lower than the 8.2% growth rate recorded a quarter ago and much lower than the 12.1% reported a year ago.

In the first half, the Philippines' economic growth averaged 7.8%, above the downscaled full-year goal of 6.5% to 7.5%.

Socioeconomic Planning Secretary Arsenio Balisacan lamented that it was mostly global headwinds that contributed to the Philippine economy's “noticeable slowdown” during the second quarter caused by Russia's invasion of Ukraine, a slowing Chinese economy, and aggressive interest rate hikes globally led by the United States Federal Reserve amid high inflation and a recession in the United States.

The month of June saw the Philippines record a 6.1% inflation rate that matched the rate in November 2018, and was the highest seen since October 2018 when inflation was at 6.9%.

To control escalating inflation rates, a rapidly depreciating peso as well as in response to the aggressive rate hikes by the Federal Reserve, the Bangko Sentral ng Pilipinas (**BSP**), the BSP raised interest rates by a total of 125 basis points (**bps**) so far this year, including a surprise off-cycle hike of 75 bps in July, as it sought to contain broadening inflationary pressures. That brought the overnight reverse repurchase policy rate to 3.25%.

With inflation still anticipated to rise, the BSP may be forced to whip out a more forceful 50 bps rate adjustment in the August Monetary Board policy meeting.

The government's outstanding debt as of end-June 2022 totaled ₱12.79 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-June, the country's debt-to-GDP ratio stood at 62.1%, which is over the internationally recommended threshold of 60%, but fortunately lower than the 63.5% recorded as of the end-March.

I. Review of Consolidated Statement of Income for the Period Ending 30 June 2022 vs. 30 June 2021

For the period ended June 30 (In millions)				
	2022 (Unaudited)	2021 (Unaudited)	Change in Peso	Change in Percentage
REVENUES				
Sales of real estate	₱152	₱129	₱23	18%
Rent	29	32	(3)	(9%)
Management fees	18	19	(1)	(6%)
Interest income	3	1	2	94%
Commission	4	3	1	29%
Other income	3	4	(1)	(29%)
TOTAL	208	188	20	11%
COSTS AND EXPENSES				
Cost of real estate sold	68	83	(15)	(18%)
Cost of services	32	32	-	0%
General and administrative	121	125	(4)	(3%)
Finance cost	8	12	(4)	(29%)
Equity in net loss of associates	1	2	(1)	(33%)
TOTAL	230	252	(22)	(9%)
LOSS BEFORE INCOME TAX	(22)	(64)	42	65%
INCOME TAX EXPENSE	1	1	-	(0%)
NET LOSS	(₱23)	(₱65)	₱42	65%
OTHER COMPREHENSIVE INCOME	1	1	-	--
TOTAL COMPREHENSIVE LOSS	(₱22)	(₱64)	₱42	65%

1. **Consolidated net income after tax.** The RLT Group posted a net loss after tax of **₱23 Million** for the six (6) months ended 30 June 2022 but it is a far better result compared to the **₱65 Million** net loss after tax for the same period last year, or an improvement by **₱42 Million** or by 65%.

The reduction in the RLT Group's net loss is largely attributable to a combination of an increase in revenue and a decrease in the costs and expenses incurred in the 1st half of 2022 compared to the same period last year.

a. Income

- 1) **Sales of real estate.** Sales of real estate at **₱152 Million** increased by **₱23 Million** or by 18% for the six (6) 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 **₱3 Million** or by 9% due to the termination of some lease contracts but more because of the effect of the new accounting standards on Leases.
- 3) **Management fees.** Management fees were lower by 6% due to the non-

renewal of the Management Contract between PPMI and one of its bigger clients.

- 4) **Interest income.** Interest income increased by 94% due to higher interest income and penalties collected from buyers arising from late payments.
- 5) **Commission income.** Commission income increased by ₱0.7 Million.
- 6) **Other income.** Other income was lower in 2022 compared to 2021 due to lower amounts of interest and penalties booked in 2022.

b. Costs and Expenses

- 1) **Cost of real estate sold.** Cost of Real Estate Sold for the six months ended 30 June 2022 decreased by ₱15 Million or by 18% compared to the six months ended 30 June 2021 in spite of the increase in Sales of Real Estate.

The decrease is explained by more Skyline units having been sold vis-à-vis SkyVillas units in 2022 relative to 2021. Skyline units have lower standard costs compared to SkyVillas units. In 2021, Real Estate Sales were mostly accounted for by SkyVillas units.

- 2) **General and administrative expenses.** General and administrative expenses decreased by ₱4.0 Million or by 3% due to lower Business permit expenses for the 1st half ending 30 June 2022.
- 3) **Finance cost.** The reduction in interest expense to ₱8 Million from ₱12 Million last year, or a decrease by 29%, was due to the continuing repayment of bank loans by the Parent Company. These loans were used for the purpose of financing the acquisition of Investment Properties.
- 4) **Equity in net loss of associates.** The 33% decrease was due to the decrease in Net loss from operations of an associate company of the Parent Company.

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 loss of ₱0.08 Million for the six months ended 30 June 2022.

It is lower by ₱0.09 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 ₱0.9 Million for the six (6) months ended 30 June 2022 which is higher by ₱0.6 Million or by 203% 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 30 June 2022 vs. 31 December 2021

As of 30 June 2022 vs. 31 December 2021				
	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)	Change in Peso	Change in Percentage
Assets				
Cash and cash equivalents	₱95	₱203	(₱108)	(53%)
Financial assets	46	44	2	3%
Trade and other receivables – net	585	560	25	5%
Real estate inventories	2,108	2,136	(28)	(1%)
Prepayments and other assets – net	414	411	3	1%
Investments in and advances to associates - net	53	60	(7)	(12%)
Property and equipment – net	98	103	(5)	(5%)
Investment properties – net	4,423	4,406	17	-
Other Assets	297	308	(11)	(3%)
TOTAL	₱8,119	₱8,231	(₱112)	(1%)
Liabilities				
Trade and other payables	₱241	₱222	₱19	8%
Loans and Notes Payable	708	812	(104)	(13%)
Retirement benefit obligation	72	71	1	1%
Other liabilities	792	797	(5)	(1%)
Total Liabilities	1,813	1,902	(90)	(5%)
Equity				
Capital stock	5,056	5,056	-	-
Reserves	54	52	2	(3%)
Retained earnings	1,326	1,350	(24)	(2%)
Treasury stock	(110)	(110)	-	-
Equity attributable to non-controlling interest	(20)	(20)	-	-
Total Equity	₱6,306	₱6,328	(₱22)	-
TOTAL	₱8,119	₱8,231	(₱112)	(1%)

- 1. Total assets.** The RLT Group's Total assets stood at ₱8.12 Billion as of 30 June 2022, lower by ₱112 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 80% of the Total Assets of the Group as of 30 June 2022.

Cash and cash equivalents decreased by 53% due to the settlement of Loans and Notes payable.

The increase in **Trade and Other Receivables** by ₱25 Million or by 5% from 31 December 2021 to 30 June 2022 is explained by the additional sale of units recorded by the Parent Company. Correspondingly, there was a ₱28 Million decrease in **Real Estate Inventories** due to the sale of residential units.

Investments in and Advances to Associates decreased by 12% due to the Parent Company's Share in Equity in Net loss for the year of Meridian Assurance Corporation, an associate company.

Property and Equipment decreased by ₱5 million due to depreciation expenses.

2. **Total liabilities.** Total liabilities as of 30 June 2022 decreased by ₱90 Million compared to 31 December 2021. The decrease came from the repayment of bank loans by the Parent Company.

Trade and Other Payables increased by ₱19 million or by 8% due to additional billings from suppliers and contractors.

Loans and Notes Payable decreased by 13% due to the settlement of Loans and Notes Payable for the period.

3. **Total Equity.** Total Equity as of 30 June 2022 decreased by ₱22 Million compared to 31 December 2021. This is due to the Net loss of the Group amounting to ₱23 Million which was reduced by the ₱1 Million gain on change in market value of the Parent Company's investments.

III. Performance Indicators

The table below presents the comparative performance indicators of the RLT Group as of 30 June 2022 compared to 31 December 2021.

Performance Indicators	30 June 2022 Unaudited	31 December 2021 Audited
Current ratio ¹	6.23:1	5.31:1
Debt-to-equity ratio ²	0.29:1	0.30:1
Asset-to-equity ratio ³	1.29:1	1.30:1
Book value per share ⁴	₱0.71	₱0.71
Earnings per share ⁵	(₱0.01)	₱0.02

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. **Current ratio.** The Group's Current ratio, already at a very conservative level, still reflected further improvement from 5.31:1 as of 31 December 2021 to 6.23:1 as of 30 June 2022.
2. **Debt-to-equity ratio.** Similarly, the RLT Group's Debt-to-Equity Ratio remained very conservative for the periods under review. The Group's leverage position improved slightly to 0.29:1 as of 30 June 2022 from 0.30:1 as of 31 December 2022.
3. **Asset-to-equity ratio.** The Asset-to-Equity Ratio of the Group at 1.29:1 as of 30 June 2022 was almost unchanged from the 1.30:1 recorded by the Group as of 31 December 2021.

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

TOP CONTRIBUTORS TO REVENUE

The table below presents the top contributors to revenue (before elimination of intercompany transactions) for the six months ended 30 June 2022 and for the years ended 31 December 2021, and 31 December 2020.

(In millions)

SUBSIDIARIES	June 2022 Unaudited	Dec 2021 Audited	Dec 2020 Audited
PRHC Property Managers, Inc. (PPMI)	₱19	₱37	₱44
Tektite Insurance Brokers, Inc. (TIBI)	₱4	₱5	₱5

Key Financial Ratios of the Top Majority-Owned Subsidiaries

PRHC Property Managers, Inc. (PPMI)

Performance Indicators	30 June 2022 Unaudited	31 December 2021 Audited	31 December 2020 Audited
Current ratio ¹	14.47:1	2.94:1	4.09:1
Debt-to-equity ratio ²	0.63:1	0.58:1	0.57:1
Asset-to-equity ratio ³	1.63:1	1.58:1	1.57:1
Book value per share ⁴	₱10.67	₱10.69	₱11.01
Earnings per share ⁵	(₱0.02)	(₱1.32)	₱1.77

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

Tektite Insurance Brokers, Inc. (TIBI)

Performance Indicators	30 June 2022 Unaudited	31 December 2021 Audited	31 December 2020 Audited
Current ratio ¹	1.96:1	2.74:1	32.46:1
Debt-to-equity ratio ²	1.88:1	2.71:1	0.72:1
Asset-to-equity ratio ³	2.88:1	3.71:1	1.72:1
Book value per share ⁴	₱0.66	₱0.20	₱0.55
Earnings per share ⁵	₱0.07	(₱0.60)	(₱0.05)

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

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
FINANCIAL SOUNDNESS INDICATORS
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

Exhibit II

			2022		2021
Net Profit Margin:					
<i>Shows how much profit is made for every peso of revenue</i>	Net Income(Loss)/ Total Revenues	<u>(23,508,059.88)</u> 202,963,600	-11.58%	<u>(65,187,857)</u> 182,843,509	-35.65%
Asset Turnover:					
<i>Shows efficiency of asset used in operations</i>	Total Revenues/ Ave. Total Assets	<u>202,963,600</u> 8,175,023,203	0.02	<u>182,843,509</u> 7,139,123,255	0.03
Interest Rate Coverage Ratio:					
<i>Determine how easily a company can pay interest on outstanding debt</i>	EBIT/ Interest Expense	<u>- 14,196,028.97</u> 8,188,971.51	-1.73	<u>-52,954,805</u> 11,506,354	-4.60

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
BUSINESS SEGMENTS
AS OF JUNE 30,2022

Exhibit III

	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Travel Services	Other Income	Elimination	Consolidated
Revenue	181,062,616	18,315,626	3,503,158	-	2,631,988.33		205,513,388
Segment Result	(18,703,308)	(463,293)	1,066,359	(14,107)	2,615,879	-	(15,498,469)
Interest expense/Bank charges	(8,188,972)						(8,188,972)
Interest income	2,541,439	747	(1,029)	-			2,541,157
Dividend income							-
Gain on sale of PPE							-
Equity in net loss of associate						(1,238,717)	(1,238,717)
Income taxes	(930,292)	36,739	(229,506)				(1,123,059)
Income before minority interest	(25,281,133)	(425,807)	835,824	(14,107)	2,615,879	(1,238,717)	(23,508,060)
Minority interest							
Net Income	(25,281,133)	(425,807)	835,824	(14,107)	2,615,879	(1,238,717)	(23,508,060)
Other Information							
Segment assets	7,961,932,435	86,805,972	26,184,047	1,250,628	34,628,162	(23,982,873)	8,086,818,371
Investment at equity method	101,929,858					(73,355,429)	28,574,428
Unallocated corporate assets	-	3,675,664	-	-	-	-	3,675,664
Consolidated Total Assets	8,063,862,293	90,481,636	26,184,047	1,250,628	34,628,162	(97,338,303)	8,119,068,463
Segment liabilities	1,175,003,709	34,978,605	13,445,143	30,086,183	80,974,204	(94,112,139)	1,240,375,705
Unallocated corporate liabilities	568,677,622	-	3,863,747	-	-	-	572,541,369
Consolidated Total Liabilities	1,743,681,332	34,978,605	17,308,890	30,086,183	80,974,204	(94,112,139)	1,812,917,074
Capital expenditure	-	-		-			-
Depreciation	6,961,790	510,920	38,528	-			7,511,238
Non-cash expenses other than depreciation							-