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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
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Contact Person

Number	
0 9	3 0
Month	Day

Month Day

1	7	Q	
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FORM TYPE

631-3179
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Company Telephone

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Annual Meeting

N/A
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Secondary License Type, If Applicable

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Dept. Requiring this Doc.  
Number/Section

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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 September 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: E-2001B East Tower, PSE Center, Exchange Rd., Ortigas Center, Pasig

8. Issuer's telephone number, including area code

(632) 631-3179

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

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class

Number of shares of common  
stock outstanding and amount  
of debt outstanding

Common

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 September 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 September 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

November 11, 2022



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

November 11, 2022



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

November 11, 2022

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**AS OF SEPTEMBER 30, 2022 AND DECEMBER 31, 2021**

	Unaudited Sept 30 2022	Audited December 31 2021
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	145,459,391	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	51,318,446	132,440,960
Real estate inventories	2,140,239,929	2,136,292,560
Prepayments and other assets-net	413,115,879	411,032,219
Investment in finance lease - current portion	13,055,175	13,055,174
<b>Total Current Assets</b>	<b>2,769,938,819</b>	<b>2,902,214,110</b>
<b>Non-current Assets</b>		
Financial assets at fair value through other comprehensive income (FVOCI)	35,541,456	37,644,536
Trade and other receivables-non current portion	467,066,100	427,070,461
Investments in and advances to associates-net	57,967,454	59,667,432
Investment properties-net	4,429,671,154	4,406,355,439
Property and equipment - net	95,664,590	103,363,397
Right of Use Asset	83,289,680	89,431,827
Investment in Finance Lease	191,864,392	201,677,353
Other non-current assets	3,553,386	3,553,386
<b>Total Non-current Assets</b>	<b>5,364,618,213</b>	<b>5,328,763,831</b>
	<b>8,134,557,032</b>	<b>8,230,977,942</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables - current portion	133,156,724	150,248,583
Loans and notes payable - current portion	376,288,875	381,938,245
Lease Liability-current	3,944,398	14,116,765
<b>Total Current Liabilities</b>	<b>513,389,996</b>	<b>546,303,593</b>
<b>Non-current Liabilities</b>		
Trade and other payables-net of current portion	85,826,469	71,825,744
Loans and note payable-net of current portion	428,040,713	430,522,044
Retirement benefit obligation	74,303,804	70,930,176
Deferred tax liabilities-net	572,541,369	568,677,622
Other non-current liabilities	38,540,697	40,970,220
Lease Liability-noncurrent	173,503,161	173,503,161
<b>Total Non-current Liabilities</b>	<b>1,372,756,214</b>	<b>1,356,428,967</b>
	<b>1,886,146,210</b>	<b>1,902,732,560</b>
<b>Equity Attributable to Equity Holders of the Parent Company</b>		
Capital stock	4,433,189,171	4,433,189,171
Additional paid-in capital	623,139,806	623,139,806
Reserves	50,098,034	52,201,113
Retained earnings	1,272,078,876	1,349,807,235
Treasury stock	(110,049,632)	(110,049,632)
	<b>6,268,456,255</b>	<b>6,348,287,693</b>
<b>Equity Attributable to Non-Controlling Interest</b>	<b>(20,045,433)</b>	<b>(20,042,311)</b>
	<b>6,248,410,822</b>	<b>6,328,245,382</b>
	<b>8,134,557,032</b>	<b>8,230,977,942</b>

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**

	2022	2021
<b>INCOME</b>		
Sales of real estate	122,382,962	175,745,663
Rent	44,023,830	41,193,776
Management fees	27,091,386	28,128,760
Interest income	3,520,057	2,504,321
Commission income	4,483,444	3,619,829
Other income	9,425,977	5,021,380
	<b>210,927,654</b>	<b>256,213,728</b>
<b>COSTS AND EXPENSES</b>		
Cost of real estate sold	54,196,442	101,815,376
Cost of services	47,658,112	46,089,937
General and administrative expenses	169,705,298	189,850,451
Finance Cost	14,560,667	15,865,990
Equity in net loss of associate	1,699,978	2,268,436
	<b>287,820,497</b>	<b>355,890,189</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>(76,892,843)</b>	<b>(99,676,461)</b>
<b>INCOME TAX EXPENSE</b>	<b>838,640</b>	<b>1,014,764</b>
<b>NET LOSS</b>	<b>(77,731,483)</b>	<b>(100,691,224)</b>
<b>ATTRIBUTABLE TO:</b>		
Equity holders of the parent	(77,728,360)	(100,688,501)
Non-controlling interest	(3,123)	(2,723)
	<b>(77,731,483)</b>	<b>(100,691,224)</b>
<b>OTHER COMPREHENSIVE INCOME:</b>		
Unrealized holding (loss) income on AFS investments	(2,103,079)	11,797
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(79,834,562)</b>	<b>(100,679,427)</b>
<b>Loss per share</b>		
Basic	(0.008542)	(0.015569)
Diluted	(0.008542)	(0.015569)
<b>Number of shares outstanding</b>		
Basic	9,099,309,288	6,467,156,256
Diluted	9,099,309,288	6,467,156,256

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2022 AND 2021**

	2022	2021
<b>INCOME</b>		
Sales of real estate	(29,957,074)	46,795,811
Rent	15,156,049	9,437,759
Management fees	8,838,760	8,716,855
Interest income	978,900	1,195,895
Commission	980,286	894,094
Other income	6,876,188	1,405,592
	<b>2,873,110</b>	<b>68,446,006</b>
<b>COSTS AND EXPENSES</b>		
Cost of real estate sold	(13,471,179)	19,236,276
Cost of services	15,584,353	14,385,025
General and administrative expenses	48,434,821	65,262,213
Finance Cost	6,371,696	4,359,636
Equity in net loss of associate	461,261	418,154
	<b>57,380,952</b>	<b>103,661,304</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>(54,507,842)</b>	<b>(35,215,302)</b>
<b>INCOME TAX EXPENSE</b>	<b>(284,419)</b>	<b>288,066</b>
<b>NET LOSS</b>	<b>(54,223,423)</b>	<b>(35,503,367)</b>
<b>ATTRIBUTABLE TO:</b>		
Equity holders of the parent	(54,222,906)	(35,503,321)
Minority interest	(517)	(47)
	<b>(54,223,423)</b>	<b>(35,503,368)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS):</b>		
Unrealized holding loss on AFS investments	(3,517,156)	(1,176,521)
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>(57,740,579)</b>	<b>(36,679,888)</b>
<b>Income per share</b>		
Basic	(0.005959)	(0.005490)
Diluted	(0.005959)	(0.005490)
<b>Number of shares outstanding</b>		
Basic (net of treasury stock 125,644,005)	9,099,309,288	6,467,156,256
Diluted (net of treasury stock 125,644,005)	9,099,309,288	6,467,156,256

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

	2022	2021
<b>Capital Stock</b>		
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
Issuance of 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	157,490,221
	499,865,408	499,865,410
Additional paid-in capital	623,139,806	724,125,428
Capital stock	5,056,328,977	5,157,314,599
<b>Reserves</b>		
Appropriated retained earnings for Treasury stock acquisition	109,712,439	109,712,439
	109,712,439	109,712,439
Revaluation on FVOCI		
Balance, beginning	(24,038,272)	(20,596,912)
Unrealized holding gain (loss) on financial assets at FVOCI	(1,931,706)	11,797
Balance, end	(25,969,977)	(20,585,115)
Accumulated Remeasurement Losses	(33,644,428)	(24,338,906)
Reserve for fluctuation in market value of investments	-	(20,774,851)
	50,098,034	44,013,568
<b>Retained earnings</b>		
Balance, beginning	1,349,807,236	1,155,073,844
Net loss	(77,731,483)	(100,691,224)
Balance, end	1,272,075,753	1,054,382,620
	6,378,502,764	6,255,710,787
<b>Treasury Stock</b>	(110,049,632)	(110,049,633)
	6,268,453,133	6,145,661,155
<b>Minority Interest</b>		
Balance, beginning	(20,042,311)	(18,048,438)
Share in net income	-	-
	(20,042,311)	(18,048,438)
	P6,248,410,822	P6,127,612,716

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>Cash flows from Operating Activities</b>		
Net Loss	(77,728,360)	(100,688,501)
Adjustments for:		
Financial assets at fair value through other comprehensive income (FVOCI)	(1,931,706)	11,797
Accumulated remeasurement loss	(171,374)	-
Decrease in minority interest	(3,122)	(2,723)
Depreciation and amortization	10,521,044	9,439,181
Loss from operations before working capital changes	(69,313,514)	(91,240,246)
Decrease (Increase) in:		
Real estate inventories	(3,947,369)	(2,208,306,411)
Trade and other receivables - net	41,126,875	288,717,390
Prepayments and other current assets	(2,083,660)	(81,195,036)
Increase (Decrease) in:		
Trade and other payables	(3,091,134)	50,375,316
Deferred Tax Liability	3,863,747	881,002
Retirement Benefit Obligation	3,373,628	6,323,554
Other non-current liabilities	(2,429,523)	188,450
<b>Net cash used in operating activities</b>	<b>(32,500,950)</b>	<b>(2,035,617,365)</b>
<b>Cash Flows from Investing Activities</b>		
Decrease (Increase) in:		
Right of Use Asset	6,142,147	7,263,795
Investment in Finance Lease	9,812,960	8,914,775
Lease Liability	(10,172,367)	(11,055,758)
Investments in and advances to associates - net	1,699,978	(6,261,586)
Financial assets at fair value through other comprehensive income (FVOCI)	2,103,080	250,023
Investment Property	(23,315,715)	6,239,634
Net additions to property and equipment	(2,822,237)	1,796,015
<b>Net cash provided by (used in) investing activities</b>	<b>(16,552,154)</b>	<b>7,146,899</b>
<b>Cash Flows from Financing Activities</b>		
Availment of loans payable	597,530,667	420,000,000
Payment of Bank Loans and notes	(605,661,369)	1,523,943,983
<b>Net cash provided by (used in) financing activities</b>	<b>(8,130,702)</b>	<b>1,943,943,983</b>
<b>Net decrease in Cash and Cash Equivalents</b>	<b>(57,183,806)</b>	<b>(84,526,482)</b>
<b>Cash and Cash Equivalents, Beginning</b>	<b>202,643,198</b>	<b>207,245,299</b>
<b>Cash and Cash Equivalents, End</b>	<b>145,459,391</b>	<b>122,718,817</b>



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

PARTICULARS	CURRENT	OVER DUE			TOTAL
		31-60 DAYS	61-90 DAYS	OVER 91 DAYS	
PRHC	369,220,392	581,557	177,627	49,420,949	419,400,525
PPMI	826,390	1,118,653	315,122	2,744,097	5,004,262
TIBI	3,090,157				3,090,157
UTC	-	-			-
GRAND TOTAL	373,136,939	1,700,210	492,749	52,165,046	427,494,944

Accounts Receivable - Trade	427,494,944
Accounts Receivable - Others	90,889,602
Total	<u>518,384,546</u>

## FINANCIAL INFORMATION

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

The financial results for the first nine months 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 ₱77.73 Million. But in spite of this, the Group has been able to maintain very conservative liquidity and solvency ratios.

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.

Socioeconomic Planning Secretary Arsenio Balisacan lamented that it was mostly global headwinds that contributed to the Philippine economy's “noticeable slowdown” during the 1<sup>st</sup> nine months of 2022 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 recession prevailing in the United States.

Consumer prices rose 6.9% in September from a year earlier, as expected, which is the highest inflation rate the country has registered since February 2009.

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**) raised its key overnight borrowing rate by 50 bps to 4.25% at its September meeting, in line with market expectations.

It was the 5<sup>th</sup> rate hike this year, as the BSP aims to curb inflation and support the Philippine peso, which is at a record low level against the US dollar.

Currently, the BSP's policy rate is at 4.25% and the US Federal Reserve policy rate is at the range of 3% to 3.25%.

With inflation still anticipated to rise, the BSP may be forced to keep in step with the expected rate hikes by the Federal Reserve for the remainder of 2022.

The national government's outstanding debt as of end-September 2022 stood at ₱13.52 trillion, another 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.

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

For the period ended September 30 (In millions)				
	2022 (Unaudited)	2021 (Unaudited)	Change in Peso	Change in Percentage
<b>REVENUES</b>				
Sales of real estate	₱122	₱176	₱54	(30%)
Rent	44	41	3	7%
Management fees	27	28	(1)	(4%)
Interest income	4	2	2	50%
Commission	5	4	1	25%
Other income	9	5	4	80%
<b>TOTAL</b>	<b>211</b>	<b>256</b>	<b>(45)</b>	<b>(18%)</b>
<b>COSTS AND EXPENSES</b>				
Cost of real estate sold	54	102	(48)	(47%)
Cost of services	48	46	2	3%
General and administrative	170	190	(20)	(11%)
Finance cost	14	16	(2)	(12%)
Equity in net loss of associates	2	2	-	-
<b>TOTAL</b>	<b>288</b>	<b>356</b>	<b>(68)</b>	<b>(19%)</b>
LOSS BEFORE INCOME TAX	(77)	(100)	23	(23%)
INCOME TAX EXPENSE	1	1	-	-
<b>NET LOSS</b>	<b>(₱78)</b>	<b>(₱101)</b>	<b>₱23</b>	<b>(23%)</b>
OTHER COMPREHENSIVE INCOME (LOSS)	(2)	-	(2)	-
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(₱80)</b>	<b>(₱101)</b>	<b>₱21</b>	<b>(21%)</b>

- 1. Consolidated net income after tax.** The RLT Group posted a net loss after tax of **₱78 Million** for the nine (9) months ended 30 September 2022 but it is a better result compared to the **₱101 Million** net loss after tax for the same period last year, or an improvement by **₱23 Million** or by **23%**.

The reduction in the RLT Group's net loss is largely attributable to the decrease in costs and expenses in the first nine months of 2022 compared to the same period last year.

**a. Income**

- 1) Sales of real estate.** Sales of Real Estate at **₱122 Million** decreased by **₱53 Million** or by **30%** for the nine (9) 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 increased by **₱3 Million** or by **7%** due to the origination of new lease contracts.
- 3) Interest income.** Interest income increased by **41%** due to higher interest income collected from buyers arising from late payments.

- 4) **Other income.** Other income was higher in 2022 compared to 2021 due to higher amounts of penalties and income from sales cancellations booked in 2022.

**b. Costs and Expenses**

- 1) **Cost of real estate sold.** Cost of Real Estate Sold for the nine months ended 30 September 2022 decreased by ₱48 Million or by 47% compared to the nine months ended 30 September 2021.

However, the percentage of Cost of Real Estate Sold to Sales of Real Estate in 2022 at 44% is lower than the percentage of Cost of Real Estate Sold to Sales of Real Estate in 2021 which was at 58%. The reduction is explained by the fact that more Skyline units were sold vis-à-vis SkyVillas units in 2022 relative to 2021. Skyline units have lower standard cost compared to SkyVillas units. In 2021, Sales of Real Estate were mostly accounted for by SkyVillas units.

- 2) **General and administrative expenses.** General and administrative expenses decreased by ₱20.0 Million or by 11% due to lower Commission and other expenses for the 3rd quarter ending September 30, 2022.
- 3) **Finance cost.** The reduction in interest expense to ₱15 Million from ₱16 Million last year, or a decrease by 8%, 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.

**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 ₱0.36 Million for the nine months ended 30 September 2022.

It is lower by ₱0.58 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 ₱0.71 Million for the nine months ended 30 September 2022 which is higher by ₱0.61 Million or by 610% compared to the ₱0.10 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 September 2022 vs. 31 December 2021**

As of 30 September 2022 vs. 31 December 2021				
	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)	Change in Peso	Change in Percentage
<b>Assets</b>				
Cash and cash equivalents	₱145	₱203	(₱57)	(28%)
Financial assets	42	44	(2)	(5%)
Trade and other receivables – net	518	560	(42)	(7%)
Real estate inventories	2,140	2,136	4	(1%)
Prepayments and other assets – net	413	411	2	1%
Investments in and advances to associates - net	58	60	(2)	(3%)
Property and equipment – net	96	103	(7)	(7%)
Investment properties – net	4,430	4,406	24	1%
Other Assets	292	308	(16)	(5%)
<b>TOTAL</b>	<b>₱8,135</b>	<b>₱8,231</b>	<b>(₱96)</b>	<b>(1%)</b>
<b>Liabilities</b>				
Trade and other payables	₱219	₱222	(₱3)	(1%)
Loans and Notes Payable	804	812	(8)	(1%)
Retirement benefit obligation	74	71	3	5%
Other liabilities	789	797	(8)	(1%)
<b>Total Liabilities</b>	<b>1,886</b>	<b>1,903</b>	<b>(16)</b>	<b>(1%)</b>
<b>Equity</b>				
Capital stock	5,056	5,056	-	-
Reserves	50	52	(2)	(3%)
Retained earnings	1,272	1,350	(78)	(2%)
Treasury stock	(110)	(110)	-	-
Equity attributable to non- controlling interest	(20)	(20)	-	-
<b>Total Equity</b>	<b>₱6,248</b>	<b>₱6,328</b>	<b>(₱80)</b>	<b>(1%)</b>
<b>TOTAL</b>	<b>₱8,135</b>	<b>₱8,231</b>	<b>(₱96)</b>	<b>(1%)</b>

- 1. Total assets.** The RLT Group's Total assets stood at ₱8.13 Billion as of 30 September 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 81% of the Total Assets of the Group as of 30 September 2022.

**Cash and cash equivalents** decreased by 28% due to the settlement of Loans and Notes payable.

The decrease in **Trade and Other Receivables** by ₱41 Million or by 5% from 31 December 2021 to 30 September 2022 is explained by the collection of installment receivables arising from the sale of residential condominium units by the Parent Company.

**Property and Equipment** decreased by ₱8 million due to depreciation expenses.

**Other assets** decreased by 5% due to various adjustments.

2. **Total liabilities.** Total liabilities as of 30 September 2022 decreased by ₱17 Million compared to 31 December 2021. The decrease came from the repayment of bank loans by the Parent Company.

**Retirement benefit obligation** increased by 5% due to the recording of Retirement benefit expense accrual.

3. **Total Equity.** Total Equity as of 30 September 2022 decreased by ₱80 Million compared to 31 December 2021. This is due to the Net loss of the Group amounting to ₱78 Million and further increase by the ₱2 Million loss 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 September 2022 compared to 31 December 2021.

Performance Indicators	30 September 2022 Unaudited	31 December 2021 Audited
Current ratio <sup>1</sup>	5.40:1	5.31:1
Debt-to-equity ratio <sup>2</sup>	0.30:1	0.30:1
Asset-to-equity ratio <sup>3</sup>	1.30:1	1.30:1
Book value per share <sup>4</sup>	₱0.71	₱0.71
Earnings per share <sup>5</sup>	(₱0.01)	₱0.02

<sup>1</sup> *Current assets / current liabilities*

<sup>2</sup> *Total debt / consolidated stockholders' equity*

<sup>3</sup> *Total assets / Total stockholders' equity*

<sup>4</sup> *Total stockholders' equity plus Subscriptions receivable / No. of shares outstanding*

<sup>5</sup> *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 5.40:1 as of 30 September 2022.
2. **Debt-to-equity ratio.** Similarly, the RLT Group's Debt-to-Equity Ratio remained very conservative at 0.30:1 for the periods under review.
3. **Asset-to-equity ratio.** The Asset-to-Equity Ratio was unchanged at 1.30:1 recorded by the Group.

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 September 2022 and for the years ended 31 December 2022, and 31 December 2021.

(In millions)

SUBSIDIARIES	Sep 2022 Unaudited	Dec 2021 Audited	Dec 2020 Audited
PRHC Property Managers, Inc. (PPMI)	₱27	₱37	₱44
Tektite Insurance Brokers, Inc. (TIBI)	₱5	₱5	₱5

## Key Financial Ratios of the Top Majority-Owned Subsidiaries

### PRHC Property Managers, Inc. (PPMI)

Performance Indicators	30 Sep 2022 Unaudited	31 December 2021 Audited	31 December 2020 Audited
Current ratio <sup>1</sup>	2.97:1	2.94:1	4.09:1
Debt-to-equity ratio <sup>2</sup>	0.65:1	0.58:1	0.57:1
Asset-to-equity ratio <sup>3</sup>	1.65:1	1.58:1	1.57:1
Book value per share <sup>4</sup>	₱10.62	₱10.69	₱11.01
Earnings per share <sup>5</sup>	(₱0.07)	(₱1.32)	₱1.77

<sup>1</sup> Current assets / current liabilities

<sup>2</sup> Total debt / consolidated stockholders' equity

<sup>3</sup> Total assets / Total stockholders' equity

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

<sup>5</sup> 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 Sep 2022 Unaudited	31 December 2021 Audited	31 December 2020 Audited
Current ratio <sup>1</sup>	2.25:1	2.74:1	32.46:1
Debt-to-equity ratio <sup>2</sup>	1.56:1	2.71:1	0.72:1
Asset-to-equity ratio <sup>3</sup>	2.56:1	3.71:1	1.72:1
Book value per share <sup>4</sup>	₱0.64	₱0.20	₱0.55
Earnings per share <sup>5</sup>	₱0.06	(₱0.60)	(₱0.05)

<sup>1</sup> Current assets / current liabilities

<sup>2</sup> Total debt / consolidated stockholders' equity

<sup>3</sup> Total assets / Total stockholders' equity

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

<sup>5</sup> 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 first nine months of 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.** Many countries, including the Philippines, suffered from the scourge on health and livelihood caused by the COVID-19 global pandemic. While it has somehow abated, we still consider this to be a key risk element as this has adversely affected our Company's business.

The RLT Group continues to keenly monitor the situation as COVID-19 has been identified as a genuine risk and game changer. The RLT Group has put together its business continuity plan (**BCP**) to mitigate the risk impact to operations and to its personnel in case the pandemic surges again. 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**), and the local government units (**LGUs**) where the Group operates in, etc.

Experience 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**

**Exhibit II**

			<b>2022</b>		<b>2021</b>
<b>Net Profit Margin:</b>					
<i>Shows how much profit is made for every peso of revenue</i>	Net Income(Loss)/ Total Revenues	<u>(77,731,483)</u> <b>197,981,621</b>	-39.26%	<u>(100,691,224)</u> 248,688,027	-40.49%
<b>Asset Turnover:</b>					
<i>Shows efficiency of asset used in operations</i>	Total Revenues/ Ave. Total Assets	<u>197,981,621</u> <b>8,182,767,487</b>	0.02	<u>248,688,027</u> 7,048,136,263	0.04
<b>Interest Rate Coverage Ratio:</b>					
<i>Determine how easily a company can pay interest on outstanding debt</i>	EBITDA/ Interest Expense	<u>(51,811,131.75)</u> <b>14,560,667.18</b>	-3.56	<u>(74,371,290)</u> 15,865,989.67	-4.69

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

Exhibit III

	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Travel Services	Other Income	Elimination	Consolidated
Revenue	166,183,592	27,179,586	4,483,444	-	9,560,976.50		207,407,598
Segment Result	(73,528,380)	(900,866)	751,082	(16,908)	9,542,818	-	(64,152,254)
Interest expense/Bank charges	(14,560,667)						(14,560,667)
Interest income	3,519,184	1,304	(431)	-			3,520,057
Dividend income							-
Gain on sale of PPE							-
Equity in net loss of associate						(1,699,978)	(1,699,978)
Income taxes	(815,782)	154,272	(177,130)				(838,640)
Income before minority interest	(85,385,646)	(745,290)	573,521	(16,908)	9,542,818	(1,699,978)	(77,731,483)
Minority interest							
Net Income	(85,385,646)	(745,290)	573,521	(16,908)	9,542,818	(1,699,978)	(77,731,483)
Other Information							
Segment assets	7,980,889,647	87,626,414	15,354,925	1,270,628	34,648,162	(24,320,869)	8,095,468,907
Investment at equity method	101,929,858					(66,517,397)	35,412,461
Unallocated corporate assets	-	3,675,664	-	-	-	-	3,675,664
Consolidated Total Assets	8,082,819,504	91,302,078	15,354,925	1,270,628	34,648,162	(90,838,265)	8,134,557,032
Segment liabilities	1,250,752,185	36,072,735	6,537,303	30,108,984	80,996,254	(94,450,135)	1,310,017,326
Unallocated corporate liabilities	572,353,286	-	3,775,597	-	-	-	576,128,883
Consolidated Total Liabilities	1,823,105,472	36,072,735	10,312,900	30,108,984	80,996,254	(94,450,135)	1,886,146,210
Capital expenditure	-	-		-			-
Depreciation	9,678,792	782,324	59,928	-			10,521,044
Non-cash expenses other than depreciation							-