COVER SHEET

9	9	9	0	5						

S.E.C. Registration Number

PHILIPPINE REALTY AND HOLDINGS
CORPORATION

(Company's Full Name)

ONE BALETE 1 BALETE DRIVE COR
N DOMINGO ST BRGY KAUNLARAN
DISTRICT 4 QUEZON CITY 1111

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

Mr. Mark Anthony M. Ramos	8631-3179
Contact Person	Company Telephone Number

0	3		3	1

Month Day

	1	7	Q	

FORM TYPE

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, 2023

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-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 [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, 2023 and 2022, 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, 2022.

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, 2023, 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.

GERARDO DOMENICO ANTONIO V. LANUZA
Chairman and President

April 28, 2023

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

April 28, 2023

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

April 28, 2023

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2023 AND DECEMBER 31, 2022

	Unaudited Mar 31 2023	Audited December 31 2022
ASSETS		
Current Assets		
Cash and cash equivalents	**56,734,500**	163,886,734
Financial assets at fair value through profit or loss (FVPL)	**6,750,000**	6,750,000
Trade and other receivables-current portion	**141,826,395**	177,461,738
Real estate inventories	**2,103,018,314**	2,086,122,188
Prepayments and other assets-net	**439,943,109**	413,430,156
Investment in finance lease - current portion	**14,099,813**	14,099,824
Total Current Assets	**2,762,372,132**	2,861,750,640
Non-current Assets		
Financial assets at fair value through other comprehensive income (FVOCI)	**37,621,027**	36,076,106
Trade and other receivables-non current portion	**379,424,626**	365,017,469
Investments in and advances to associates-net	**56,459,821**	58,236,132
Investment properties-net	**4,868,287,988**	4,926,465,273
Property and equipment - net	**57,672,892**	60,321,966
Right-of-Use Asset - net	**95,223,636**	97,414,601
Investment in finance Lease - net of current portion	**184,217,197**	187,577,451
Other non-current assets	**53,386**	53,386
Total Non-current Assets	**5,678,960,573**	5,731,162,384
	8,441,332,705	8,592,913,024
LIABILITIES AND EQUITY		
LIABILITIES		
Current Liabilities		
Trade and other payables - current portion	**55,425,814**	110,354,183
Lease Liability-current	**11,842,973**	14,841,458
Total Current Liabilities	**793,856,234**	791,918,635
Non-current Liabilities		
Trade and other payables-net of current portion	**99,381,994**	84,852,490
Loans and note payable-net of current portion	**89,297,429**	227,700,370
Retirement benefit obligation	**65,415,703**	66,953,485
Deferred tax liabilities-net	**700,127,880**	696,703,231
Other non-current liabilities	**39,998,091**	40,425,411
Lease Liability-noncurrent	**158,167,532**	158,661,703
Total Non-current Liabilities	**1,152,388,630**	1,275,296,690
	1,946,244,864	2,067,215,325
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	**4,433,211,671**	4,433,211,671
Additional paid-in capital	**623,139,806**	623,139,806
Reserves	**67,075,582**	65,530,662
Retained earnings	**1,504,441,922**	1,536,606,331
Treasury stock	**(110,049,632)**	(110,049,632)
	6,517,819,349	6,548,438,837
Equity Attributable to Non-Controlling Interest	**(22,731,508)**	(22,741,138)
	6,495,087,842	6,525,697,699
	8,441,332,705	8,592,913,024

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

	2023	2022
INCOME		
Sales of real estate	**54,087,390**	54,516,094
Rent	**16,366,623**	13,793,830
Management fees	**9,616,957**	9,020,271
Interest income	**6,819,092**	1,520,584
Commission income	**1,505,293**	2,546,037
Other income	**-**	481,455
	88,395,356	81,878,271
COSTS AND EXPENSES		
Cost of real estate sold	**22,540,777**	23,356,969
Cost of services	**16,940,429**	15,815,969
General and administrative expenses	**33,565,961**	59,872,796
Finance Cost	**12,909,440**	3,827,877
Other expenses	**31,661,474**	-
Equity in net loss of associate	**776,311**	561,573
	118,394,393	103,435,183
LOSS BEFORE INCOME TAX	**(29,999,038)**	(21,556,912)
INCOME TAX EXPENSE	**743,260**	766,699
NET LOSS	**(30,742,297)**	(22,323,611)
ATTRIBUTABLE TO:		
Equity holders of the parent	**(30,739,692)**	(22,321,006)
Non-controlling interest	**(2,606)**	(2,606)
	(30,742,297)	(22,323,612)
OTHER COMPREHENSIVE INCOME:		
Unrealized holding (loss) income on AFS investments	**1,544,921**	5,217,124
TOTAL COMPREHENSIVE LOSS	**(29,197,377)**	(17,106,488)
Loss per share		
Basic	**(0.003378)**	(0.002453)
Diluted	**(0.003378)**	(0.002453)
Number of shares outstanding		
Basic	**9,099,309,288**	9,099,309,288
Diluted	**9,099,309,288**	9,099,309,288

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

	2023	2022
Capital Stock		
Authorized 8,000,000,000 common shares		
Issued and outstanding 7,866,647,523 shares in 2023;		
7,866,647,523 shares in 2022		
Capital stock	**3,933,323,762**	3,933,323,762
Subscribed capital stock 1,314,711,262 shares in 2023;		
1,314,711,262 shares in 2022	**657,355,631**	657,355,631
Less: Subscription receivable	**157,467,722**	157,490,221
	499,887,909	499,865,410
Additional paid-in capital	**623,139,806**	623,139,806
Capital stock	**5,056,351,479**	5,056,328,977
Reserves		
Appropriated retained earnings for		
Treasury stock acquisition	**109,712,439**	109,712,439
Revaluation on FVOCI		
Balance, beginning	**(25,606,702)**	(24,038,272)
Unrealized holding gain (loss) on financial assets at FVOCI	**1,725,815**	5,388,497
Balance, end	**(23,880,886)**	(18,649,773)
Accumulated Remeasurement Losses	**(18,755,971)**	(33,644,428)
	67,075,583	57,418,239
Retained earnings		
Balance, beginning	**1,535,184,216**	1,349,807,235
Net loss	**(30,742,297)**	(22,323,611)
Balance, end	**1,504,441,919**	1,327,483,624
Treasury Stock	**(110,049,632)**	(110,049,633)
	6,517,819,350	6,331,181,207
Minority Interest		
Balance, beginning	**(22,741,138)**	(20,042,311)
Adjustment	**9,630**	-
	(22,731,508)	(20,042,311)
	6,495,087,842	6,311,138,895

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

	2023	2022
Cash flows from Operating Activities		
Net Loss	**(30,739,692)**	(22,321,006)
Adjustments for:		
Financial assets at fair value through other comprehensive income (FVOCI)	**1,725,815**	5,388,497
Accumulated remeasurement loss	**(180,896)**	(171,374)
Decrease in minority interest	**9,630**	(2,605)
Depreciation and amortization	**2,649,074**	3,346,130
Loss from operations before working capital changes	**(26,536,063)**	(13,760,358)
Decrease (Increase) in:		
Real estate inventories	**(16,896,126)**	5,931,603
Trade and other receivables - net	**21,228,186**	37,941,694
Prepayments and other current assets	**(26,512,953)**	(1,984,027)
Increase (Decrease) in:		
Trade and other payables	**(42,038,628)**	21,662,199
Deferred Tax Liability	**3,424,649**	3,863,747
Retirement Benefit Obligation	**(1,537,782)**	(1,421,875)
Other non-current liabilities	**(427,320)**	
Net cash provided by (used in) operating activities	**(89,296,038)**	51,483,332
Cash Flows from Investing Activities		
Decrease (Increase) in:		
Right of Use Asset	**2,190,965**	2,063,885
Investment in Finance Lease	**3,360,265**	3,285,696
Lease Liability	**(3,492,656)**	(3,397,146)
Investments in and advances to associates - net	**1,776,311**	6,284,369
Financial assets at fair value through other comprehensive income (FVOCI)	**(1,544,921)**	(5,217,123)
Investment Property	**58,177,285**	(12,323,624)
Net additions to property and equipment	-	(355,555)
Net cash provided by (used in) investing activities	**60,467,249**	(9,659,498)
Cash Flows from Financing Activities		
Availment of loans payable	**200,000,000**	100,000,000
Payment of Bank Loans and notes	**(278,323,445)**	(252,507,194)
Net cash used in financing activities	**(78,323,445)**	(152,507,194)
Net decrease in Cash and Cash Equivalents	**(107,152,234)**	(110,683,360)
Cash and Cash Equivalents, Beginning	**163,886,734**	202,643,198
Cash and Cash Equivalents, End	**56,734,500**	91,959,835

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
AGING OF ACCOUNTS RECEIVABLE-TRADE
AS OF MARCH 31, 2023

PARTICULARS	*CURRENT*	*OVER DUE*			*TOTAL*
		31-60 DAYS	*61-90 DAYS*	*OVER 91 DAYS*	
PRHC	387,841,448	1,079,186	1,105,342	17,167,063	407,193,039
PPMI	826,390	1,118,653	315,122	2,744,097	5,004,262
TIBI	3,090,157	-	-	-	3,090,157
UTC	-	-		-	-
GRAND TOTAL	391,757,995	2,197,839	1,420,464	19,911,160	415,287,458

Accounts Receivable - Trade	415,287,458
Accounts Receivable - Others	105,963,563
Total	521,251,021

FINANCIAL INFORMATION

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

The financial results for the first three months of 2023 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 ₱30.7 Million. But in spite of this, the Group was able to maintain healthy and very conservative liquidity and solvency ratios.

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

The National Government (**NG**) debt stood at a fresh record high of ₱13.9 Trillion as of end-March this year, higher than the ₱13.8 Trillion in February, and ₱13.7 Trillion in January. Of the total debt stock, 68.7%, was sourced domestically, while 31.3% came from external borrowings.

Meanwhile, the Philippine economy as measured by Gross Domestic Product (**GDP**) – the total value of goods and services produced in a specific period - grew slower at 6.4% in the first three months of 2023 as elevated inflation, which stood at 8.3% in the same period, dampened consumer spending. This is also the Philippine economy's slowest GDP growth since the country graduated from the pandemic-induced recession in the second quarter of 2021 when it booked a growth rate of 12%.

However, in spite of the increase in the NG's debt and slower GDP growth as presented above, records show that the amount of the country's debt relative to the size of the economy shrunk as of the first quarter of 2023. The debt-to-GDP ratio represents the amount of the government's debt stock relative to the size of the economy.

For the January to March 2023 period, the Philippines' debt-to-GDP ratio stood at 61%, down from 63.5% in the first quarter of 2022.

Finance Secretary Diokno said that the government's Medium-Term Fiscal Framework (**MTFF**) aims to bring down the debt-to-GDP ratio to less than 60% by 2025 then further down to 51.1 percent in 2028, and reduce the budget deficit to 3.0% of GDP by 2028. "The MTFF is our blueprint to reduce fiscal deficit, promote fiscal sustainability and enable robust economic growth," he added.

The Finance Secretary also said that the budget deficit-to-GDP ratio stood at 4.84% in the first quarter of 2023, down from 6.41% in the first quarter of 2022.

Overall inflation in the Philippines slowed further to 7.6% in March 2023 from 8.6% in February 2023 and from a 14-year high of 8.7% in January. The inflation rate in March 2022 was lower at 4.0%. The average inflation for the first quarter of 2023 stood at 8.3%, still well above the Bangko Sentral ng Pilipinas' (**BSP**) 2 to 4% target range and 6% full-year forecast. Since May 2022, the BSP has raised rates by 425 basis points to combat inflation. This brought the key policy rate to a near 16-year high of 6.25%.

NEDA secretary Balisacan said that "High inflation remains a challenge, and the BSP's move to raise its key policy rates to anchor inflation expectations and ensure price stability, may dampen future growth. But the improvement in the business climate can counter this unintended effect," he added.

The NEDA secretary also said that expectations that inflation will return to the 2 to 4% target band by the end of the year could rebuild consumer and business confidence, which would boost spending and investments.

I. Review of Consolidated Statement of Income for the Period Ending 31 March 2023 vs. 31 March 2022

For the period ended March 31 (In millions)				
	2023 (Unaudited)	**2022 (Unaudited)**	**Change in Peso**	**Change in Percentage**
REVENUES				
Sales of real estate	₱54	₱55	₱1	(2%)
Rent	16	14	2	14%
Management fees	10	9	1	11%
Interest income	7	2	5	250%
Commission	2	3	(1)	(33%)
Other income	-	-	-	-
TOTAL	**88**	**82**	6	7%
COSTS AND EXPENSES				
Cost of real estate sold	23	23	-	-
Cost of services	17	16	1	6%
General and administrative	34	60	(26)	(43%)
Finance cost	13	4	9	225%
Equity in net loss of associates	1	1	-	-
TOTAL	**118**	**103**	15	15%
LOSS BEFORE INCOME TAX	(30)	(21)	(9)	43%
INCOME TAX EXPENSE	1	1	-	-
NET LOSS	**(₱31)**	**(₱22)**	(₱9)	41%
OTHER COMPREHENSIVE INCOME (LOSS)	2	5	(3)	(60%)
TOTAL COMPREHENSIVE LOSS	**(₱29)**	**(₱17)**	**(₱12)**	71%

1. **Consolidated net loss after tax**. The RLT Group posted a net loss after tax of **₱31 Million** for the three (3) months ended 31 March 2023.

   The increase in the RLT Group's net loss is largely attributable to the increase in finance costs and tax expense payments in the first three months of 2023 compared to the same period last year.

   a. **Income**

      1) **Sales of real estate.** Sales of Real Estate at ₱54 Million decreased by ₱1 Million or by 2% for the three (3) months of 2023 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 ₱2 Million or by 14% due to the origination of new lease contracts.

      3) **Management fee.** This account increased by ₱1 Million due to the generation of an additional client.

      4) **Interest income.** Interest income increased by 225% due to higher interest income collected from buyers arising from late payments.

b. **Costs and Expenses**

1) **Cost of real estate sold**. Cost of Real Estate Sold for the three months ended 31 March 2023 was the same at ₱23 Million as the Cost of Real Estate Sold recorded for the same period in 2022.

   However, the percentage of Cost of Real Estate Sold to Sales of Real Estate in 2023 at 25% is lower than the percentage of Cost of Real Estate Sold to Sales of Real Estate in 2022 which was at 29%. The reduction is explained by the fact that more Skyline units vis-à-vis SkyVillas units were sold in 2023 relative to 2022. Skyline units have lower standard costs compared to SkyVillas units.

2) **Cost of service.** The Cost of service slightly increased by ₱1 Million or by 6% due to higher expenses incurred by the Parent Company and its property management subsidiary for the three months ended March 31, 2023 compared to the same period last year.

3) **General and administrative expenses.** General and administrative expenses decreased by ₱26.0 Million or by 43% due to the reversal in the first quarter of 2023, of excess Provision for Impairment of Receivables booked in 2022.

4) **Finance cost.** The increase in Interest expenses to ₱13 Million from ₱4 Million last year, or an increase of 225%, was due to the full charging in 2023 of Interest expenses to operations, compared to the previous year where portions of Interest expenses were capitalized into real estate projects considered as qualifying assets.

5) **Other Comprehensive income.** This account decreased to ₱2 Million from ₱5 Million or a 60% decrease because of mark-to-market unrealized losses attributable to the Parent Company's stock investments.

c. **Subsidiaries.**

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

1) **PRHC Property Managers, Inc. (PPMI)**. The RLT Group's property management company, PPMI, registered a Net income of ₱0.4 Million for the three months ended 31 March 2023.

   It is lower 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 ₱0.4 Million for the three months ended 31 March 2023 which is lower by ₱1 Million compared to the ₱1.4 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 2023 vs. 31 December 2022

As of 31 March 2023 vs. 31 December 2022				
	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)	Change in Peso	Change in Percentage
Assets				
Cash and cash equivalents	₱57	₱164	(₱107)	(65%)
Financial assets	44	43	1	2%
Trade and other receivables – net	521	542	(21)	(4%)
Real estate inventories	2,103	2,086	17	1%
Prepayments and other assets – net	440	413	27	6%
Investments in and advances to associates - net	56	58	(2)	(3%)
Property and equipment – net	58	60	(2)	(4%)
Investment properties – net	4,868	4,926	(58)	(1%)
Other Assets	294	299	(5)	(2%)
TOTAL	**₱8,441**	**₱8,593**	**(₱152)**	**(2%)**
Liabilities				
Trade and other payables	₱155	₱195	(₱40)	(21%)
Loans and Notes Payable	816	894	(79)	(9%)
Retirement benefit obligation	65	67	(2)	(3%)
Other liabilities	910	911	(1)	(0%)
Total Liabilities	**1,946**	**2,067**	**(121)**	**(6%)**
Equity				
Capital stock	5,056	5,056	-	-
Reserves	67	66	1	2%
Retained earnings	1,504	1,537	(32)	(2%)
Treasury stock	(110)	(110)	-	-
Equity attributable to non-controlling interest	(23)	(23)	-	-
Total Equity	**₱6,495**	**₱6,526**	**(₱31)**	**(1%)**
TOTAL	**₱8,441**	**₱8,593**	**(₱152)**	**(2%)**

1. **Total assets**. The RLT Group's Total assets stood at ₱8.44 Billion as of 31 March 2023, lower by ₱152 Million compared to the ₱8.59 Billion Total Assets reported by the Group as of 31 December 2022. The RLT Group's Real Estate Assets accounted for 83% of the Total Assets of the Group as of 31 March 2023.

   Cash and cash equivalents decreased by 65% due to the settlement of Loans and Notes payable and Trade payables.

2. **Total liabilities.** Total liabilities as of 31 March 2023 decreased by ₱121 Million compared to 31 December 2022. The decrease came largely from the repayment of Bank loans/Notes payable, and Trade payables by the Parent Company.

   Trade and other payables decreased in the first quarter of 2023 to ₱155 Million from ₱195 Million due to the payments of suppliers and contractors.

Loans and notes payable decreased by ₱79 Million or by 9% due to net payments by the Parent Company of Bank loans/Notes payable in the first quarter of 2023.

3. **Total Equity.** Total Equity as of 31 March 2023 decreased by ₱31 Million compared to 31 December 2022 due to the Net loss recorded by the Group in the first quarter of 2023 amounting to ₱31 Million.

III. Performance Indicators

The table below presents the comparative performance indicators of the RLT Group as of 31 March 2023 compared to 31 December 2022.

Performance Indicators	31 March 2023 Unaudited	31 December 2022 Audited
Current ratio[1]	3.48:1	3.61:1
Debt-to-equity ratio[2]	0.30:1	0.32:1
Asset-to-equity ratio[3]	1.30:1	1.32:1
Book value per share[4]	₱0.73	₱0.73
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 remained at a very conservative level at 3.48:1 despite a slight decrease from 3.61:1 as of 31 December 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 reflected a very slight decrease at 1.30:1 compared to 1.32:1 recorded by the Group as of December 31, 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. **Book value per share.** The performance of the Company's Book Value per share has also been very encouraging. It has been steady at ₱0.73 per share.

TOP CONTRIBUTORS TO REVENUE

The table below presents the top contributors to revenue (before elimination of intercompany transactions) for the three months ended 31 March 2023 and for the years ended 31 December 2022, and 31 December 2021.

(In millions)

SUBSIDIARIES	Mar 2023 Unaudited	Dec 2022 Audited	Dec 2021 Audited
PRHC Property Managers, Inc. (**PPMI**)	₱10	₱35	₱37
Tektite Insurance Brokers, Inc. (**TIBI**)	₱2	₱6	₱5

Key Financial Ratios of the Top Majority-Owned Subsidiaries

PRHC Property Managers, Inc. (PPMI)

Performance Indicators	31 March 2023 Unaudited	31 December 2022 Audited	31 December 2021 Audited
Current ratio[1]	2.75:1	2.82:1	2.94:1
Debt-to-equity ratio[2]	0.49:1	0.46:1	0.58:1
Asset-to-equity ratio[3]	1.49:1	1.46:1	1.58:1
Book value per share[4]	₱12.64	₱12.58	₱10.69
Earnings per share[5]	₱0.06	₱0.04	(₱1.32)

[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	31 March 2023 Unaudited	31 December 2022 Audited	31 December 2021 Audited
Current ratio[1]	25.93:1	35.90:1	2.74:1
Debt-to-equity ratio[2]	0.76:1	0.88:1	2.71:1
Asset-to-equity ratio[3]	1.76:1	1.88:1	3.71:1
Book value per share[4]	₱0.40	₱0.36	₱0.20
Earnings per share[5]	₱0.03	₱0.05	(₱0.60)

[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 first three months of 2023.

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. <u>Financial Risk Management</u>

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. **<u>Foreign currency risk.</u>** 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. **<u>Credit risk.</u>** 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. **<u>Interest rate risk.</u>** 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. **<u>Price risk.</u>** 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. **<u>Liquidity Risk.</u>** 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. **<u>Risks Related to COVID-19</u>.** 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 **Exhibit II**
FINANCIAL SOUNDNESS INDICATORS

			2023		2022
Net Profit Margin:					
Shows how much profit is made for every peso of revenue	Net Income(Loss)/ Total Revenues	**(30,742,297)** / **88,395,356**	**-34.78%**	(22,323,611) / 81,878,271	**-27.26%**
Asset Turnover:					
Shows efficiency of asset used in operations	Total Revenues/ Ave. Total Assets	**88,395,356** / **8,517,122,865**	**0.01**	81,878,271 / 8,156,149,739	**0.01**
Interest Rate Coverage Ratio:					
Determine how easily a company can pay interest on outstanding debt	EBITDA/ Interest Expense	**(14,440,523)** / **12,909,440.35**	**-1.12**	(17,729,035) / 3,827,876.72	**-4.63**

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES **Exhibit III**

BUSINESS SEGMENTS

AS OF MARCH 31, 2023

	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Travel Services	Other Income	Elimination	Consolidated
Revenue	70,409,013	10,350,792	1,550,293	-			82,310,098
Segment Result	(23,878,235)	411,544	364,027	(14,107)	(15,608)	-	(23,132,378)
Interest expense/Bank charges	(12,909,440)						(12,909,440)
Interest income	6,818,128	328	636				6,819,092
Dividend income							-
Gain on sale of PPE							-
Equity in net loss of							-
associate						(776,311)	(776,311)
Income taxes	(546,864)	(123,463)	(72,933)				(743,260)
Income before minority interest	(30,516,411)	288,409	291,731	(14,107)	(15,608)	(776,311)	(30,742,297)
Minority interest							
Net Income	(30,516,411)	288,409	291,731	(14,107)	(15,608)	(776,311)	(30,742,297)
Other Information							
Segment assets	8,398,640,039	98,102,438	9,845,798	1,270,628	366,817	(66,893,014)	8,441,332,706
Investment at equity method							-
Unallocated corporate assets							-
Consolidated Total Assets	8,398,640,039	98,102,438	9,845,798	1,270,628	366,817	(66,893,014)	8,441,332,706
Segment liabilities	1,898,394,575	32,376,019	4,236,763	30,129,877	79,782,219	(98,674,589)	1,946,244,864
Unallocated corporate liabilities							-
Consolidated Total Liabilities	1,898,394,575	32,376,019	4,236,763	30,129,877	79,782,219	(98,674,589)	1,946,244,864
Capital expenditure	-	-		-			-
Depreciation	2,627,675		21,400	-			2,649,074
Non-cash expenses other than depreciation							-