

# COVER SHEET

9	9	9	0	5						
---	---	---	---	---	--	--	--	--	--	--

S.E.C. Registration Number

[illegible][illegible]

P	H	I	L	I	P	P	I	N	E		R	E	A	L	T	Y		A	N	D		H	O	L	D	I	N	G	S
---	---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	--	---	---	---	--	---	---	---	---	---	---	---	---

[illegible]

(Company's Full Name)

O	N	E		B	A	L	E	T	E		1	B	A	L	E	T	E		D	R	I	V	E		C	O	R		N
---	---	---	--	---	---	---	---	---	---	--	---	---	---	---	---	---	---	--	---	---	---	---	---	--	---	---	---	--	---

D	O	M	I	N	G	O		S	T		B	R	G	Y		K	A	U	N	L	A	R	A	N						
---	---	---	---	---	---	---	--	---	---	--	---	---	---	---	--	---	---	---	---	---	---	---	---	---	--	--	--	--	--	--

[illegible]

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

MR. MARK ANTHONY M. RAMOS

### Contact Person

--	--

Month

--	--

Day

2	0	1	S	
---	---	---	---	--

FORM TYPE

DEFINITIVE

--	--

Month

--	--

Day

Annual Meeting

N/A
-----

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

## **NOTICE AND AGENDA OF ANNUAL STOCKHOLDERS MEETING**

Notice is hereby given that the Annual Stockholders Meeting (“**ASM**” or “**Meeting**”) of **PHILIPPINE REALTY AND HOLDINGS CORPORATION** (the “**Company**”) will be held on **Friday, June 28, 2024, at 3:00 p.m.** The Meeting will be conducted virtually and there will no longer be a physical venue for the ASM.

The Agenda of the Meeting is as follows:

1. Call to Order;
2. Certification of Notice of Meeting and Determination of Quorum;
3. Approval of the Minutes of the Previous ASM held on June 30, 2023;
4. Report of the President and approval of the 2023 Annual Report and the 2023 Audited Financial Statements;
5. Election of the Members of the Board of Directors for the ensuing year;
6. Approval and Ratification of all Acts, Contracts, and Deeds of the Board of Directors, Board Committees, Management and Officers during their terms of office;
7. Appointment of External Auditor.
8. Approval of the extension of the term of Lead Independent Director (ID) Renato G. Nuñez as Lead ID for three (3) more years.
9. Other business that may properly be brought before the Meeting; and
10. Adjournment

Only stockholders of record as of April 01, 2024 are entitled to notice of, and to vote at, the said Meeting.

Pursuant to the Company’s By-Laws, the Board of Directors during its meeting on February 20, 2024, approved the conduct of the Annual Stockholders’ Meeting to be held in a fully virtual format, hence, stockholders may only attend the meeting by remote communication, by voting *in absentia*, or through proxy. The conduct of the Annual Stockholders’ Meeting will be streamed live, and stockholders may attend the Meeting by registering on or before 5:00 PM on June 17, 2024.

Stockholders who intend to participate in the virtual ASM may register by sending an email to [asmregistration@philrealty.com.ph](mailto:asmregistration@philrealty.com.ph) of their intention to participate on or before 5:00 PM of June 17, 2024, together with the requirements set forth in the Information Statement and published at the Company’s website at <http://www.philrealty.com.ph>.

Upon successful registration and validation of the documents submitted through email

above, the stockholder will receive an email confirmation containing the Zoom link and a code to log in and view the 2024 ASM.

Electronic copy of the Information Statement and the Management Report, and SEC Form 17-A and other relevant documents in relation to the annual stockholders meeting may also be accessed through the aforementioned website [www.philrealty.com.ph/investor-relations/](http://www.philrealty.com.ph/investor-relations/) and through the PSE EDGE portal.

Pasig, Metro Manila, May 29, 2024.



ATTY. REX P. BONIFACIO  
Corporate Secretary

**SECURITIES & EXCHANGE COMMISSION  
SEC FORM 20-IS**

**Information Statement Pursuant to Rule 20  
of the Securities Regulation Code**

1. Check the appropriate box  
☐ Preliminary Information Statement  
☒ Definitive Information Statement
2. Name of registrant as specified in its charter  

PHILIPPINE REALTY AND HOLDINGS CORPORATION
3. Country of Incorporation: Philippines
4. SEC Identification: 99905
5. Tax Identification No.: 000-188-233-000
6. Address of Principal Office: One Balete, 1 Balete Drive Corner N. Domingo St.  
Brgy. Kaunlaran District 4, Quezon City  
  
Address of Satellite Office: 1609 16<sup>th</sup> Floor, East Tower, Philippine Stock Exchange  
Centre, Exchange Road, Ortigas Center, Pasig City, 1605
7. Registrant's telephone number, including area code:  

(02) 8631-3179
8. Date, time and place of the Meeting of the security holders  

Date:	June 28, 2024
Time:	3 p.m.
Place:	Livestream by accessing online Zoom link (for participation by remote communication)
9. Approximate date on which the Information Statement is first to be sent or given to security holders  

June 5, 2024
10. Securities registered pursuant to Sections 4 and 8 of the RSA:
  - a. Shares of stock outstanding as of April 30, 2023  

Title of each Class	Number of Shares of Common Stock Outstanding or amount of Debt Outstanding
Common	9,100,102,685 shares
11. Are any or all of registrant's securities listed on the Philippine Stock Exchange?  
Yes ☒ No ☐



If yes, disclose the name of such Stock Exchange and the class of securities listed therein:  
**The common stock of the Company is listed at the Philippine Stock Exchange, Inc. (PSE)**  
PLEASE NOTE THAT THE CORPORATION IS NOT SOLICITING PROXIES

---

## **A. GENERAL INFORMATION**

### **Item 1. Date, Time and Place of Annual Stockholders' Meeting**

The 2024 Annual Stockholders' Meeting ("**ASM**" or "**Meeting**" for brevity) of Philippine Realty and Holdings Corporation ("**Company**" for brevity) will be held on June 28, 2024 at 3 p.m. The Meeting will be conducted virtually and there will be no physical venue for the ASM.

The complete mailing address of the principal office of the Company is One Balete, 1 Balete Drive Corner N. Domingo Street, Barangay Kaunlaran, District 4, Quezon City and the address of the satellite office of the Company is 1609 16th Floor, East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City.

The approximate date on which the Information Statement is first to be sent and given to the security holders shall be June 5, 2024.

### **Item 2. Dissenter's Right of Appraisal**

No corporate matters or action will be submitted in the Meeting that may call for the exercise of the Right of Appraisal under Title X of Republic Act No. 11232 or the "Revised Corporation Code of the Philippines" ("**Revised Corporation Code**").

Any shareholder of the Company shall have the right to dissent and demand payment of the fair value of his shares only in the following instances, as provided for in Section 80 of the Revised Corporation Code.

- (a) In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in this Code;
- (c) In case of merger or consolidation; and
- (d) In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

The appraisal right, when available, may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken: *Provided*, That failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If, within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: *Provided*, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: *Provided, further*, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the corporation.

### **Item 3. Interest of Certain Person in or Opposition to Matters to be Acted Upon**

- (a) No current director or officer of the Company, or nominee for election as director of the Company or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office.
- (b) No director has informed the Company that he intends to oppose any action to be taken by the registrant at the Meeting.

### **B. CONTROL AND COMPENSATION INFORMATION**

#### **Item 4. Voting Securities and Principal Holders Thereof**

##### **a. Number of shares outstanding as of April 30, 2024**

Common Shares: 9,100,102,685

Number of Votes Entitled: one (1) vote per share

- b.** All stockholders of record as of April 01, 2024 are entitled to receive notice of, and to vote at, the annual stockholders' meeting.

##### **c. Manner of Voting**

A stockholder entitled to vote at the Meeting shall have the right to vote in person, by proxy, through remote communication or *in absentia* the number of shares registered in his name in the stock and transfer book of the Company as of the record date, for as many persons as there are directors to be elected. Each stockholder shall have the right to cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same cumulative voting principle among as many nominees as he shall see fit; provided, that the whole number of votes cast by him shall not exceed the number of said shares multiplied by the whole number of directors to be elected.

Pursuant to Section 23 and 57 of the Revised Corporation Code which allow voting through remote communication or in absentia, stockholders intending to participate by remote communication should notify the Company by email to [asmregistration@philrealty.com.ph](mailto:asmregistration@philrealty.com.ph) on or before 5:00 PM of June 17, 2024. A stockholder voting remotely or in absentia shall be deemed present for purposes of quorum.

Please refer to Annex F on the Requirements and Procedures for the Voting and Participation in 2024 ASM for complete information on voting via remote communication or voting in absentia, as well as on how to join the livestream for the 2024 ASM.

**d. Security Ownership of Certain Record and Beneficial Owners and Management**

- i. The following persons are known to the Company to be directly or indirectly the record or beneficial owner of more than 5% of the Company's voting security as of April 30, 2024.

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name and Address of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Owned	% Owned
Common	Greenhills Properties, Inc. E-2002A East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City / Stockholder	Greenhills Properties, Inc. E-2002A East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City / Stockholder	Filipino	5,933,556,884 shares	65.20%
Common	Phil. Depository & Trust Corp. 37/F Tower I, The Enterprise Center, 6766 Ayala Avenue cor. Paseo de Roxas, Makati / PCD Nominee		Filipino/ Non-Filipino	2,263,510,001 shares	24.66%
Common	Campos, Lanuza & Co., Inc. E-2003B, PSE Centre, Exchange Road, Pasig City / Stockholder	Campos, Lanuza & Co., Inc. E-2003B, PSE Centre, Exchange Rd., Pasig City / Stockholder	Filipino/ American/ Spanish/ Other Alien	275,196,201 shares (net of shares under PCD)	3.02%

Note: Greenhills Properties, Inc. is represented by its President, Gerardo O. Lanuza Jr. and Treasurer, Antonio O. Olbes.

Campos, Lanuza & Co., Inc. is represented by its President, Antonio U. Reyes-Cuerva.

PCD Nominee holds 24.66% interest. PCD Nominee is the registered owner of shares beneficially owned by participants in the PCD. Campos, Lanuza & Co., a participant of PCD has a total of 1,389,588,671 shares under PCD equivalent to 15.27% of the Company's voting securities.

**Shares held by Directors and Executive Officers as of April 30, 2024:**

- ii. Security Ownership of Certain Record and Beneficial Owners and Management

Title of Class	Name of Beneficial Owner	Amount and Nature of Class		Citizenship	%age Owned
		Direct	Indirect		
Common	Gerardo Domenico Antonio V. Lanuza	226,786,043	65,083,203	Filipino	3.20
Common	Gerardo O. Lanuza, Jr.	2,174,024	204,911,203	Spanish/Filipino	2.27
Common	Edmundo C. Medrano	6,000,000	-	Filipino	0.06
Common	Gregory G. Yang	1,831,000	-	Filipino	0.02
Common	Antonio O. Olbes	506,388	-	Filipino	0.00
Common	Amador C. Bacani	229,980	-	Filipino	0.00
Common	Andrew C. Ng	84,000	-	Filipino	0.00
Common	Renato G. Nuñez	10,000	-	Filipino	0.00
Common	Jomark O. Arollado	10,000	-	Filipino	0.00

Title of Class	Name of Beneficial Owner	Amount and Nature of Class		Citizenship	%age Owned
		Direct	Indirect		
Common	Alfonso Martin E. Eizmendi	10,000	-	Filipino	0.00
Common	Chiara Rosario Julia L. Paredes	15,150,000	5,000,000	Filipino	0.22
	<b>Total</b>	<b>252,791,435</b>	<b>274,994,406</b>		<b>5.77</b>

iii. Voting Trust Holders of 5% or more

The Company is not aware of any person holding more than 5% of common shares under a voting trust or similar agreement.

iv. Change in Control

At present, there is no change in control nor is the Company aware of any arrangement that may result in a change in control of the Company since the beginning of the last fiscal year.

**e. Foreign ownership level as of April 30, 2024**

Security	Total outstanding shares	Shares owned by Foreigners	Percent of Ownership
Common Shares	9,100,102,685	75,315,125	0.83%

**Item 5. Directors and Executive Officers**

The By-Laws provide in part:

Each director is chosen by the stockholders at the annual meeting, or at such subsequent Meeting as may then be determined and shall hold office for one year until his successor is duly elected and qualified. (Section 1, Article II, By-Laws).

The Management Committee members and other officers, unless removed by the Board, shall serve as such until their successors are elected or appointed.

**(a) Information required of Directors and Executive Officers**

**i. Directors and Executive Officers**

Pursuant to Section 38 of the new Securities Regulation Code ("**SRC**") and SEC Memorandum Circular No. 16-02 (Guidelines on the Nomination and Election of Independent Directors), the By-Laws has been amended on October 30, 2003 to provide for the Nomination Committee and Election of Independent Directors under Article II, Sections 5 and 6, which reads:

**"Section 5. Nomination Committee** - There shall be a Nomination Committee which shall be independent and shall have at least three (3) voting members, one of whom is an independent director. It shall promulgate guidelines or criteria to govern the conduct of the nomination. It shall pre-screen the qualifications and prepare a final list of candidates which shall contain all the information about all the nominees for Independent Directors.

The Committee shall be constituted at least one month before the date set for the annual stockholders' meeting. The nomination of Independent Director/s shall be conducted by the Committee prior to a stockholders' meeting.

Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director/s. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting."

In 2019, the Company amended the Corporate Governance Manual and subsumed the function of the Nominations Committee to the Corporate Governance Committee to create a Corporate Governance and Nominations Committee.

**"Section 6. Election of Independent Directors** - The election of Independent Directors shall be made in accordance with the by-laws of the Corporation, except as otherwise provided in other parts of these by-laws and subject to pertinent existing laws, rules and regulations of the Commission.

Cumulative voting shall not apply to the election of an independent director. Single balloting for the regular and independent director/s shall be made. In case however of failure of election for independent director/s, the Chairman of the Meeting shall call a separate election during the same Meeting to fill up the vacancy.

In case of resignation, disqualification or cessation of independent directorship, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Corporate Governance and Nomination Committee; otherwise, said vacancies shall be filled by the stockholders in a regular or special meeting called for that purpose. An independent director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office."

Following the recommendations of SEC Memorandum Circular 19, Series of 2016, issued on 22 November 2016 that approved the Code of Corporate Governance for Publicly-Listed Companies, the Corporate Governance and Nomination Committee was constituted by the Board of Directors on 20 November 2018 to assist the Board in the performance of its corporate governance responsibilities, granting the said Committee the functions that were formerly assigned to the Nomination Committee. The charter of the Corporate Governance and Nomination Committee was approved by the Board of Directors also on 20 November 2018.

At the June 30, 2023 organizational meeting of the Board of Directors, the following directors were elected as members of the Corporate Governance and Nomination Committee: Mr. Alfonso Martin E. Eizmendi, Independent Director (as Chairman), Mr. Renato G. Nuñez, Lead Independent Director (Member) and Mr. Jomark O. Arollado, Independent Director (Member).

The following persons, who constitute the final list of candidates presented and approved by the Corporate Governance and Nomination Committee have been nominated to the Board for the ensuing year and have accepted their nominations:

Gerardo Domenico Antonio V. Lanuza  
Renato G. Nuñez  
Gerardo O. Lanuza, Jr.  
Antonio O. Olbes  
Edmundo C. Medrano  
Gregory G. Yang  
Andrew C. Ng  
Amador C. Bacani  
Jomark O. Arollado  
Alfonso Martin E. Eizmendi  
Chiara Rosario Julia L. Paredes

Mr. Alfonso Martin E. Eizmendi, Mr. Renato G. Nuñez, and Mr. Jomark O. Arollado were nominated as the three (3) Independent Directors to be elected at the Meeting. They were nominated by minority stockholders, Eduardo Lucero, Alfredo Alfonso and Patricia Sandejas, respectively.

Further, all the nominees possess all the qualifications and none of the disqualifications provided for in the SRC and its Implementing Rules and Regulations.

No one from the directors/executive officers for election at the Meeting has been involved in any legal or administrative proceedings in his/her personal capacity during the past five (5) years up to the present date that would materially affect his/her ability and integrity to serve as a director or executive officer.

A summary of the qualifications of the incumbent directors, nominees for directors for election at the annual stockholders meeting and incumbent officers is set forth in Annex "A"

**ii. Significant Employees**

Any director or officer who may be elected at the Meeting is expected to make significant contributions to the operations and business of the Company. Likewise, each employee is expected to do his share in achieving the Company's set goals.

**iii. Family Relationships**

Mr. Gerardo O. Lanuza, Jr., Chairman Emeritus of the Board, is the father of Mr. Gerardo Domenico Antonio V. Lanuza and first cousin of Mr. Antonio O. Olbes. Mr. Gregory Yang is the father-in-law of Mr. Gerardo Domenico Antonio V. Lanuza.

Ms. Chiara Rosario Julia L. Paredes, a nominee for director, is the sister of Mr. Gerardo Domenico Antonio V. Lanuza, and the daughter of Mr. Gerardo O. Lanuza, Jr.

**iv. Involvement in Certain Legal Proceedings**

None of the Directors or Executive Officers has been subject to any judgment of a competent court in a criminal or bankruptcy proceeding or barring or otherwise limiting his involvement in any type of business or has been found to have violated any securities law during the past five (5) years and up to the latest date.

In addition, RLT, its subsidiaries, and its affiliates, are not involved in any litigation

regarding an event that occurred during the past five (5) years that they consider material.

**(b) Certain Relationships and Related Party Transactions**

The Parent Company and its subsidiaries, in their ordinary conduct of business, have engaged in transactions with associates and other related parties principally consisting of advances and reimbursement of expenses. Purchase of services to and from related parties are made on an arm's length basis and at current market prices at the time of the transactions. Material related party transactions are reviewed and approved by the Related Party Transactions Review Committee and approved by the Board of Directors in accordance with the Company's Related Party Transactions Policy.

However, no other transaction, without proper disclosure, was undertaken by the Group in which any director or executive officer, any nominee for election as director, any beneficial owner of more than 5% of the Company's outstanding shares (direct or indirect) or any member of his immediate family was involved or had a direct or indirect material interest.

The Company's Directors and employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interests are surfaced and brought to the attention of management. None of the Company's directors have entered into self-dealing and related party transactions with or involving the Company in 2023

The table below sets out principal ongoing transactions of the Company with related parties as of December 31, 2023. Additional information on RLT Related Party Transactions can be found on Note 15 of the RLT Consolidated and Note 16 of the RLT Separate Audited Financial Statements

RELATED PARTY RECEIVABLES	NATURE OF TRANSACTION	AMOUNT (In ₱ Millions)	RELATIONSHIP
Greenhills Properties, Inc.	Sales of condominium units to related parties are based on the effective price list and terms that would be available to third parties. Titles to the units remain with the Company and are not transferred until they are fully paid.	₱ 51.9	Principal Shareholder
Alexandra (USA), Inc.	Advances to subsidiaries and associates are unsecured, non-interest-bearing and to be settled in cash.	Cost - ₱ 132 Allowance for Impairment loss <u>(132)</u> Total ₱ -	Associate
Sultan's Power, Inc	Advances to subsidiaries and	Cost - ₱ 76.6 Allowance for	Subsidiary

RELATED PARTY RECEIVABLES	NATURE OF TRANSACTION	AMOUNT (In ₱ Millions)	RELATIONSHIP
	associates are unsecured, non-interest bearing and to be settled in cash	Impairment loss <u>(66.8)</u> Total ₱ 9.8	
PRHC Property Managers, Inc.	Advances to subsidiaries and associates are unsecured, non-interest bearing and to be settled in cash	Cost - ₱ 17.6 Allowance for Impairment loss <u>(0.0)</u> Total ₱ 17.6	Subsidiary
Universal Travel Corporation	Advances to subsidiaries and associates are unsecured, non-interest bearing and to be settled in cash	Cost - ₱ 30.1 Allowance for Impairment loss <u>(30.1)</u> Total ₱ -	Subsidiary

**Property-for-share swap by and between Philippine Realty and Holdings Corporation and Greenhills Properties, Inc.**

The Board of Directors approved on April 18, 2018 the amendment of the Parent Company's Articles of Incorporation (AOI) for the purpose of increasing RLT's Authorized Capital Stock (ACS) that was necessary to accommodate the issuance of new, primary shares from the increased capital stock in favor of Greenhills Properties, Inc. (GPI), a corporation incorporated under the laws of the Philippines, in exchange for prime real properties that GPI will contribute into RLT as capital.

The property-for-share swap transaction involves GPI contributing into RLT two (2) vacant lots located in the BGC more particularly described as follows: 1) Lot 1 Block 8 containing 1,600 sq.m., located at the corner of 6th Avenue and 24th Street; and 2) Lot 4 Block 8 also containing 1,600 sq.m., located at 6th Avenue corner 25th Street. Lot 1 Block 8 is registered under the name of GPI. GPI also acquired Lot 4 Block 8 from its wholly owned subsidiary, Lochinver Assets Inc. (LAI), by way of merger approved by the SEC on 28 November 2012, with GPI as the Surviving Corporation and LAI as the Absorbed Corporation.

The said transaction also involves RLT issuing 4,177,777,778 new common shares from the increase in its ACS, in favor of GPI in exchange for the two (2) vacant lots in BGC that GPI will contribute into RLT as capital.

In the above-described transaction, RLT engaged the services of a PSE-accredited firm to come up with a Valuation and Fairness Opinion Report. The said PSE-accredited firm expressed the opinion that the method employed by RLT is a fair basis in determining the transaction price (and the transaction value) for the issuance of new shares from an increase in the ACS.

On May 14, 2019, the SEC approved the increase in the Parent Company's ACS from



₱4,000,000,000.00 divided into 8,000,000,000 shares with par value of ₱0.50 per share to ₱8,000,000,000.00 divided into 16,000,000,000 shares with par value of ₱0.50 per share. This was after the approval by a majority of the Board of Directors on April 18, 2018 and by the vote of the stockholders owning or representing at least two-thirds (2/3) of the outstanding capital stock on July 23, 2018.

On 22 June 22, 2021, the tax-free exchange of properties for shares transaction by and between RLT and GPI was completed.

On 22 June 22, 2021, RLT, through its external legal counsels, received from the Registry of Deeds for Taguig City, the land titles covering the two (2) vacant lots located in the BGC as described above, contributed by GPI as equity into RLT, already registered under the name of RLT.

Also on 22 June 22, 2021, in exchange for the two (2) BGC vacant lots, RLT issued 4,177,777,778 new common shares from its increased capital stock, in favor of GPI.

With the issuance of new shares in its favor, GPI now owns 5,933,556,844 shares in RLT, bringing its percentage ownership to 65.20% from 35.67%. The remaining shares of RLT are owned by various individuals and institutional stockholders.

As of April 30, 2024, 9,100,102,685 shares are subscribed and outstanding.

**(c) Ownership Structure and Parent Company**

As of April 30, 2024, Greenhills Properties Inc. (**GPI**) owns 65.20% of the total outstanding voting shares of the Company.

**(d) Resignation of Directors**

None of the directors have resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of security holders due to disagreement with the Company on any matter relating to the Company's operations, policies, or practices.

**Item 6. Compensation of Directors and Executive Officers**

**(a) Executive Compensation**

	Year	Salary	Bonus	Per Diem	Other Annual Compensation	Total
(i). CEO and all individuals serving as the registrant's CEO or acting in a similar capacity during the last completed fiscal year.						
*Alfredo S. Del Rosario Jr.	2022 - Actual	16.5M	None	0.07M	None	16.57M
**Gerardo Domenico Antonio V. Lanuza	2023 - Actual	13.5M	None	0.07M	None	13.57M
***Edmundo C. Medrano	2024 - Projected	15.9M	None	0.07M	None	15.97M

	Year	Salary	Bonus	Per Diem	Other Annual Compensation	Total
(ii) the registrant's four most highly compensated executive officers other than the CEO who were serving as executive officers at the end of the last completed fiscal year						
Carlos T. Paca (VP Business Development);	2022 - Actual	12.36M	None	None	None	₱12.36M
Erwin V. Ciar (VP Project and Construction Mgt);	2023 - Actual	12.36M	None	None	None	12.36M
Marissa S. Bontogon (VP Controller); Susan S. Carag (VP Property Management)	2024 - Projected	12.36M	None	None	None	12.36M
(iii) All other officers and directors as a group unnamed						
	2022 - Actual	3.34M	None	None	None	3.34M
	2023 - Actual	4.30M	None	None	None	4.30M
	2024 - Projected	5.26M	None	None	None	5.26M

*\*On February 21, 2023, the Board of Directors approved the resignation of Mr. Alfredo S. Del Rosario, Jr. as Director, President and Chief Executive Officer for health reasons effective February 28, 2023;*

*\*\*Election of Mr. Gerardo Domenico Antonio V. Lanuza as President to serve the unexpired term of Mr. Del Rosario Jr.*

*\*\*\* Mr. Edmundo C. Medrano was ~~appointed~~ elected as President on June 30, 2023*

The Executive Officers are elected annually by the Board of Directors at its first meeting following the annual stockholders' meeting. Every officer, including the President, is subject to removal at any time by the Board of Directors. All officers hold office for one year and until their successors are duly elected and qualified; provided that any officer elected to fill any vacancy shall hold office only for the unexpired term of the office filled.

The compensation of the Company's executive officers is fixed by the Board of Directors. They are covered by contracts of employment and as such they are entitled to all the benefits accruing to salaried employees of the Company. The executive officers are receiving Salaries and allowances monthly and 13<sup>th</sup> month benefits annually. The Salary column on the table above consists already of Salaries, allowances, and annual 13<sup>th</sup> month benefits.

#### **(b) Compensation of Directors**

Directors are entitled to a per diem of ₱6,000 and ₱4,000 allowance for meals and transportation for board meetings attended except for Independent Directors who receive per diem of ₱20,000.00. In addition, the members of the Board of Directors are entitled to a portion of the 5% of Net Income before Tax as profit-sharing incentive for directors, officers and staff.

The directors of the Registrant received per diem in the amount of ₱1,254,000, ₱1,414,000,

₱1,252,000, for 2023, 2022, and 2021, respectively.

#### **Item 7. Independent Public Accountants**

- (a) The principal accountant and external auditor of the Company is Maceda Valencia & Co. The same accounting firm is being recommended for re-appointment at the annual stockholders' meeting.
- (b) Representatives of Maceda Valencia & Co. for the current year and for the most recently completed fiscal year are expected to be present at the annual stockholders' meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

- (c) **Changes in, and Disagreements with, Accountants on Accounting and Financial Disclosures**

Pursuant to the General Requirements of SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors), the Company has engaged Maceda Valencia & Co. as external auditor, and Mr. Jose T. Valencia is the Partner-in-Charge for the audit year 2023 while Mr. Antonio O Maceda, Jr. was the Partner-in-Charge for the preceding three (3) years or from 2020 to 2022. There were no disagreements with the Maceda Valencia & Co. on any matter of accounting and financial disclosure.

- (d) **Audit and Audit-Related Fees**

The professional fees of independent auditors Maceda Valencia & Co. for 2023 and 2022 amount to ₱1,125,000 and ₱1,050,000, exclusive of VAT, respectively. Out-of-pocket expenses are pegged at 15% of professional fees for 2023 and for 2022.

In addition to tax consultation services, Maceda Valencia & Co. was also engaged to provide Transfer Pricing Study.

- (e) **Tax fees**

In 2023, the Parent Company did not engage the services of Maceda Valencia & Co. for tax consulting services.

- (f) **The Audit Committee's approval of policies and procedures for the above services**

The Audit Committee approves the terms of engagement and scope of services of the independent auditors as endorsed by Management. For non-audit services, Management is required to disclose to the Audit Committee any non-audit engagement for the appointed independent auditors to ensure that their independence will not be compromised.

The Chairman of the Audit Committee is Renato G. Nuñez (Vice Chairman of the Board and Lead Independent Director). The members are Alfonso Martin E. Eizmendi (Independent Director), Jomark O. Arollado (Independent Director), and Amador C. Bacani (Director).

#### **Item 8. Compensation Plans**

No matters or actions with respect to any compensation plan pursuant to which cash or

noncash compensation may be paid or distributed will be taken up during the Meeting.

## **C. ISSUANCE AND EXCHANGE OF SECURITIES**

### **Item 9. Authorization or Issuance of Securities Other than for Exchange**

No matters or actions concerning authorization or issuance of securities will be taken up during the Meeting.

### **Item 10. Modification or Exchange of Securities**

The Company will not be presenting any matter or act involving the modification of any class of the Company's securities or the issuance or authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class during the Meeting.

### **Item 11. Financial and Other Information**

The audited financial statements as of December 31, 2023, Management's Discussion and Analysis, Market Price of Shares and Dividends and other data related to the Company's financial information are attached hereto as Annex "B". The Schedules required under Part II(7)(D)(Annex 68 J) of Revised SRC Rule 68 will be included in the Annual Report (SEC Form 17-A).

### **Item 12. Mergers, Consolidations, Acquisitions and Similar Matters**

There is no proposed merger, consolidation, acquisition by sale, or liquidation of the Company that will be presented during the Meeting.

### **Item 13. Acquisition or Disposition of Property**

There are no matters or actions to be taken up in the annual stockholders' meeting with respect to acquisition or disposition of any property by the Company requiring stockholders' approval under the Revised Corporation Code.

### **Item 14. Restatement of Accounts**

As used herein and in other sections of this Information Statement, unless the context otherwise requires, the Group refers to the Company and its subsidiaries where the Company has control pursuant to Part II Item 10 of the Revised SRC Rule 68 (Consolidated Financial Statements).

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the new and amended Philippine Financial Reporting Standards (PFRS) and the Philippine Interpretations of International Financial Reporting Interpretation Committee (IFRIC) which became effective beginning January 1, 2018.

Please refer to Note 31 of the attached Company's audited financial statements on the Summary of Significant Accounting Policies for the accounting of the new PFRS and IFRIC which became effective in 2022.

## **D. OTHER MATTERS**

### **Item 15. Action with respect to Reports**

The following matters were submitted to the stockholders for approval/ratification in the last Annual Stockholders' Meeting:

- (a) Approval of the Minutes of the Stockholders Meeting held on June 30, 2022
- (b) Approval of the Annual Report of the Board of Directors and Audited Financial Statements as of December 31, 2022
- (c) Ratification of acts and proceedings of the Board of Directors, Board committees and officers since the last Annual Stockholders' Meeting held on June 30, 2022
- (d) Amendments to the By-Laws
- (e) Appointment of External Auditor for 2023; and
- (f) Other matters that may require consideration by the stockholders.

The Minutes of the 2023 Stockholders' Meetings are uploaded on the Company's website and may be viewed through the following link: [https://www.philrealty.com.ph/investor-relations/#investor-relations\\_](https://www.philrealty.com.ph/investor-relations/#investor-relations_). It is also attached in this report the Minutes of the 2023 Stockholders' Meetings as Annex K

The Minutes contain the following information:

- (a) A description of the voting and vote tabulation procedures used in the previous meeting
- (b) A description of the opportunity given to the stockholders to ask questions and a record of the questions asked and answers given;
- (c) The matters discussed and resolutions reached;
- (d) A record of the voting results for each agenda item; and
- (e) A list of the directors, officers, and stockholders who attended the meeting.

### **Dividend Policy**

Dividends may be declared out of a corporation's unrestricted retained earnings which shall be payable in cash, in property, or in stocks based on outstanding stock held by them. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the SEC. The approval of the Board of Directors is generally sufficient to approve the distribution of dividends, except in the case of stock dividends which requires the approval of stockholders representing not less than 2/3 of the outstanding capital stock at a regular or special meeting duly called for the purpose.

Subject to the preferential dividend right of the Preferred Shares, each holder of a Common Share is entitled to such dividends. Aside from what is stated in the Company's amended by-laws and as provided in existing laws, the Company does not have a specific dividend policy. The Company's amended by-laws provide that the Board of Directors shall have the power and authority to fix and determine and from time to time vary, the amount to be reserved as working capital, to meet contingencies, to provide for the utilization of dividends and/or for other purposes, to such extent, in such manner and upon such terms as the Board of

Directors shall deem expedient in order to determine the part of nets profits or surplus which shall be declared and paid as dividends; and generally to fix and determine the use and disposition of any net profits or surplus.

The Company has not declared dividends since its last declaration on October 24, 1995.

#### **A director or trustee attendance report**

The record of attendance of the directors at the meetings of the Board of Directors (the “Board”) held from June 2023 to May 2024 is as follows:

<b>Directors</b>	<b>No. of Meetings Attended/Held</b>	<b>Percent Present</b>
Gerardo Domenico Antonio V. Lanuza	10/12	83%
Renato G. Nuñez	12/12	100%
Gerardo O. Lanuza Jr.	10/12	83%
Antonio O. Olbes	8/12	67%
Chiara Rosario Julia Lanuza Paredes	10/12	83%
Gregory G. Yang	10/12	83%
Andrew C. Ng	12/12	100%
Amador C. Bacani	12/12	100%
Edmundo C. Medrano	12/12	100%
Jomark O. Arollado	12/12	100%
Alfonso Martin E. Eizmendi	12/12	100%

#### **Director disclosures on self-dealings and related party transaction**

To the best of the Company's knowledge, there is no undisclosed transaction that was undertaken by the Company involving any director, executive officer, or any nominee for election as director with which such director, executive officer, or nominee for director was involved or had material interest.

Directors and members of the Management are required to disclose any business or family-related transactions with the Company to ensure that the Board of Directors and Management are apprised of any possible conflict of interest.

For further information on the Group’s related party transactions, please refer to Note 15 of the RLT Consolidated Audited Financial Statements and Note 16 of the RLT Separate Audited Financial Statements.

#### **Appraisals and performance reports for the board and the criteria and procedure for assessment.**

The Company did not conduct in 2023, formal self-assessment for the whole board, individual members, the Chairman, and the Committees. However, the Company remains committed to conduct self-assessment for the whole board, individual members, the Chairman, and the Committees as mentioned in Sec. 6.6 of the Company’s Corporate Governance Manual that “The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and

committees. Every three years, the assessment shall be supported by an external facilitator. The external facilitator can be any independent third party such as, but not limited to, a consulting firm, academic institution, or professional organization.”

The Company discussed and explored possible assistance from the Nasdaq Governance Solutions for Board self-assessment and peer assessment modules, but the price quoted by the said organization was prohibitive.

With this, the Company undertakes to develop a formal self-assessment that can be used in the years to come.

#### **Item 16. Matters Not Required to be Submitted**

There are no matters or actions to be taken up in the Meeting that will not require the vote of the stockholders as of the record date.

#### **Item 17. Amendment of Charter, By-Laws, or Other Documents**

There are no matters or actions to be taken up in the Meeting that is related to amendment of Charter, By-Laws, or Other Documents.

#### **Item 18. Other Proposed Action**

##### **(a) Ratification of the acts of the Board of Directors and Officers**

Major acts of the board of directors, board committees and officers to be ratified in the forthcoming Meeting of the stockholders.

- i. Election of the Chairman, Vice Chairman, Chairpersons and Members of Board Committees, Officers and Chairpersons and Members of Management Committees;
- ii. Election of Edmundo C. Medrano as President of the Company effective on June 30, 2023;
- iii. Authorizing the Company to borrow, apply for, negotiate and/or secure a loan and/or other credit accommodations and facilities from Union Bank of the Philippines (UBP) and naming the Company’s authorized signatories;
- iv. Appointment of the members of the Board of Directors of One Balete Condominium Corporation (formerly Andrea North Condominium Project) for 2023 to 2024 in accordance with the Master Deed and Declaration of Restrictions of the One Balete Condominium Project;
- v. Authorizing the Company to apply for, negotiate and obtain credit facilities, within its allowable loan line, from Rizal Commercial Banking Corporation (RCBC) or from a car dealership for the financing of motor vehicle/s to be purchased, and naming the Company’s authorized signatories;
- vi. Authorizing the Company to enter into a Memorandum of Agreement with Rizal Commercial Banking Corporation (RCBC) covering the Salary Loan facility obtained by the Company for the benefit of its employees, and naming the Company’s authorized signatories;
- vii. Authorizing the Company to open and maintain peso/dollar acceptable third currencies savings/current/time deposit accounts and to make deposits, placements and/or investments or trusts and to avail of cash management facilities and other products / services of Union Bank of the Philippines (UBP) and naming the Company’s authorized signatories;

- viii. Authorizing the Company to (i) avail of loans/credit facilities; (ii) open and maintain deposit and investment accounts; (iii) sell and assign its receivables pursuant to its Contract to Sell (CTS) facility; (iv) enter into any contract or agreement for the purchase or sale of any currency; (v) allow acceptance of second endorsed checks; (vi) deal in financial derivatives transactions including but not limited to forward contracts, swaps, options and the like, both in local and foreign currency, covering currency, interest rate and credit risks, with Philippine Bank of Communication (PBCOM) up to the total principal amount of Pesos: Five Billion Three Hundred Million Only (₱5,300,000,000.00), Philippine Currency, or the equivalent of said amount or any portion thereof in foreign currency, and naming the Company's authorized signatories;
- ix. Authorizing the President of the Company to represent the Company and to sign singly any and all letters, documents and agreements necessary to give effect to the approval by the Board of Directors for the Company to request the Registry of Deeds of Taguig City to cause the annotation of correct and/or omitted technical description on the two transfer certificates of title covering two parcels of lands in Bonifacio Global City (BGC) that are currently registered under the name of the Company;
- x. Authorizing the Company to obtain a renewal of a Revolving Credit Line from Philippine national Bank (PNB) in such amounts and for such tenor as may be agreed upon by PNB and the Company's authorized representatives; and naming the Company's authorized signatories;
- xi. Appointment of authorized signatories for the purpose of opening accounts with various banks; represent the Company in any and all transactions with the said banks; and sign, execute and deliver the loan/credit documents, security documents, promissory notes, trust receipts, disclosure statements, affidavits, certifications, checks, withdrawal slips, drafts, bills of exchange, instructions for fund transfers, orders of payments, order of withdrawal and all other papers and documents that may be required by the banks to give effect to the said transactions.
- xii. Authorizing the Company to enter into a Memorandum of Agreement with China Bank Savings (CBS) covering the Salary Loan facility obtained by the Company for the benefit of its employees, and naming the authorized signatories;
- xiii. Authorizing the Company to sell its two (2) parcels of land in San Juan, La Union to Millennium Properties & Brokerage, Inc. subject to the terms and conditions that may be determined by Management to be in the best interest of the Company, and naming the authorized signatories;
- xiv. Authorizing the Company to open a trust account with Philippine Bank of Communications - Trust and Wealth Management Group (PBCOM-TWMG); and to appoint PBCOM-TWMG as Escrow Agent to hold, manage and administer the escrow fund that will serve as socialized housing compliance, subject to the terms and conditions agreed between the Company and PBCOM-TWMG; and appointment of any two (2) Class "A" signatories of the Company or any one (1) and naming the authorized signatories;
- xv. Authorizing the Company to apply for, negotiate and obtain credit facilities, within its allowable loan line, from Philippine National Bank (PNB) or from a car dealership for the financing of motor vehicle/s to be purchased, and naming the Company's authorized signatories;
- xvi. Approval of the holding of the Annual Stockholders Meeting for 2024, approval of the date, time, venue, record date, and closing date of the stock and transfer book for the 2024 Annual Stockholders' Meeting of the Company;
- xvii. Approval of the 2023 Audited Financial Statements (AFS) of the Company and authorizing the Company's designated officers to execute, sign and deliver the



Statement of Management's Responsibility for the Financial Statements, the Statement of Management Responsibility for the Annual Income Tax Return, the Management Representation Letter, and other relevant documents for the issuance of the Company's 2023 AFS ;

- xviii. Retention of the Company's Lead Independent Director Renato G. Nuñez for his meritorious services and significant contributions to the Company subject to the approval of the shareholders in the coming Annual Stockholders' Meeting;
- xix. Approval of the formation or incorporation of a wholly owned subsidiary that, shortly after incorporation, will issue shares in favor of the Company in exchange for Lot 4 Block 8 located at the corner of 6<sup>th</sup> Avenue and 25<sup>th</sup> Street, Bonifacio Global City, Taguig City, containing an area of 1,600 sq.m. more or less;
- xx. Appointment of the members of the Board of Directors of One Balete Condominium Corporation (formerly Andrea North Condominium Project) for 2024 to 2025 in accordance with the Master Deed and Declaration of Restrictions of the condominium project;

## Item 19. Voting Procedures

Voting in the 2024 ASM will be conducted virtually. The procedures for registration, participation and voting in the 2024 Annual Stockholders Meeting of the Company are detailed in “**ANNEX F**” of the Information Statement.

In the election of directors, the (11) nominees with the greatest number of votes will be elected directors. If the number of nominees for election as directors does not exceed the number of directors to be elected, the Secretary of the Meeting shall be instructed to cast all votes represented at the Meeting equally in favor of all such nominees.

For corporate matters that will be submitted for approval and for such other matters as may properly come before the Meeting, a vote of the majority of the shares present at the Meeting is necessary for their approval.

All agenda items indicated in the Notice of Meeting will be included in the Online Stockholder Voting System and the registered stockholder may vote as follows:

- i. For items other than election of the Directors, the stockholder may vote: “For”, “Against”, or “Abstain”. The vote shall be considered as cast for all the stockholder’s shares.
- ii. For the election of Directors, the stockholder may vote for all the nominees, not vote for any of the nominees, or vote for some of the nominees only, in such number of shares as the stockholder may see fit, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of Directors to be elected.

The Company undertakes to provide, free of charge, the Annual Report on SEC Form 17-A and SEC Form 17-Q ending March 31, 2024, should the stockholder request for one. The written request should be forwarded by mail to Atty. Rex P. Bonifacio, Corporate Secretary, Philippine Realty and Holdings Corporation at Pastelero Law Office, Unit E-1503, 15<sup>th</sup> Floor, East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, or via email at [corporatesecretary@philrealty.com.ph](mailto:corporatesecretary@philrealty.com.ph). At the discretion of management, a charge may be made for exhibits, provided such charge is limited to reasonable expenses incurred by the registrant in furnishing such exhibits.

**This information statement and the Annual Report in SEC Form 17-A will also be posted at the Company’s website at <http://www.philrealty.com.ph/>**

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, and based on available records, I certify that the information set forth in this report is true, complete, and correct. This report is signed in the City of Pasig on May 29, 2024.

**PHILIPPINE REALTY AND HOLDINGS CORPORATION**

Issuer

  
ATTY. REX P. BONIFACIO  
Corporate Secretary

## ANNEX “A”

### DIRECTORS AND KEY OFFICERS (as of December 31, 2023)

The write-ups below include positions held as of December 31, 2023 and in the past five years, and personal data as of December 31, 2023 of directors and executive officers.

#### Board of Directors

Gerardo Domenico Antonio V. Lanuza*	Chairman
Renato G. Nuñez	Vice-Chairman / Independent Director
Gerardo O. Lanuza, Jr.	Chairman Emeritus
Antonio O. Olbes	Vice-Chairman Emeritus
Edmundo C. Medrano*	Member
Gregory G. Yang	Member
Andrew C. Ng	Member
Amador C. Bacani	Member
Jomark O. Arollado	Independent Director
Alfonso Martin E. Eizmendi	Independent Director
Chiara Rosario Julia L. Paredes	Member

*\* On February 21, 2023, the Board of Directors approved the resignation of Mr. Alfredo S. Del Rosario, Jr. as Director and President and Chief Executive Officer for health reasons effective February 28, 2023. On the same date, Mr. Gerardo Domenico Antonio V. Lanuza was elected as President to serve the unexpired term of Mr. Del Rosario Jr. On 30 June 2023, Mr. Edmundo C. Medrano was elected President.*

#### **Gerardo Domenico Antonio V. Lanuza / 40 – Filipino**

Chairman of the Board of Philippine Realty and Holdings Corporation since June 2019 and a member of the Board of Directors since January 2009. He was Executive Vice President and Chief Operating Officer of Philippine Realty and Holdings Corporation from 2014 to 2019 and was Vice President for Special Projects in 2010. He is a director at various companies such as Greenhills Properties Inc., A Brown Co. Inc., Klassik Motors Corp., and Campos, Lanuza & Co. Inc., where he also serves as the Vice President for Sales. He earned his Bachelor of Science degree in Legal Management at the De La Salle University, Manila in 2006.

#### **Renato G. Nuñez / 54 (Independent Director) - Filipino**

Vice-Chairman and Independent Director of Philippine Realty and Holdings Corporation since 2015. Mr. Nuñez is also the current Chairman and Independent Director of PRHC Property Managers Inc. He was the President of CATS Motors, Inc. until June 30, 2023. He is currently the President of Techglobal Data Center, Inc., Techzone Philippines, Inc., LIA Philfoods, Inc., and Everland Estate Development Corp. Moreover, he is also a current Director of All British Cars, Inc., Cambie Property, Inc. Coventry Motors Corp., and Total Consolidated Asset Management, Inc. Previously, he served as Vice President of Leisure & Resorts World Corp., as well as Midas Hotel & Casino. He was once the Managing Director of Blue Chip Gaming & Leisure Corp., Vice President and Director of AB Leisure Global, Inc., President of Arwen Gaming & Leisure Specialist, Inc., Vice President for Finance of Binondo Leisure and Resort Corp., and Vice President of AB Leisure Exponent, Inc. He completed his BS Industrial

Management Engineering degree Minor in Mechanical Engineering at De La Salle University in 1991.

**Gerardo Lanuza, Jr. / 77 – Spanish / Filipino**

Chairman Emeritus of the Board of Philippine Realty and Holdings Corporation. Mr. Lanuza has been a Director of Philippine Realty and Holdings Corporation since 1981. He is the Chairman and President of Greenhills Properties Inc. He sits as a Director in the following corporations: Gerzon Management Corporation, Broadford Property Holdings Inc., Merdom Corporation, Al Husn Manila, Inc., Domera Trading Corporation, Chiamil Trading Corporation, Nicora Trading Corporation, Xcell Property Ventures Inc., Julnad Assets Holdings Inc., Mernic Assets Holdings Inc., La Bodequita del Medio Inc., Merlan Holdings Inc., Peridot Asset Holdings Inc., Penzance Properties Holdings Corporation, Ju-Lan Assets Holdings Co. Inc., and Stonehaven Realty Services Inc. He is the nominee of Campos Lanuza & Co. Inc. to the Philippine Stock Exchange. He also serves as Treasurer of Lanuza Asset Holding Co. He was formerly Chairman of International Exchange Bank (IBank), Vice Chairman of Philippine Racing Club Inc., Vice President and Director of Makati Stock Exchange, Inc. and Director of Vulcan Industrial & Mining Corporation, Golden Arrow Mining Co., Inc., Apex Mining Co. Inc., Concrete Aggregates Corp., Philippine Overseas Drilling and Oil Development Corp., Surigao Consolidated Mining Co., Inc. and A Brown Company, Inc. He is a member of the Pasay-Makati Realtors Board, Inc. and Chamber of Real Estate and Builders Association, Inc. He graduated from De La Salle College with a degree in Bachelor of Science in Mechanical Engineering in 1969.

**Antonio O. Olbes / 77 - Filipino**

Vice-Chairman Emeritus of the Philippine Realty and Holdings Corporation. Mr. Olbes has been a Director of RLT since 1986. He had previously served as Chairman and President of Meridian Assurance Corp. from 1994-2008, and President of Raco Trading Phils., Inc. He was formerly a manager at Sycip, Gorres, Velayo & Co., and was Executive Vice President, in charge of trading, at Francisco de Asia and Co. He held a number of directorships, which includes seats in the following groups: PRHC Property Managers, Inc., Greenhills Properties Inc. (Treasurer), Universal Travel Corporation (Vice-Chairman), ICON Tower Residences, Green Vista Development Corporation, SEBLO Business Holdings Corporation, and Xcell Property Ventures Inc.. He has also been named Honorary Consul General (in the Philippines) for the Republic of Nicaragua. He earned his Bachelor of Arts degree in Economics at Holy Cross College, Massachusetts, USA, and his master's degree in business administration from Bobson College, Massachusetts, USA. He completed his Advanced Management Program at Oxford University, United Kingdom, in July 1995.

**Edmundo C. Medrano / 70 – Filipino**

Mr. Medrano, a Director of Philippine Realty and Holdings Corporation since June 2019. He was appointed as President of the Company on June 30, 2023. He was elected in 2018 as an Independent Director at Credit Information Corporation representing the private sector and Chairman of its Audit Committee. He is currently a member of the Board of Directors of PRHC Property Managers, Inc., Casa Miguel Condominium Corporation, Universal Travel Corporation, Sultan's Power Inc. and Recon-X Energy Corporation. He previously held the positions of Executive Vice President at Philtrust Bank; Vice Chairman, President and Chief Operating Officer at Producers Savings Bank Corporation; Senior Vice President at Asiatruster Development Bank; Senior Vice President at AB Capital and Investment Corporation and Head

of Investment Banking and concurrently General Manager of AB Leasing and Finance Corporation; and First Vice President at AsianBank Corporation. He took his Master of Business Management at the Asian Institute of Management from 1974 to 1976. He graduated from De La Salle College with a Degree of Bachelor of Science in Commerce major in Accounting in 1974, *Cum Laude*, and Bachelor of Arts major in Economics in 1974, *Cum Laude*.

**Gregory G. Yang / 67 – Filipino**

Mr. Yang has been a member of Board of Directors of RLT since August 2009. Formerly Senior Vice President and General Manager of the operating company, McGeorge Food Industries (local licensee of McDonald's). He opened the first McDonald's in 1981, having trained in Hong Kong and USA for one year and earning a degree in hamburgerology from McDonald's Hamburger University. His previous work experience includes serving as Assistant Manager of the International Corporate Bank, from 1978 to 1980, and Account Officer at the Makati Leasing and Financing Corporation from 1976 to 1978. He graduated from University of the Philippines in 1976 with a BS Business Administration degree.

**Andrew C. Ng / 40 – Filipino**

Mr. Ng was first elected as Director of RLT on August 2009. He is Vice President of Alpha Alleanza Manufacturing, Inc. Philippines since 2009. He was formerly the Assistant Operations Manager Trainee of Pinncale Foods, Inc., Philippines, serving from 2005 to 2009, and was a Management Trainee at Procter & Gamble Philippines in 2004. He earned his Bachelor of Science degree in Industrial Engineering at De La Salle University, Manila in 2005.

**Amador C. Bacani / 75 – Filipino**

Mr. Bacani has served as a Director of RLT since 1998. He was formerly the President of Philippine Realty and Holdings Corporation from 2002 to 2014. He also worked in the same Company as Executive Vice President from 1995 to 2002. He is currently the President of Xcell Property Ventures, Inc. (a joint venture partner of the Company). Previously, he was First Vice President and Head of Consumer Banking Group of Rizal Commercial Banking Corporation and served as First Vice President & Head of Branches Operations Support Division as well. He held several other high-level positions in Campos, Lanuza & Co. Inc., Decision Systems Corporation, Security Bank and Trust Company, Allied Banking Corporation, Asian Merchant Finance Inc., Bank of the Philippine Islands, Citibank, N.A. (Manila), and Procter & Gamble Phils., Inc. He graduated with a Bachelor of Science degree in Mechanical Engineering, ***Summa Cum Laude***, from De La Salle College in 1969, and earned his Master of Science in Industrial Administration degree at the Carnegie-Mellon, USA, in 1972.

**Jomark O. Arollado / 40 (Independent Director) – Filipino**

Mr. Arollado has been an Independent Director of RLT since June 2017. Served as Plant Manager and Strategic Business Unit ("SBU") Head of Rapid Forming Corporation since 2013. Previously, he was also a Plant Manager of Silangan Philtrade Corporation, serving from 2011 to 2012. His first professional stint at Rapid Forming Corporation was in 2006 as the SBU head. Prior, he worked as the ISO Document Controller at SGV & Co. in 2004. He graduated with a Bachelor of Science degree in Industrial Engineering at Dela Salle University Manila in 2005.

### **Alfonso Martin E. Eizmendi / 59 (Independent Director) - Filipino**

Mr. Eizmendi has been an Independent Director of RLT since June 2017. President and CEO of Royal Link Industries Inc., Yields Financial Corporation, Park Cent Tower Realty Corp., and WGP Villa Realty Corp. Aside from Philippine Realty and Holdings Corp., he is also a Director of Meridian Assurance Corp. Secret 6 Inc., CleanPro, Director and President of The Icon Plaza Condominium Corp., Frimar Realty and Frimar USA. He was formerly the Vice-Chairman of Vi@je Corp. from 2000 to 2001, and Chairman of Blue Star Insurance Brokerage from 1998 to 2001. He graduated from De La Salle University in 1986 with a bachelor's degree in Political Science.

### **Chiara Rosario Julia L. Paredes /33 (Director) - Filipino**

Ms. Paredes was elected as Director in the June 30, 2023 annual stockholders meeting. She is currently a member of the Board of Director of Recon-X Energy Corporation and Vice President of Sultan's Power Inc. She is currently a Research Assistant at De La Salle University and she was an Assistant Instructor in the same university. She graduated with a Bachelor of Science in Physics with Specialization in Materials Science, ***Summa Cum Laude***, from De La Salle University in 2013, and earned her Master of Science in Physics at De La Salle University in 2016. She finished her Doctoral degree (Doctor of Philosophy in Physics) from De La Salle University in 2022.

### **Key Executive Officers**

Gerardo Domenico Antonio V. Lanuza	Chairman and President <sup>1</sup>
Alfredo S. Del Rosario Jr.	Director, President and Chief Executive Officer <sup>2</sup>
Edmundo C. Medrano	Director and President <sup>3</sup>
Erwin V. Ciar	Vice President and Head, Project Construction and Management
Adeline Susan C. Carag	Vice President and Head, Property Management Services
Carlos Miguel T. Paca	Vice President and Head, Business Development and Investment Relations Officer
Richard Nicolas K. Go	Vice President and Head, Sales
Marissa S. Bontogon	Vice President and Treasurer and Risk Officer
Atty. Rex P. Bonifacio	Corporate Secretary
Mark Anthony M. Ramos	Vice President and Controller and Compliance Officer

<sup>1</sup> Elected as President effective March 1, 2023, to serve concurrently as Chairman of the Board

<sup>2</sup> Resigned as Director, President, and Chief Executive Officer effective February 28, 2023

<sup>3</sup> Elected as President effective June 30, 2023.

**Erwin V. Ciar / 49 – Filipino**

Vice President and Head, Project Construction and Management of Philippine Realty and Holdings Corporation since September 2014. He is a Director, and the President, of Charcoal Food Services Inc. He is also Member of Board of Directors and Treasurer of PRHC Property Managers Inc. He is a Director at Andrea North Condominium Corporation, and Recon-X Energy Corporation. Mr. Ciar has extensive work experience for twenty-three years in the fields of project and construction management, construction supervision and contract management. He was the Vice Director for PCMD at Bitexco Group of Companies from 2008 to 2014. He graduated from the Pamantasan ng Lungsod ng Maynila in 1996 with a Bachelor of Science Degree in Civil Engineering.

**Adeline Susan C. Carag / 66 – Filipino**

Ms. Carag is currently Vice President and Head, Property Management Services of Philippine Realty and Holdings Corporation. She held this position since November 2016. She was formerly the President of PRHC Property Managers Inc. She graduated from Eulogio “Amang” Rodriguez Institute of Science and Technology (**EARIST**) in 1978 with a degree of Bachelor of Science in Chemical Engineering and Bachelor of Science in Industrial Education.

**Carlos Miguel T. Paca / 49 – Filipino**

Mr. Paca concurrently holds the positions of Vice President Head, Business Development, and Investor Relations Officer of Philippine Realty and Holdings Corporation. He held this position since March 2017. He is also the General Manager of PRHC Property Managers Inc. He also holds the position as Member of the Board of Directors of Philippine Stock Exchange Centre Condominium Corporation, Hola Comerciantes, Inc., and Meridian Assurance Corp. He graduated from De La Salle University with a degree of Bachelor of Science in Industrial Engineering with Minor in Mechanical Engineering in 1995.

**Richard Nicolas K. Go / 41 – Filipino**

Mr. Go is currently the Vice President and Head of Sales of Philippine Realty and Holdings Corporation. He held this position since June 2017. He previously worked as Sales Manager at Arthaland Corporation. He graduated from De La Salle University College of Saint Benilde in 2004 with a degree in Hotel, Restaurant and Institution Management.

**Marissa S. Bontogon / 51 – Filipino**

Vice President and Treasurer and Risk Officer of Philippine Realty and Holdings Corporation. She held her position as Vice President since August 2020 and as Treasurer and Risk Officer since June 30, 2023. She is a Certified Public Accountant and Certified Financial Consultant. She received her Bachelor of Science in Accountancy Degree from De La Salle University in 1992.

**Atty. Rex P. Bonifacio / 52 – Filipino**

Atty. Bonifacio is the current Corporate Secretary of Philippine Realty and Holdings Corporation. Concurrently, he is also the Corporate Secretary of Philippine Stock Exchange Centre Condominium Corporation and a Partner at Pastelero Law Office. He finished his Pre



law at San Sebastian College Recoletos Manila in 1992 with a degree of AB Political Science, ***Cum Laude***. In 1996, he completed his Bachelor of Laws degree in San Sebastian College of Law.

**Mark Anthony M. Ramos / 40 – Filipino**

Mr. Ramos concurrently holds the positions of Vice President and Controller and Compliance Officer. He is a Certified Public Accountant and Certified Internal Auditor. He earned his Masters in Business Administration from Ateneo Graduate School of Business. He graduated from the Philippine School of Business Administration with a Degree of Bachelor of Science in Accountancy in 2003, ***Cum Laude***.

He was appointed by the Board of Directors of Philippine Realty and Holdings Corporation for the positions of Vice President and Controller and Compliance Officer on June 30, 2023.

## ANNEX “B”

### MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Philippine Realty and Holdings Corporation (interchangeably referred to as the “**Company**” or the “**Parent Company**”) exhibited continuing profitability as seen in the Consolidated Statements of Income for the years 2021 to 2023. However, the Company reflected a consolidated net loss of ₱49 Million in the first quarter of 2024.

#### A. REVIEW OF 1<sup>st</sup> QUARTER 2024 OPERATIONS VS. 2023

##### I. REVIEW OF CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDING MARCH 31, 2024 VS. MARCH 31, 2023

For the period ended March 31 (In millions)				
	2024 (Unaudited)	2023 (Unaudited)	Change in Peso	Change in Percentage
<b>REVENUES</b>				
Sales of real estate	₱30	₱54	(₱24)	(44%)
Rent	19	16	3	19%
Management fees	11	10	1	10%
Interest income	3	7	(4)	(57%)
Commission	3	1	2	200%
Other income	1	-	1	100%
<b>TOTAL</b>	<b>67</b>	<b>88</b>	<b>(21)</b>	<b>(24%)</b>
<b>COSTS AND EXPENSES</b>				
Cost of real estate sold	11	23	(12)	(52%)
Cost of services	17	16	1	6%
General and administrative expenses	63	34	29	85%
Finance cost	23	13	10	77%
Other expenses	-	31	(31)	(100%)
Equity in net loss of associate	1	1	-	-
<b>TOTAL</b>	<b>115</b>	<b>118</b>	<b>(3)</b>	<b>(3%)</b>
LOSS BEFORE INCOME TAX	(48)	(30)	(18)	(60%)
INCOME TAX EXPENSE	1	1	-	-
<b>NET LOSS</b>	<b>(₱49)</b>	<b>(₱31)</b>	<b>(₱18)</b>	<b>(58%)</b>
OTHER COMPREHENSIVE INCOME (LOSS)	3	2	1	70%
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(₱46)</b>	<b>(₱29)</b>	<b>(₱17)</b>	<b>(58%)</b>

1. Consolidated net loss after tax. The RLT Group posted a net loss of **₱49 Million** for the three (3) months ended 31 March 2024.

The increase in the RLT Group's net loss was due to higher general and administrative expenses and lower total revenue in the first three (3) months of 2024 compared to the same period last year.

a. **Income**

- 1) **Sales of Real Estate.** Sales of Real Estate at ₱30 Million decreased by ₱24 Million or by 44% for the first three (3) months of 2024 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 19% due to the origination of new lease contracts.
- 3) **Management Fee.** This account increased by ₱1 Million or by 10% due to the generation of an additional client.
- 4) **Interest Income.** Interest Income decreased by 57% due to lower interest Income collected from buyers arising from late payments.
- 5) **Commission.** Commission increased by ₱2 Million due to higher insurance business generated for the first three (3) months of 2024.
- 6) **Other income.** This account increased by ₱1 Million due to insurance claims and rental income generated by the parent company's property management subsidiary.

b. **Costs and Expenses**

- 1) **Cost of Real Estate Sold.** The Cost of Real Estate Sold for the three (3) months ending 31 March 2024 decreased by ₱12 Million or by 52%. Cost of Real Estate Sold moves in parallel or in tandem with the movement in revenues. In 2024, Sales of Real Estate decreased compared to 2023, thus Cost of Real Estate Sold likewise decreased.

In 2024, the percentage of Cost of Real Estate Sold to Sales of Real Estate went down to 36%, compared to 42% in 2023. The decrease was due to higher sales value generated from Skyline units in 2024 compared to 2023. Skyline units have lower standard costs compared to SkyVillas units, which explains the decrease in the percentage of Cost of Real Estate Sold to Sales of Real Estate in 2024.

- 2) **General and Administrative Expenses.** General and Administrative Expenses reflected an increase of ₱29 Million or by 85% because in 2023, the Company benefitted from the one-off reversal of excess Provision for Impairment of Receivables whereas there was no such reversal in 2024.
- 3) **Finance Cost.** The increase in Interest Expense to ₱23 Million from ₱13 Million last year, or an increase of 77%, was due to the full charging in the meantime of Interest Expense to operations compared to the prior year where part of interest payments was capitalized to real estate projects considered as qualifying assets. In 2024, the adjustments on finance costs to be capitalized will be made at the end of the year.

- 4) **Other Expenses.** Other expenses decreased by ₱31 Million in 2024. This was because in 2023, there was a one-off reversal of fair value gains from certain real estate assets that were erroneously classified as Investment Properties in 2022 but were belatedly discovered in 2023 to be rightfully classified as Real Estate Inventories.
- 5) **Other Comprehensive income.** This account increased by ₱1 Million or 70%. This is primarily due to the market-to-market unrealized gains attributable to the Parent Company's stock investments.

II. **Review of Consolidated Statement of Financial Position for the Period Ending 31 March 2024 vs. 31 December 2023**

As of 31 March 2024 vs. 31 December 2023				
	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)	Change in Peso	Change in Percentage
<b>Assets</b>				
Cash and cash equivalents	₱62	₱283	(₱221)	(78%)
Financial assets	45	42	3	7%
Trade and other receivables – net	595	563	32	6%
Real estate inventories	2,074	2,074	-	-
Prepayments and other assets – net	652	463	189	41%
Investments in and advances to associates - net	56	56	-	-
Property and equipment – net	92	92	-	-
Investment properties – net	5,162	5,164	(2)	(0%)
Other Assets	269	275	(6)	(2%)
<b>TOTAL</b>	<b>₱9,007</b>	<b>₱9,012</b>	<b>(₱5)</b>	<b>(0%)</b>
<b>Liabilities</b>				
Trade and other payables	₱111	₱139	(₱28)	(20%)
Loans and Notes Payable	1,274	1,202	72	6%
Retirement benefit obligation	90	86	4	5%
Other liabilities	949	956	(7)	(1%)
<b>Total Liabilities</b>	<b>2,424</b>	<b>2,383</b>	<b>41</b>	<b>2%</b>
<b>Equity</b>				
Capital stock	5,056	5,056	-	-
Reserves	58	56	2	4%
Retained earnings	1,620	1,668	(48)	(3%)
Treasury stock	(110)	(110)	-	-
Equity attributable to non- controlling interest	(41)	(41)	-	-
<b>Total Equity</b>	<b>₱6,583</b>	<b>₱6,629</b>	<b>(₱46)</b>	<b>(1%)</b>
<b>TOTAL</b>	<b>₱9,007</b>	<b>₱9,012</b>	<b>(₱5)</b>	<b>(0%)</b>

1. **Total Assets.** The RLT Group's Total Assets stood at ₱9 Billion as of 31 March 2024, lower by ₱5 Million compared to the Total Assets reported by the Group as of 31 December 2023. The RLT Group's Real Estate Assets accounted for 80% of the Total Assets of the Group as of 31 March 2024.

**Cash and Cash Equivalents** decreased by ₱221 million or 78%. The decrease was mainly due to advance payments made to the contractors for the Parent Company's Casa UNICO Project in BGC and payments of trade and other payables.

**Financial Assets** increased by 7% attributable to the increase in Fair Market Value of the Financial Assets at Fair Value through Other Comprehensive Income.

**Trade and Other Receivables – Net** increased by ₱32 Million or by 6% due to new and additional sales generated by the Company.

**Prepayments and Other Assets** increased by 41% due to the advance payments made to contractors. These also include taxes paid that are being amortized within the year.

2. **Total Liabilities.** Total Liabilities as of 31 March 2024 increased by ₱41 Million or by 2% compared to 31 December 2023. The increase in Total Liabilities came from the new bank loans by the Parent Company for the construction and development of its Casa UNICO Residential Project in the BGC, but which was somehow offsetted by the decrease in the Group's trade and other payables.

**Trade and other payables** decreased by ₱28 Million or 20% due to the payments made to suppliers and contractors.

**Loans and Notes Payable** increased by 6% due to the additional loans availed by the Parent Company for the construction and development of its Casa UNICO Residential Project in the BGC during the period.

3. **Total Equity.** Total Equity as of 31 March 2024 decreased by ₱46 Million compared to 31 December 2023. This is attributable to the net comprehensive loss incurred by the Group amounting to ₱46 Million as of 31 March 2024.

### III. Performance Indicators

The table below presents the comparative performance indicators of the RLT Group as of 31 March 2024 compared to 31 December 2023.

Performance Indicators	31 March 2024 Unaudited	31 December 2023 Audited
Current ratio <sup>1</sup>	3.43:1	3.52:1
Debt-to-equity ratio <sup>2</sup>	0.37:1	0.36:1
Asset-to-equity ratio <sup>3</sup>	1.37:1	1.36:1
Book value per share <sup>4</sup>	₱0.75	₱0.75
Earnings per share <sup>5</sup>	(₱0.02)	₱0.01

<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 continuing conservative stance of the RLT Group in terms of the Group's liquidity and solvency positions. 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 conservative solvency position and low debt level.

1. **Current Ratio.** The Group's Current ratio remained at a very conservative and acceptable level at 3.43:1 despite a slight deterioration from 3.52:1 as of 31 December 2023.
2. **Debt-to-Equity Ratio.** Similarly, the RLT Group's Debt-to-Equity Ratio remained very conservative at 0.37:1 for the period under review.
3. **Asset-to-Equity Ratio.** The Asset-to-Equity Ratio for the period under review reflected slight improvement at 1.37:1.
4. **Book Value per Share.** The performance of the Company's Book Value per Share has also been steady at ₱0.75 per share.

There are no known events, trends or uncertainties that have material impact on liquidity and will trigger direct or contingent financial obligations including any default or acceleration of an obligation for the three months ended period March 31, 2024. Moreover, for this period there is also no known material:

- i. Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons;
- ii. Commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures;
- iii. Events, trends or uncertainties that have material impact on Sales;
- iv. Any significant elements of income or loss that did not arise from the registrant's continuing operations;
- v. Seasonal Aspects that have material effect on the financial statements.

## B. REVIEW OF 2023 OPERATIONS VS. 2022

### I. REVIEW OF CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDING DECEMBER 31, 2023 VS. DECEMBER 31, 2022

For the years ended December 31 (In millions)				
	2023 (Audited)	2022 (Audited)	Change in Peso	Change in Percentage
<b><u>Revenue</u></b>				
Sales of real estate	₱175	₱225	(₱50)	(22%)
Rent	65	56	9	16%
Management fees	41	35	6	17%
Interest income	14	16	(2)	(13%)
Commission	5	6	(1)	(17%)
Other income	427	540	(113)	(21%)
<b>TOTAL</b>	<b>727</b>	<b>878</b>	<b>(151)</b>	<b>(17%)</b>
<b><u>Costs and Expenses</u></b>				
Cost of real estate sold	90	106	(16)	(15%)
Cost of services	75	63	12	19%
General and administrative	308	339	(31)	(9%)

For the years ended December 31 (In millions)				
	2023 (Audited)	2022 (Audited)	Change in Peso	Change in Percentage
Finance cost	70	64	6	9%
Equity in net loss of associates	2	1	1	100%
Other expenses	5	0	5	100%
<b>TOTAL</b>	<b>550</b>	<b>573</b>	<b>(23)</b>	<b>(4%)</b>
INCOME BEFORE INCOME TAX	177	305	(128)	(42%)
INCOME TAX EXPENSE	64	125	(61)	(49%)
<b>NET INCOME</b>	<b>₱113</b>	<b>₱180</b>	<b>(₱67)</b>	<b>(₱37%)</b>
OTHER COMPREHENSIVE INCOME (LOSS)	(9)	13	(22)	(169%)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱104</b>	<b>₱193</b>	<b>(₱89)</b>	<b>(46%)</b>

1. **Consolidated net income after tax.** Philippine Realty and Holdings Corporation posted net income after tax of **₱113 Million** for the 12 months ended December 31, 2023 compared to **₱180 Million** net income after tax for the same period last year. The decrease in the Company's profitability is explained below.

a. **Income**

1. **Sales of real estate.** The sales of real estate decreased by **₱50 Million** or by **22%** for the 12 months ended December 31, 2023 compared to the sales of real estate for the same period in 2022. Sales of real estate pertain to units sold at the Skyline and SkyVillas Towers located in Quezon City, and at The Icon Plaza located in Bonifacio Global City.
2. **Rent.** Rental Income increased by **₱9 Million** or **16%** due to improving lease rates and origination of new lease contracts.
3. **Management fees.** Property management fees increased by **₱6 Million** or by **17%** due to the increase in the number of clients of PRHC Property Managers, Inc. (**PPMI**).
4. **Interest income.** Interest income decreased by **13%** due to lower interest and penalties collected in 2023 from buyers due to late payments compared to last year.
5. **Commission income.** Commission income decreased by **₱1 Million** or **17%** due to the decrease in clients by the Company's Insurance brokerage firm.
6. **Other income.** Other income for the twelve months ended December 31, 2023 decreased by **₱113 Million** or by **21%** compared to the twelve months ended December 31, 2022. Other income consists largely of Gain on Fair Value Changes in Investment Properties that decreased by **₱258 Million** in 2023 or by **50%** compared to 2022. Investment Properties consist largely of land, commercial, office, storage condominium units as well as office and residential parking spaces held to earn rentals or for capital appreciation (or both). The Group's properties that are located in the Tektite Towers, a vacant lot in the Bonifacio Global City (**BGC**), residential and office/commercial units in The Icon Plaza located in the BGC, The El Retiro

Mansion in Baguio City, and commercial lots in San Fernando City, La Union, are classified as Investment Properties.

In 2023, the Parent Company sold an Investment Property in La Union that generated a Gain on sale amounting to ₱128 Million.

**b. Costs and Expenses**

1. **Cost of real estate sold.** In terms of percentage to Sales of Real Estate, Cost of Real Estate Sold increased to 52% in 2023, whereas it was at 47% of Sales of real estate for the same period in 2022.
2. **Cost of services.** The Cost of Service increased to ₱75 Million from ₱63 Million for the same period last year due to higher expenses incurred by the Parent Company and its property management subsidiary such as condominium dues, Real property taxes, and Other costs in the year 2023.
3. **General and administrative expenses.** General and Administrative Expenses decreased by ₱31 Million or by 9%, mainly due to a ₱25 Million decrease in Provision for Impairment Loss on Trade and Other Receivables.
4. **Finance cost.** The ₱6 million increase in Finance Cost was due to full charging of Interest Expense to operations compared to previous years where part of interest payments was capitalized to real estate projects considered as qualifying assets.
5. **Equity in net loss of associates.** The 100% increase was due to the increase in the Net Loss from operations of the Parent Company's Associate Company.
6. **Other expenses.** The ₱5 Million increase in Other Expenses is explained by the loss on repossession of real estate properties recorded in 2023.
7. **Income Tax expense.** The decrease in Income Tax Expense by ₱61 Million was due to the reduction in taxable income in 2023.
8. **Other Comprehensive income (loss).** The decrease was due to remeasurement loss on retirement benefit obligations on the Group's Retirement Fund.

**a. Subsidiaries.**

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

1. **PRHC Property Managers, Inc. (PPMI).** The Parent Company's property management subsidiary registered a Total Comprehensive loss of ₱1.9 Million for the twelve months ended December 31, 2023. It is lower by ₱10.7 Million compared to the Total Comprehensive income of ₱8.8 Million registered by PPMI for the same period last year.



2. **Tektite Insurance Brokers, Inc. (TIBI).** The Group's insurance brokerage firm posted a Total Comprehensive Income of ₱0.27 Million for the twelve months ended December 31, 2023, which is lower by ₱0.73 Million compared to the ₱0.999 Million Total Comprehensive income registered by TIBI for the same period last year.

## II. REVIEW OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDING DECEMBER 31, 2023 VS. DECEMBER 31, 2022

As of December 31 (In millions)				
	2023 (Audited)	2022 (Audited)	Change in Peso	Change in Percentage
<b>Assets</b>				
Cash and cash equivalents	₱283	₱164	₱119	73%
Financial assets	42	43	(1)	(2%)
Trade and other receivables – net	563	542	21	4%
Real estate inventories	2,074	2,086	(12)	(1%)
Prepayments and other assets – net	463	413	50	12%
Investments in and advances to associates - net	56	58	(2)	(3%)
Property and equipment – net	92	60	32	53%
Investment properties – net	5,164	4,927	237	5%
Other Assets	275	300	(25)	(8%)
<b>TOTAL ASSETS</b>	<b>₱9,012</b>	<b>₱8,593</b>	<b>₱419</b>	<b>5%</b>
<b>Liabilities</b>				
Trade and other payables	₱139	₱195	(₱56)	(29%)
Loans and Notes Payable	1,202	894	308	34%
Retirement benefit obligation	86	67	19	28%
Other liabilities	956	911	45	5%
<b>TOTAL</b>	<b>2,383</b>	<b>2,067</b>	<b>316</b>	<b>15%</b>
<b>Equity</b>				
Capital stock	5,056	5,056	-	0%
Reserves	56	66	(10)	(15%)
Retained Earnings	1,669	1,556	113	7%
Treasury Stock	(110)	(110)	-	0%
<b>Equity attributable to equity holders of the parent</b>	<b>6,671</b>	<b>6,568</b>	<b>103</b>	<b>2%</b>
Minority interest	(42)	(42)	-	0%
<b>TOTAL</b>	<b>₱6,629</b>	<b>₱6,526</b>	<b>₱103</b>	<b>2%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱9,012</b>	<b>₱8,593</b>	<b>₱419</b>	<b>5%</b>

1. **Total assets.** The Group's Total assets stood at ₱9.0 Billion as of December 31, 2023, higher by ₱419 Million compared to the ₱8.6 Billion level of Total assets as of December 31, 2022.

**Cash and cash equivalents** increased by ₱119 Million due to the combined effects of additional loans availed and proceeds from sale of Investment properties in the remaining days of 2023.

**Prepayments and Other Assets** increased by 12% due to taxes and advance payments to contractors.

**Property and Equipment** increased by 53% due to the acquisition of new transportation vehicles in 2023.

**Investment properties** increased by ₱237 Million or from ₱4.9 Billion in 2022 to ₱5.2 Billion in 2023 largely due to recognition of Gain on Fair Value on the Parent Company's existing Investment Properties.

**Other assets** decreased by 8% due to various adjustments made pertaining to the adoption of new accounting standards.

2. **Total liabilities.** Total liabilities increased by ₱316 Million largely due to additional loans acquired by the Parent Company and increase in Deferred tax liabilities arising from fair value gains on Investment properties.

**Trade and other payables** decreased by ₱56 Million due to payments made to several suppliers and contractors.

**Loans and notes payable** increased by 34% because of additional Loans availed by the Parent Company in the year 2023.

**Retirement benefit obligation** increased to ₱86 Million from ₱67 million due to the increase in the present value of the defined retirement benefit obligation.

**Other Liabilities** are comprised of Lease Liability and Deferred Tax Liability. The increase was due to higher Deferred tax liabilities because of the recognition of Gain on Change in Fair Value of the Group's Investment Properties.

3. **Total Equity.** Total equity was recorded at ₱6.63 Billion as of December 31, 2023, higher by ₱103 Million compared to ₱6.53 Billion as of December 31, 2022.

**Reserves** decreased by 15% due to lower market value in 2023 of the Parent Company's investments classified as Financial Asset Through Other Comprehensive Income, compared to 2022.

**Retained Earnings** increased by ₱113 Million due largely to the Net Income reported by the Parent Company.

### III. Performance Indicators

The table below presents the comparative performance indicators of the Company and its subsidiaries.

Performance Indicators	31 December 2023 Audited	31 December 2022 Audited
Current ratio <sup>1</sup>	3.52:1	3.61:1
Debt-to-equity ratio <sup>2</sup>	0.36:1	0.32:1
Asset-to-equity ratio <sup>3</sup>	1.36:1	1.32:1
Book value per share <sup>4</sup>	₱0.76	₱0.75
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 consistent favorable performance of the RLT Group in terms of solvency, liquidity, and profitability. The steady performance of debt-to-equity ratios and asset-to-equity ratios of the RLT Group for the periods under review demonstrate that the Parent Company's real estate business is currently being managed prudently.

1. **Current ratio.** The Group's current ratio remains healthy despite showing a decrease from 3.61:1 in December 2022 to 3.52:1 in December 2023.
2. **Debt-to-equity ratio.** The RLT Group's debt-to-equity ratio remained acceptable and very conservative at 0.36:1 as of end-2023 and 0.32: 1 as of end-2022.
3. **Asset-to-equity ratio.** Similarly, the asset-to-equity ratio of the Company also remained very conservative at 1.36:1 in December 2023 from 1.32:1 as of December 2022.
4. **Book value per share.** The performance of the RLT Group's Book value per share has also been a very encouraging as it showed increase from ₱0.75 per share as of end-December 2022 to ₱0.76 per share as of 31 December 2023.

There was no issuance, repurchase or payment/repayment of either debt and equity securities nor dividends during the year 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.

5. **Earnings per share.** The RLT Group's Earnings per share remained at ₱0.01 in year 2023.

There are no known events, trends or uncertainties that have material impact on liquidity and will trigger direct or contingent financial obligations including any default or acceleration of an obligation for the twelve months ended period December 31, 2023.

Moreover, for this period there is also no known material:

- vi. Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons;
- vii. Commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures;
- viii. Events, trends or uncertainties that have material impact on Sales;
- ix. Any significant elements of income or loss that did not arise from the registrant's continuing operations;
- x. Seasonal Aspects that have material effect on the financial statements.

## C. REVIEW OF 2022 OPERATIONS VS. 2021

### I. REVIEW OF CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDING DECEMBER 31, 2022 VS. DECEMBER 31, 2021

For the years ended December 31 (In millions)				
	2022 (Audited)	2021 (Audited)	Change in Peso	Change in Percentage
<b>Revenue</b>				
Sales of real estate	₱225	₱154	₱71	46%
Rent	56	55	1	2%
Management fees	35	37	(2)	(5%)
Interest income	16	17	(1)	(6%)
Commission	6	5	1	20%
Other income	541	637	(96)	(15%)
<b>TOTAL</b>	<b>879</b>	<b>905</b>	<b>(26)</b>	<b>(3%)</b>
<b>Costs and Expenses</b>				
Cost of real estate sold	106	113	(7)	(6%)
Cost of services	63	69	(6)	(9%)
General and administrative	336	304	32	10%
Finance cost	64	71	(7)	(10%)
Equity in net loss of associates	1	4	(3)	(75%)
Other expenses	3	91	(88)	(97%)
<b>TOTAL</b>	<b>573</b>	<b>652</b>	<b>(79)</b>	<b>(12%)</b>
INCOME BEFORE INCOME TAX	306	253	53	21%
INCOME TAX EXPENSE	125	60	65	108%
<b>NET INCOME</b>	<b>₱181</b>	<b>₱193</b>	<b>(₱12)</b>	<b>(6%)</b>
OTHER COMPREHENSIVE INCOME	13	11	2	18%
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱194</b>	<b>₱204</b>	<b>(₱10)</b>	<b>(5%)</b>

1. **Consolidated net income after tax.** Philippine Realty and Holdings Corporation posted net income after tax of **₱181 Million** for the 12 months ended December 31, 2022 compared to **₱193 Million** net income after tax for the same period last year. The decrease in the Company's profitability is explained below.

#### 1. Income

1. **Sales of real estate.** The sales of real estate increased by **₱71 Million** or by **46%** for the 12 months ended December 31, 2022 compared to the sales of

real estate for the same period in 2021. Sales of real estate pertain to units sold at the Skyline and SkyVillas Towers located in Quezon City, and at The Icon Plaza located in Bonifacio Global City.

2. **Management fees.** Property management fees decreased by ₱2 million or by 5% due to the decrease in the number of clients of PRHC Property Managers, Inc. (PPMI).
3. **Interest income.** Interest income decreased by 6% due to lower interest income and penalties collected in 2022 from buyers due to late payments compared to last year.
4. **Commission income.** Commission income increased by ₱1 Million or 20% due to an increase in clients by the Company's insurance brokerage firm.
5. **Other income.** Other income for the twelve months ended December 31, 2022 decreased by ₱96 Million or by 15% compared to the twelve months ended December 31, 2021. Other income consists largely of Gain on fair value changes in Investment Properties that decreased by ₱92 Million in 2022 or by 15% compared to 2021. Investment Properties consist largely of land, commercial, office, storage condominium units as well as office and residential parking spaces held to earn rentals or for capital appreciation, or both. The Group's properties located in the Tektite Towers (formerly Philippine Stock Exchange Centre), a vacant lot in the Bonifacio Global City (BGC), residential and office/commercial units in The Icon Plaza located in the BGC, The El Retiro Mansion in Baguio City, and commercial lots in San Fernando City, La Union, are classified as Investment Properties.

## 2. **Costs and Expenses**

1. **Cost of real estate sold.** In terms of percentage to Sales of real estate, Cost of real estate sold decreased to 47% in 2022, whereas it was at 73% of Sales of real estate for the same period in 2021. The 6% decrease was attributed to lower standard cost applied to the units sold in year 2022.
2. **Cost of services.** The cost of service decreased to ₱63 Million from ₱69 Million from the same period last year due to lower expenses such as Condominium dues, Real property taxes, and Other costs in the year 2022.
3. **General and administrative expenses.** General and administrative expenses increased by ₱32 Million or by 10%, mainly due to the ₱19 Million increase in Taxes and licenses.
4. **Finance cost.** The ₱7 million decrease in Finance Cost was due to lower finance cost charged to operations in 2022.
5. **Equity in net loss of associates.** The 75% decrease was due to the decrease in the Net Loss from operations by one of the Parent Company's Associate companies.
6. **Other expenses.** The ₱88 million decrease in Other Expenses is explained by

the reversal of the ₱89 million Gain on Sale of an Investment Property booked in 2014 due to the cancellation of the said installment sale transaction.

7. **Income Tax expense.** The increase in Income Tax Expense by ₱65 Million was due to the reduction in the income tax rate under the CREATE Act from 30% to 25% the full adjustments on which, affecting prior years, were made in 2021. The Group also reflected the impact of the changes in tax rates on its Deferred tax assets and Deferred tax liabilities in 2021.
3. **Other Comprehensive income.** The increase was due to remeasurement gain on retirement benefit obligation on the Group's Retirement Fund.
4. **Subsidiaries.**

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

1. **PRHC Property Managers, Inc. (PPMI).** The Parent Company's property management subsidiary registered a Total Comprehensive income of ₱8.8 Million for the twelve months ended December 31, 2022. It is higher by ₱11.7 Million compared to the Total Comprehensive loss of ₱2.1 Million registered by PPMI for the same period last year.
2. **Tektite Insurance Brokers, Inc. (TIBI).** The Group's insurance brokerage firm posted a Total Comprehensive Income of ₱0.999 Million for the twelve months ended December 31, 2022 which is higher by ₱0.484 Million compared to the ₱0.337 Million Total Comprehensive income registered by TIBI for the same period last year.

## II. **REVIEW OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDING DECEMBER 31, 2022 VS. DECEMBER 31, 2021**

As of December 31 (In millions)				
	2022 (Audited)	2021 (Audited)	Change in Peso	Change in Percentage
<b><u>Assets</u></b>				
Cash and cash equivalents	₱164	₱203	(₱39)	(19%)
Financial assets	43	44	(1)	(2%)
Trade and other receivables – net	543	594	(51)	(9%)
Real estate inventories	2,086	2,136	(50)	(2%)
Prepayments and other assets – net	413	411	2	1%
Investments in and advances to associates - net	58	60	(2)	(3%)
Property and equipment – net	60	73	(13)	(18%)
Investment properties – net	4,927	4,406	521	12%
Other Assets	299	304	(5)	(2%)
<b>TOTAL</b>	<b>₱8,593</b>	<b>₱8,231</b>	<b>₱362</b>	<b>4%</b>
<b><u>Liabilities</u></b>				
Trade and other payables	₱195	₱222	(₱27)	(12%)
Loans and notes payable	894	813	81	10%
Retirement benefit obligation	67	71	(4)	(6%)

As of December 31 (In millions)				
	2022 (Audited)	2021 (Audited)	Change in Peso	Change in Percentage
Other liabilities	911	797	114	14%
	<b>2,067</b>	<b>1,903</b>	<b>164</b>	<b>9%</b>
<b>Equity</b>				
Capital stock	5,056	5,056	-	-
Reserves	66	52	14	27%
Retained Earnings	1,537	1,350	187	14%
Treasury Stock	(110)	(110)	-	-
Equity attributable to non-controlling interests	(23)	(20)	3	15%
	<b>₱6,526</b>	<b>₱6,328</b>	<b>₱198</b>	<b>3%</b>
<b>TOTAL</b>	<b>₱8,593</b>	<b>₱8,231</b>	<b>₱362</b>	<b>4%</b>

1. **Total assets.** The Group's Total assets stood at ₱8.6 Billion as of December 31, 2022, higher by ₱362 Million compared to the ₱8.2 Billion level of Total assets as of December 31, 2021.

**Cash and cash equivalents** decreased by ₱39 Million due to payments by the Company to their suppliers.

**Trade and Other receivables** decreased by ₱51 Million or by 9% due to the collection of receivables in 2022 and were also reduced by the additional Allowance for impairment loss booked in 2022.

The Company's Real estate assets accounted for 82% of the Total assets of the Company as of December 31, 2022, compared to 79% for the same period last year.

**Property and equipment** decreased by ₱13 Million mainly due to depreciation expenses booked during the year.

**Investment properties** increased by ₱521 Million or from ₱4.4 Billion in 2021 to ₱4.9 Billion in 2022 largely due to the recognition of gain on fair value on the Parent Company's existing Investment Properties.

2. **Total liabilities.** Total liabilities increased by ₱164 Million largely due to additional loans acquired by the Parent Company and an increase in Deferred tax liabilities on the fair value gain on Investment properties.

**Trade and other payables** decreased by ₱27 Million due to payments made to several suppliers and contractors.

**Loans and notes payable** increase by 10% because of additional Loans acquired by the parent Company in the year 2022.

**Retirement benefit obligation** was reduced to ₱67 Million from ₱71 Million due to the decrease in the present value of the defined benefit obligations.

**Other Liabilities** are comprised of Lease liability and Deferred tax liability. Other liabilities increased due to the booking of higher Deferred tax liabilities because of the recognition of Gain on change of market value of the Group's Investment properties.

3. **Total Equity.** Total equity was recorded at ₱6.5 Billion as of December 31, 2022, higher by ₱198 Million compared to the ₱6.3 Billion reported as of December 31, 2021.

**Reserves** increased by 27% due to the higher market value in 2022 compared to 2021, of the Parent Company's investments classified as Financial assets through other comprehensive income.

**Retained Earnings** increased by ₱187 million due largely to the Net Income reported by the Parent Company.

**Equity attributable to non-controlling interests** increased by 3 Million due to an increase in Net Loss of the Parent Company's subsidiaries in waste management.

### III. Performance Indicators

The table below presents the comparative performance indicators of the Company and its subsidiaries.

Performance Indicators	31 December 2022 Audited	31 December 2021 Audited
Current ratio <sup>1</sup>	3.61:1	5.31:1
Debt-to-equity ratio <sup>2</sup>	0.32:1	0.30:1
Asset-to-equity ratio <sup>3</sup>	1.32:1	1.30:1
Book value per share <sup>4</sup>	₱0.73	₱0.70
Earnings per share <sup>5</sup>	₱0.02	₱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 continuing conservative posture of the RLT Group in terms of solvency, liquidity, and profitability.

1. **Current ratio.** The Group's current ratio remains healthy despite showing a decrease from 5.31:1 in December 2021 to 3.61:1 in December 2022.
2. **Debt-to-equity ratio.** The RLT Group's debt-to-equity ratio remained very conservative and almost unchanged at 0.32:1 as of end-2022 and 0.30: 1 in 2021.
3. **Asset-to-equity ratio.** Similarly, the asset-to-equity ratio of the Company also remained very conservative at 1.32:1 in December 2022 from 1.30:1 as of December 2021.

The steady performance of debt-to-equity ratios and asset-to-equity ratios of the RLT Group for the periods under review clearly demonstrate that the Parent Company's real estate business is currently being financed primarily by funds provided by its shareholders and a small amount of debt.



4. **Book value per share.** The performance of the RLT Group's Book value per share has also been a very encouraging as it showed an increase from ₱0.70 per share as of end-December 2021 to ₱0.73 per share as of 31 December 2022.

There was no issuance, repurchase or payment/repayment of either debt and equity securities nor 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.

5. **Earnings per share.** The RLT Group's Earnings per share remained unchanged at ₱0.02 in 2022.

There are no known events, trends, or uncertainties that have material impact on liquidity and will trigger direct or contingent financial obligations including any default or acceleration of an obligation for the twelve months ended period December 31, 2022. Moreover, for this period there is also no known material:

- i. Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons;
- ii. Commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures;
- iii. Events, trends or uncertainties that have material impact on sales;
- iv. Any significant elements of income or loss that did not arise from the registrant's continuing operations;
- v. Seasonal aspects that have material effect on the financial statements.

## D. REVIEW OF 2021 OPERATIONS VS. 2020

### I. REVIEW OF CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDING DECEMBER 31, 2021 VS. DECEMBER 31, 2020

For the years ended December 31 (In millions)				
	2021 (Audited)	2020 (Audited)	Change in Peso	Change in Percentage
<b>Revenue</b>				
Sales of real estate	₱154	₱265	(₱111)	(42%)
Rent	55	69	(14)	(20%)
Management fees	37	43	(6)	(14%)
Interest income	17	14	3	21%
Commission	5	4	1	25%
Other income	637	310	327	105%
<b>TOTAL</b>	<b>905</b>	<b>705</b>	<b>200</b>	<b>28%</b>
<b>Costs and Expenses</b>				
Cost of real estate sold	113	162	(49)	(30%)
Cost of services	69	83	(14)	(17%)
General and administrative	304	296	8	(3%)

For the years ended December 31 (In millions)				
	2021 (Audited)	2020 (Audited)	Change in Peso	Change in Percentage
Finance cost	71	37	34	(92%)
Equity in net loss of associates	5	3	2	67%
Other expenses	91	2	89	4,450%
<b>TOTAL</b>	<b>653</b>	<b>583</b>	<b>70</b>	<b>12%</b>
INCOME BEFORE INCOME TAX	252	122	130	106%
INCOME TAX EXPENSE	60	83	(23)	(28%)
<b>NET INCOME</b>	<b>₱192</b>	<b>₱39</b>	<b>₱153</b>	<b>392%</b>
OTHER COMPREHENSIVE INCOME	11	(2)	13	650%
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱203</b>	<b>₱37</b>	<b>₱166</b>	<b>449%</b>

1. **Consolidated net income after tax.** Philippine Realty and Holdings Corporation posted net income after tax of **₱192 Million** for the 12 months ended December 31, 2021 compared to **₱39 Million** net income after tax for the same period last year. The increase in the Company's profitability is explained below.

a. **Income**

1. **Sales of real estate.** While sales of real estate decreased by **₱111 Million** or by 42% for the 12 months ended December 31, 2021 compared to the sales of real estate for the same period in 2020, the reduction was more than adequately compensated for by other income. Sales of real estate pertains to units sold at the Skyline and SkyVillas Towers located in Quezon City, and at The Icon Plaza located in Bonifacio Global City.
2. **Rent.** Rental income decreased by **₱14 Million**. Rentals, particularly in the office spaces of the Parent Company was adversely affected by the pandemic.
3. **Management fees.** Property management fees decreased by **₱6 million** or by 14% due to the decrease in the number of clients of PRHC Property Managers, Inc. (**PPMI**).
4. **Interest income.** Interest income increased by 21% due to higher interest income and penalties collected from buyers due to late payments.
5. **Commission.** Commission income increased by 25% due to additional clients of the Company's insurance brokerage firm
6. **Other income.** Other income for the twelve months ended December 31, 2021 increased by **₱327 Million** or by 105% compared to the twelve months ended December 31, 2020. Other income consists largely of Gain on fair value changes in Investment Properties that increased by **₱324 Million** in 2021 or by 113% compared to 2020. Investment Properties consist largely of land, commercial, office, storage condominium units as well as office and residential parking spaces held to earn rentals or for capital appreciation (or both). The Group's properties that are located in the Philippine Stock Exchange Centre (**PSEC** which is also known as Tektite Towers), a vacant lot in the Bonifacio Global City (**BGC**), residential and office/commercial units

in The Icon Plaza located in the BGC, The El Retiro Mansion in Baguio City, and commercial lots in San Fernando City, La Union, are classified as Investment Properties.

**b. Costs and Expenses**

1. **Cost of real estate sold.** In terms of percentage to Sales of real estate, Cost of real estate sold increased to 73% in 2021, whereas it was at 61% of Sales of real estate for the same period in 2020.

In late 2020 and in 2021, the Company experienced a number of sales cancellations, all due to the difficulty encountered by the Company's buyers in obtaining long-term bank financing to finance the 70% balance of the purchase price. This phenomenon resulted in an unusual cost of sales percentage. The decrease of 30% is related to Sales decreased from year 2020 to year 2021.

2. **Cost of service.** This account decreased to 69 Million or by 17% due to lower expenses related to cost of rentals.
3. **General and administrative expenses.** General and administrative expenses increased by ₱8 Million or by 3%, mainly due to the ₱18 Million increase in Impairment Losses on Trade Receivables.
4. **Finance cost.** The ₱34 Million increase in Finance Cost was due to the decision of the Parent Company to charge Finance Cost to current operations for conservatism since the Parent Company had to push back the commencement of new projects as a result of the pandemic.
5. **Equity in net loss of associates.** The 67% increase was due to the increase in the Net Loss from operations of one of the Parent Company's Associate companies.
6. **Other expenses.** The ₱89 Million increase in Other Expenses is explained by the reversal of the ₱89 Million Gain on Sale of an Investment Property booked in 2014 due to the cancellation of the said installment sale transaction in 2021.
7. **Income Tax expense.** The decrease in Income Tax Expense was due to the reduction in the income tax rate under the CREATE Act from 30% to 25%. The Group also reflected the impact of the changes in tax rates on its Deferred Tax Assets and Deferred Tax Liabilities.

- c. **Other Comprehensive income.** The increase was due to remeasurement gain on retirement benefit obligation on the Group's Retirement Fund.

**d. Subsidiaries.**

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

1. **PRHC Property Managers, Inc. (PPMI).** The Parent Company's property management subsidiary registered a Total Comprehensive Loss of ₱2.1 Million for the twelve months ended December 31, 2021. It is lower by ₱12.28 Million compared to the Total Comprehensive Income of ₱10.18 Million registered by PPMI for the same period last year.
2. **Tektite Insurance Brokers, Inc. (TIBI).** The Group's insurance brokerage firm posted a Total Comprehensive Income of ₱0.34 Million for the twelve months ended December 31, 2021 which is higher by ₱3.79 Million compared to the ₱3.45 Million Total Comprehensive Loss registered by TIBI for the same period last year.

## II. **REVIEW OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDING DECEMBER 31, 2021 VS. DECEMBER 31, 2020**

As of December 31 (In millions)				
	2021 (Audited)	2020 (Audited)	Change in Peso	Change in Percentage
<b>Assets</b>				
Cash and cash equivalents	₱203	₱207	₱ (4)	(2%)
Financial assets	44	48	(4)	(8%)
Trade and other receivables – net	560	1,253	(693)	(55%)
Real estate inventories	2,136	801	1,335	167%
Prepayments and other assets – net	411	409	2	1%
Investments in and advances to associates - net	60	64	(4)	(6%)
Property and equipment – net	103	81	22	27%
Investment properties – net	4,406	2,912	1,494	51%
Other Assets	308	328	(20)	(6%)
<b>TOTAL</b>	<b>₱8,231</b>	<b>₱6,103</b>	<b>₱2,128</b>	<b>35%</b>
<b>Liabilities</b>				
Trade and other payables	₱222	₱277	(₱55)	(20%)
Loans and Notes Payable	812	1,032	(220)	(21%)
Retirement benefit obligation	71	73	(2)	(3%)
Other liabilities	798	749	49	7%
<b>TOTAL</b>	<b>1,903</b>	<b>2,131</b>	<b>(228)</b>	<b>(11%)</b>
<b>Equity</b>				
Capital stock	5,056	2,901	2,155	74%
Reserves	52	44	8	18%
Retained Earnings	1,350	1,155	195	17%
Treasury Stock	(110)	(110)	-	
Equity attributable to non-controlling interests	(20)	(18)	2	11%
	<b>6,328</b>	<b>3,972</b>	<b>2,356</b>	<b>59%</b>
<b>TOTAL</b>	<b>₱8,231</b>	<b>₱6,103</b>	<b>₱2,128</b>	<b>35%</b>

1. **Total assets.** The Group's Total assets stood at ₱8.2 Billion as of December 31, 2021, higher by ₱2.1 Billion compared to the ₱6.1 Billion level of Total assets as of December 31, 2020.

**Financial assets** decreased by 8% due to reduction in the market value of the Parent Company's investments.

**Trade and Other receivables** decreased by ₱693 Million due to collections of receivables in 2021 and were also reduced by the additional Allowance for Impairment Loss booked in 2021.

The Company's Real estate assets accounted for 79.49% of the Total assets of the Company as of December 31, 2021.

**Real estate inventories** increased by ₱1.3 Billion from December 31, 2020 to December 31, 2021, or by 167%, due to the addition of a BGC Lot (Lot 1, Block 8) containing 1,600 sq.m., located at the corner of 6th Avenue and 24th Street, BGC, Taguig City.

**Investments in and Advances to Associates** decreased by 6% due to the Parent Company's Share in Equity in Net loss for the year of Meridian Assurance Corporation.

**Property and Equipment** increased by 27% due to additional acquisition of Office Furniture, Fixtures and Equipment and Transportation, Machinery and Other Equipment; and recording of Land and Building Improvements.

**Investment properties** increased by ₱1.5 Billion or from ₱2.9 Billion in 2020 to ₱4.4 Billion in 2021 largely due to: i) addition of another BGC Lot (Lot 4, Block 8) containing 1,600 sq.m., located at the corner of 6th Avenue and 25th Street, BGC, Taguig City; ii) addition of the San Fernando City, La Union lots; iii) Reclassification from real estate inventory of an Icon Residences Tower 1 Condominium unit to Investment property; and iv) recognition of gain on fair value adjustments on the Parent Company's existing Investment Properties.

**Other Assets** are comprised principally of Investment in Finance Lease and Right of Use Asset. The 6% decrease is due to the required periodic adjustments on these accounts in compliance with the accounting standards.

2. **Total liabilities.** Total liabilities decreased by ₱228 Million largely due to: i) loan repayments by the Parent Company; and ii) payment by the Parent Company of its trade payables to different suppliers and contractors.

**Trade and other payables** decreased by ₱55 Million due to payment by the Parent Company of its trade payables to different suppliers and contractors.

**Loans and Notes Payable** decreased to ₱812 Million from ₱1.03 Billion due to repayments by the Parent Company.

**Other Liabilities** are comprised of Lease Liability and Deferred Tax Liability. The increase is due to higher deferred tax liabilities as a result of the recognition of Gain in Change of Market Value of the Group's Investment Properties.

3. **Total Equity.** Total equity was recorded at ₱6.32 Billion as of December 31, 2021, higher by ₱2.36 Billion compared to ₱3.97 Billion as of December 31, 2020.

The increase in equity was due to: i) new common shares issued from the increase in the Parent Company's Authorized Capital Stock (**ACS**) in favor of Greenhills Properties Inc. (**GPI**) in exchange for GPI's infusion in favor of the Parent Company of two (2) very prime vacant lots located in the BGC, namely, 1) Lot 1 Block 8 containing an area of 1,600 sq.m. located at the corner of 6th Avenue and 24th Street; and 2) Lot 4 Block 8 also containing an area of 1,600 sq.m. located at 6th Avenue corner 25th Street; and ii) the Parent Company's Total Comprehensive Income for the year 2021.

**Capital stock** increased by 74% due to new common shares issued from the increase in the Parent Company's Authorized Capital Stock (**ACS**) in favor of Greenhills Properties Inc. (**GPI**) in exchange for GPI's infusion in favor of the Parent Company of two (2) very prime vacant lots located in the BGC,

**Reserves** increased by 18% due to higher market value in 2021 compared to 2020 of the Parent Company's investments classified as Financial Asset Through Other Comprehensive Income.

**Retained Earnings** increased by ₱195 million due largely to the Net Income reported by the Parent Company.

**Equity attributable to non-controlling interests** increased by ₱2 Million due to an increase in Net Loss of the Parent Company's subsidiaries in waste management

### III. Performance Indicators

The table below presents the comparative performance indicators of the Company and its subsidiaries.

Performance Indicators	31 December 2021 Audited	31 December 2020 Audited
Current ratio <sup>1</sup>	5.31:1	3.84:1
Debt-to-equity ratio <sup>2</sup>	0.30:1	0.54:1
Asset-to-equity ratio <sup>3</sup>	1.30:1	1.54:1
Book value per share <sup>4</sup>	₱0.71	₱0.84
Earnings per share <sup>5</sup>	₱0.02	₱0.01

<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 continuing improvement of the RLT Group in terms of solvency, liquidity and profitability.

1. **Current ratio.** The Group's current ratio is extremely healthy showing still a significant improvement from 3.84:1 in December 2020 to 5.31:1 in December 2021.
2. **Debt-to-equity ratio.** Similarly, the RLT Group's debt-to-equity ratio remained very conservative for the periods under review as the Company's financial leverage improved further to 0.30:1 in 2021 from an already very conservative 0.54:1 in 2020.

3. **Asset-to-equity ratio.** The asset-to-equity ratio of the Company also showed improvement at 1.30:1 in December 2021 from 1.54:1 as of December 2020.

The steady performance of debt-to-equity ratios and asset-to-equity ratios of the RLT Group for the periods under review clearly demonstrate that the Parent Company's real estate business is currently being financed primarily by funds provided by its shareholders and a small amount of debt.

4. **Book value per share.** The performance of the RLT Group's Book value per share has also been a very encouraging in spite of the decrease from ₱0.84 per share as of end-December 2020 to ₱0.71 per share as of 31 December 2021.

While the Group's Total Comprehensive Income increased from ₱37.8 Million in 2020 to ₱203.3 Million in 2021 or an increase of ₱165.5 Million (a 438% increase), the total no. of common shares outstanding likewise increased from 4,922,324,907 shares as of December 2020 to 9,100,102,685 common shares as of December 2021 or an increase of 4,177,777,778 shares (or an 85% increase). This explains the reduction in the Group's Book value per share.

There was no issuance, repurchase or payment/repayment of neither debt and equity securities nor dividends during the year 2021.

As of this report, there is no other known event that will trigger direct or contingent financial obligation that is material to the Company. Moreover, there is no material off-balance sheet transaction, arrangement, obligation and other relationship of the Company with unconsolidated entities or other persons created during this period.

5. **Earnings per share.** The RLT Group's Earnings per share doubled at ₱0.02 in 2021 compared to ₱0.01 in 2020 in spite of the 46% increase in the Parent Company's issued and outstanding shares from 4,922,324,907 shares as of December 2020 to 9,100,102,685 common shares as of December 2021.

There are no known events, trends or uncertainties that have material impact on liquidity and will trigger direct or contingent financial obligations including any default or acceleration of an obligation for the twelve months ended period December 31, 2021. Moreover, for this period there is also no known material:

- i. Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons;
- ii. Commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures;
- iii. Events, trends or uncertainties that have material impact on Sales;
- iv. Any significant elements of income or loss that did not arise from the registrant's continuing operations;
- v. Seasonal Aspects that have material effect on the financial statements.

## TOP CONTRIBUTORS TO REVENUE

The table below presents the top contributors to revenue (before elimination of intercompany transactions) for the 1<sup>st</sup> quarter ended March 31, 2024, and for the years ended December 31, 2023, December 31, 2022, and December 31, 2021.

(In millions)

SUBSIDIARIES	March 2024 Unaudited	Dec 2023 Audited	Dec 2022 Audited	Dec 2021 Audited
PRHC Property Managers, Inc. (PPMI)	₱12	₱45	₱35	₱37
Tektite Insurance Brokers, Inc. (TIBI)	₱3	₱6	₱6	₱5

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

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

Performance Indicators	31 March 2024 Unaudited	31 December 2023 Audited	31 December 2022 Audited	31 December 2021 Audited
Current ratio <sup>1</sup>	11.94:1	2.25:1	2.82:1	2.94:1
Debt-to-equity ratio <sup>2</sup>	0.60:1	0.59:1	0.46:1	0.58:1
Asset-to-equity ratio <sup>3</sup>	1.60:1	1.59:1	1.46:1	1.58:1
Book value per share <sup>4</sup>	₱12.11	₱12.00	₱12.58	₱10.69
Earnings per share <sup>5</sup>	₱0.24	(₱0.44)	₱0.04	(₱1.32)

<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	31 March 2024 Unaudited	31 December 2023 Audited	31 December 2022 Audited	31 December 2021 Audited
Current ratio <sup>1</sup>	3.45:1	3.99:1	35.90:1	2.74:1
Debt-to-equity ratio <sup>2</sup>	1.18:1	1.32:1	0.88:1	2.71:1
Asset-to-equity ratio <sup>3</sup>	2.18:1	2.32:1	1.88:1	3.71:1
Book value per share <sup>4</sup>	₱0.54	₱0.40	₱0.36	₱0.20
Earnings per share <sup>5</sup>	₱0.11	₱0.02	₱0.05	(₱0.60)

<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



## ANNEX “C”

### MARKET PRICE AND DIVIDENDS ON THE REGISTRANT’S COMMON EQUITY

#### A. Principal Market where the Registrant’s common equity is traded

##### Market Information

Principal market for the Registrant's Common shares: Philippine Stock Exchange

High and Low Sales Prices for each quarter for years 2021, 2022, and 2023 based on Philippine Stock Exchange’s Daily Quotation Report:

	2022		2023		2024	
	High	High	High	Low	High	Low
1 <sup>st</sup> Quarter	0.24	0.24	0.24	0.18	0.18	0.13
2 <sup>nd</sup> Quarter	0.24	0.24	0.19	0.13		
3 <sup>rd</sup> Quarter	0.21	0.21	0.19	0.12		
4 <sup>th</sup> Quarter	0.20	0.20	0.19	0.14		

The market capitalization of the Company as of December 31, 2023 based on the closing price of ₱0.14 per share was ₱361,168,808.

The price information as of the close of the latest practicable trading date April 30, 2024 is ₱0.13 per share.

#### B. Holders

As of April 30, 2024, the Company has 2,307 stockholders. The list of the top twenty (20) stockholders of the Company as of April 30, 2024 is as follows:

Name of Stockholder	Citizenship	No. of Shares	Percentage (%)
Greenhills Properties, Inc.	Filipino	5,933,556,844	65.20%
PCD Nominee Corporation	Filipino	2,251,199,159	24.73%
Campos, Lanuza & Co., Inc.	Filipino	275,196,201	3.75%
Gerardo Domenico Antonio Lanuza	Filipino	219,843,366	2.42%
Belson Securities, Inc.	Filipino	30,580,956	0.34%
Socorro C. Ramos	Filipino	21,291,750	0.23%
Brisot Economic Dev. Corp	Filipino	15,280,621	0.17%
Vulcan Industrial & Mining Corp.	Filipino	15,159,434	0.17%
Ramon de Leon	Filipino	11,810,854	0.13%
Ricardo Leong	Filipino	11,810,854	0.13%
Calixto Laureano	Filipino	11,810,854	0.13%
Oscar S. Cu ITF Anthony Cu	Filipino	7,390,000	0.08%
Meridian Securities	Filipino	6,269,888	0.07%
Guoco Sec (Phils) Inc.	Filipino	5,961,532	0.07%
Guild Securities	Filipino	5,598,162	0.06%
E. Chua Chiaco Securities, Inc.	Filipino	5,538,016	0.06%
Citisecurities, Inc.	Filipino	5,408,078	0.06%
National Bookstore, Inc.	Filipino	5,393,450	0.06%
Wellington Chan	Filipino	5,185,801	0.06%
Madrigal Maria Susana Abad-Santos	Filipino	4,600,000	0.05%
Gustav P. Warns Vicente	Filipino	4,600,000	0.05%

Name of Stockholder	Citizenship	No. of Shares	Percentage (%)
Oscar Cu	Filipino	4,550,750	0.05%
Cualoping Securities	Filipino	4,335,974	0.05%
<b>Total</b>		<b>8,862,372,544</b>	<b>98.84%</b>

### C. Dividends

No dividend was declared by the Company since its last declaration on October 24, 1995. In 1996, the Board of Directors approved the appropriation of ₱250 Million of the Company's Retained earnings for the purchase of its own capital stock. In 2018, the Board approved the reclassification of ₱140 Million Appropriated retained earnings to Unappropriated retained earnings.

### D. Recent sales of unregistered securities

For the year 2023, the Company had no sales of unregistered securities.

### E. Corporate Governance

The Company, its directors, officers and employees complied with the leading practices and principles on good corporate governance as embodied in the Company's Manual on Corporate Governance ("Manual"). The Company accomplished the PSE Corporate Governance Guidelines for Listed Companies: Disclosure Survey for 2016. On August 28, 2012, the Company's Board of Directors approved the Audit Committee Charter in compliance with SEC Memorandum Circular No. 4, Series of 2012. Pursuant thereto, the Company created an Internal Audit Unit and has engaged the services of an Accountant for the Internal Auditor post.

The Company has complied with all leading practices of good governance. An evaluation system has been established to measure the level of compliance with the Manual by Directors and top-level management. The Company has undertaken minor revisions in its internal control system and adopted a strict implementation of the provisions of its Manual including the adoption of appropriate penalties for non-compliance. Since the last Annual Meeting, there has been no deviation from the Company's Manual that would require a report or disclosure.

Last May 2017, the Company revised the Corporate Governance Manual in accordance with the SEC Memorandum Circular No. 19 which contained the Code of Corporate Governance for Publicly Listed Companies.

On June 13, 2019, the Company amended its Manual on Corporate Governance.

## ANNEX “D”

### NATURE AND SCOPE OF BUSINESS

Philippine Realty and Holdings Corporation was incorporated on July 13, 1981 with an initial capitalization of ₱2 Million. In 1986, the Company’s capitalization was increased to ₱100 Million to accommodate the entry of new stockholders. In September 1987, the Company became a public corporation. Its present authorized capital stock is ₱8 Billion, divided into 8 billion shares, of which 4.92 billion shares are outstanding and subscribed.

The Company’s main real estate activity since it started operations has been the development and sale of residential/office condominium projects and to a limited extent, the lease of commercial and office spaces.

It has developed unique and trend setting projects: *The Alexandra*, the first to offer consumers the combination of high-rise condominium and subdivision living; *Philippine Stock Exchange Centre*, the official headquarters of the Philippine Stock Exchange, Inc. and home of the country's corporate and financial stalwarts; *The Alexis*, a low-rise condominium within an upscale subdivision; the exclusive *La Isla*; and *Casa Miguel*, a 4-storey walk-up residential condominium in San Juan, Metro Manila.

After the completion of the Philippine Stock Exchange Centre in January 1996, the Company launched its Andrea North project in the 2.8-hectare former Pepsi Cola property in New Manila, Quezon City. This project is an Alexandra-type upscale and high-rise condominium complex, which consists of five residential towers.

On November 16, 2012 the Company held the Ceremonial Concrete Pouring for its second tower in the Andrea North Complex named the SkyVillas Tower. The Company also completed the construction of its Showroom which showcases the model units of The SkyVillas Tower and an area dedicated for retail shops. Construction of the joint venture project, Icon Plaza at the Bonifacio Global City with Xcell Property Ventures, Inc. commenced in mid-2010 and is 74.28% completed as of year-end.

In 2002, the Company filed with the court a petition for corporate rehabilitation with prayer for suspension of payments. The Company settled its loan obligations with all the five creditor banks through *dacion-en-pago*, cash payments from the sale of assets and loan restructuring. The Company has completed another major component of the rehabilitation plan which is the completion of construction of the Andrea North Skyline Tower. In February 2011, the Company filed a Motion to terminate rehabilitation proceedings on account of successful implementation of the Rehabilitation Plan. However, in November 2012 the court denied the Company’s motion on the basis that it has still substantial obligations to pay in accordance with the court-approved rehabilitation plan.

As of December 2013, the Company’s liabilities to its contractors, Andrea North Skyline buyers, and unsecured creditors were already paid, such that, the Company filed a motion to terminate the rehabilitation proceedings on account of the successful implementation of the rehabilitation plan, which was granted by the Court in March 2014.

On February 9, 2016, the SEC approved the Company’s application for quasi-reorganization reducing the par value of its shares from P1.00 to P0.50 and the additional paid-in capital arising from the reduction of the par value was subsequently applied to the Company’s accumulated

deficit.

On January 4, 2017, the Regional Trial Court Branch 93 of Quezon City issued a Certificate of Finality to certify that the order issued dated March 18, 2014 has become final and executory.

The Company plans to leverage its key understanding of the property market through its Medium-Term Business and Financial plan. The objective of the plan is to serve as a roadmap which will drive the Company's profitability primarily by operating income from recurring revenue sources and the proposed projects to be undertaken. First, major properties owned by the Company and GPI, who has undertaken to provide operational and financial support to the Company, will be developed for sale and lease. The Company plans to also maximize the utilization of all its existing developments and Investment Properties. The Company is likewise looking to grow its business through acquisition of revenue generating assets or developments in key cities within and outside Metro Manila. Lastly, aside from internally-generated funds, the Company will continue to consider securing necessary and sufficient funding from various financial sources.

The Board of Directors approved on April 18, 2018 the amendment of the Parent Company's Articles of Incorporation (**AOI**) for the purpose of increasing RLT's Authorized Capital Stock (**ACS**) that was necessary to accommodate the issuance of new, primary shares from the increased capital stock in favor of Greenhills Properties, Inc. (**GPI**), a corporation incorporated under the laws of the Philippines, in exchange for prime real properties that GPI will contribute into the Parent Company as capital.

The property-for-share swap transaction involves GPI contributing into the Parent Company two (2) vacant lots located in the BGC more particularly described as follows: 1) Lot 1 Block 8 containing 1,600 sq.m., located at the corner of 6th Avenue and 24th Street; and 2) Lot 4 Block 8 also containing 1,600 sq.m., located at 6th Avenue corner 25th Street. Lot 1 Block 8 is registered under the name of GPI. GPI also acquired Lot 4 Block 8 from its wholly owned subsidiary, Lochinver Assets Inc. (**LAI**), by way of merger approved by the SEC on 28 November 2012, with GPI as the Surviving Corporation and LAI as the Absorbed Corporation.

The said transaction also involves the Parent Company issuing 4,177,777,778 new common shares from the increase in its ACS, in favor of GPI in exchange for the two (2) vacant lots in BGC that GPI will contribute into the Parent Company as capital.

In the above-described transaction, the Parent Company engaged the services of a PSE-accredited firm, R. G. Manabat & Co., the Philippine member firm of KPMG International, to come up with a Valuation and Fairness Opinion Report. The said PSE-accredited firm expressed the opinion that the method employed by the Parent Company is a fair basis in determining the transaction price (and the transaction value) for the issuance of new shares in favor of GPI from the increase in the ACS.

On May 14, 2019, the SEC approved the increase in the Parent Company's ACS from ₱4,000,000,000.00 divided into 8,000,000,000 shares with par value of ₱0.50 per share to ₱8,000,000,000.00 divided into 16,000,000,000 shares with par value of ₱0.50 per share. This was after the approval by a majority of the Board of Directors on April 18, 2018 and by the vote of the stockholders owning or representing at least two-thirds (2/3) of the outstanding capital stock on July 23, 2018.

On June 22, 2021, the tax-free exchange of properties for shares transaction by and between the Parent Company and GPI was completed.

On 22 June 22, 2021, the Parent Company, through its external legal counsels, received from the Registry of Deeds for Taguig City, the land titles covering the two (2) vacant lots located in the BGC as described above, contributed by GPI as equity into the Parent Company, already registered under the name of the Parent Company.

Also on 22 June 22, 2021, in exchange for the two (2) BGC vacant lots, the Parent Company issued 4,177,777,778 new common shares from its increased capital stock, in favor of GPI.

With the issuance of new shares in its favor, GPI now owns 5,933,556,844 shares in the Parent Company, bringing its percentage ownership to 65.20% from 35.67%. The remaining shares of the Parent Company are owned by various individuals and institutional stockholders.

As of March 31, 2023, 9,100,102,685 shares are subscribed and outstanding.

### **Significant Subsidiaries**

The Parent Company has organized/invested in the following subsidiaries and affiliates (the Parent Company together with its subsidiaries and affiliates are referred herein as “**RLT Group of Companies**” or simply “**RLT Group**”).

#### ***PRHC Property Managers, Inc. (100% owned)***

PRHC Property Managers, Inc. (**PPMI**) was incorporated in May 1991 to oversee the administration, operation and monitoring of RLT’s growing number of real estate properties. Its clients include: Philippine Stock Exchange Centre Condominium Corporation, Casa Miguel Condominium Corporation, Andrea North Condominium Corporation, Nobel Plaza Condominium, LTA Condominium, The Pinnacle Condominium and Greenrich Mansion Condominium, Tycoon Centre Condominium Unitowners Association Inc., and Seibu Tower Condominium Corporation.

PPMI ensures that the properties are managed according to the established requirements and standards in the industry.

PPMI also leases the recently renovated, heritage El Retiro Mansion property from the Parent Company and operates the same as a vacation home or as a venue for various exclusive events. El Retiro sits on a 1.6 ha. property along Outlook Drive.

#### ***Tektite Insurance Brokers, Inc. (100% owned)***

Tektite Insurance Brokers, Inc. (**TIBI**) was incorporated in January 1989 as Philrealty Insurance Agency. Due to increasing demand, it was reorganized to become an insurance brokerage firm in 1994. Major clients include: RLT Group of Companies, RG Meditron, Philippine Stock Exchange Centre Condominium Corporation, Icon Plaza Condominium Corporation and Develop Dimension Inc.

#### ***Universal Travel Corporation (81.53% owned)***

Universal Travel Corporation (**UTC**) was incorporated in October 1993 and was engaged in the business of travel services by providing, arranging, marketing, engaging or rendering advisory and consultancy services relating to tours and tour packages. UTC catered principally to the offices at the Philippine Stock Exchange Centre (**PSEC**). In August 2018, the Company announced that it

ceased its travel agency business operations on a voluntary basis due to continuing losses and increasing capital deficiency. The terminated employees of UTC were all paid their separation benefits and all creditors were also paid prior to the temporary cessation of its business operations. This move is part of the business rationalization process presently being undertaken by the Parent Company where it seeks to explore new investment/business opportunities while at the same time lightening up on existing unrelated or unprofitable investments.

***Sultan Power Inc. (100% owned)***

Sultan Power, Inc. (**SPI**) was incorporated under Philippine laws and registered with the SEC on March 19, 2015 as a holding company. SPI achieved majority ownership in Recon-X Energy Corporation (**Recon-X**) by acquiring 51% of the total issued and outstanding shares of the latter company.

RECON-X was incorporated under Philippine laws and registered with the SEC on June 27, 2014 to engage in the business of recycling and converting plastics into fuel (gasoline, diesel and kerosene) using patented technology. The process was duly certified on November 2, 2015, by the Intellectual Property Office of the Philippines (**IPOP**) for “Improved Method of Converting Land-Filled Plastic Wastes into Hydrocarbon Fuel”, certified by the Department of Science and Technology (**DOST**) and by the Department of Energy (**DOE**). As of December 31, 2021, RECON-X was able to procure the additional catalysts and materials needed for the plastic diesel conversion plant to be used to process wastes into fuel. In 2022, RECON-X has undergone physical plant improvements and debottlenecking to enhance the yield of converted fuels. Given the ongoing streamlining of operations and training of employees for production, RECON-X commenced its commercial operations in May 2023 as it has already officially produced its first batch of fuel.

**Product/Services**

**A. Sale of Condominium units**

RLT develops and sells high-end condominium units located at One Balete Drive corner N. Domingo Street, Quezon City, and is now planning on developing a new luxury residential towers in the BGC, in addition to the completed Skyline Tower and the SkyVillas Tower in One Balete.

In addition, the Parent Company entered into two (2) joint venture arrangements with Xcell Property Ventures Inc. (**Xcell**) for the development of the Icon Residences (a 2-tower residential condominium building) and Icon Plaza (residential/commercial condominium building). RLT contributed the parcels of land located at the Bonifacio Global City (**BGC**) where the Icon Residences Towers and the Icon Plaza Tower were constructed thereon. Xcell provided the funds for the construction of the condominium towers. The Parent Company has several units for lease at Icon Residences and at Icon Plaza.

**B. Leasing**

RLT has investment properties, such as residential and commercial office and storage units and parking slots, for lease at the following locations: 1) Philippine Stock Exchange Centre located at Exchange Road, Ortigas Center Pasig City; 2) Icon Plaza located at 5<sup>th</sup> Avenue, BGC, Taguig City; 3) Icon Residences Tower 1; 4) Skyline Tower; and 5) SkyVillas Tower. The latter two (2) towers are located at the One Balete Compound, One Balete Drive corner N. Domingo Street, Quezon City. The contracts of lease are renewable for periods ranging from six months

to five years.

The Company is also sub-leasing two parcels of land with total area of 3,200 square meters located along 5<sup>th</sup> Avenue BGC, Taguig City where one parcel of land houses commercial units for lease.

RLT is also leasing to tenants approximately 500 sq.m. of the Ground Floor space of the One Balet Building located at One Balet Drive corner N. Domingo Street, Quezon City.

#### **C. Property Management**

The property management subsidiary, PRHC Property Managers, Inc. (**PPMI**) oversees the administration, operation and monitoring of real estate assets of the Parent Company and other Companies.

On December 16, 2020, the Parent Company and PPMI entered into a Lease and Hotel Management Services Agreement, wherein PPMI proposed to lease, operate and manage the Parent Company's "El Retiro Mansion" property located in Baguio City.

#### **D. Insurance Brokerage**

Tektite Insurance Brokers, Inc. (**TIBI**) operates as the insurance brokerage arm of the Parent Company and for the benefit of other Companies.

## **ANNEX “E”**

### **CONSOLIDATED FINANCIAL STATEMENTS**



**COVER SHEET**  
for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

0	0	0	0	0	9	9	9	0	5
---	---	---	---	---	---	---	---	---	---

Company Name

P	H	I	L	I	P	P	I	N	E		R	E	A	L	T	Y		A	N	D		H	O	L	D	I	N	G	S
C	O	R	P	O	R	A	T	I	O	N																			

Principal Office ( No./Street/Barangay/City/Town)Province)

O	N	E		B	A	L	E	T	E	,		1		B	A	L	E	T	E		D	R	I	V	E				
C	O	R	N	E	R		N	.		D	O	M	I	N	G	O		S	T	.		B	R	G	Y	.			
K	A	U	N	L	A	R	A	N		D	I	S	T	R	I	C	T		4	,		Q	U	E	Z	O	N		
C	I	T	Y																										

Form Type

A	A	F	S
---	---	---	---

Department requiring the report

S	E	C	
---	---	---	--

Secondary License Type, If Applicable

--	--	--	--

**COMPANY INFORMATION**

Company's Email Address

mark.ramos@philrealty.com.ph

Company's Telephone Number/s

02-86313179

Mobile Number

09175096326

No. of Stockholders

2,307

Annual Meeting  
Month/Day

June 30, 2023

Fiscal Year  
Month/Day

December 31

**CONTACT PERSON INFORMATION**

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

Mark Anthony M. Ramos

Email Address

mark.ramos@philrealty.com.ph

Telephone Number

02-86313179

Mobile Number

Contact Person's Address

One Balete, 1 Balete Balete Drive cor. N. Domingo Street Brgy. Kaunlaran District 4, Quezon City

**Note 1:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**2:** All Boxes must be properly and completely filled-up. Failure to do shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND  
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2023, 2022 and 2021



# Philippine Realty & Holdings Corporation

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **PHILIPPINE REALTY AND HOLDINGS CORPORATION** and **SUBSIDIARIES (the Group)** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud and error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

Maceda Valencia and Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

**GERARDO DOMENICO ANTONIO V. LANUZA**

Chairman

**EDMUNDO C. MEDRANO**

President

**MARISSA S. BONTOGON**

Vice President and Treasurer

Signed this 19<sup>th</sup> day of March 2024.

**SUBSCRIBED AND SWORN** to before me this MAR 25 2024 day of \_\_\_\_\_, 2024, affiants exhibiting to me their Tax Identification Nos., as follows:

Name	Tax Identification No.
Gerardo Domenico Antonio V. Lanuza	243-616-771
Edmundo C. Medrano	134-515-229
Marissa S. Bontogon	162-411-720

DOC NO. 358  
PAGE NO. 73  
BOOK NO. 153  
SERIES OF 20 20

Balete Drive corner N. Domingo Street, Barangay Kaunlaran, District 4, Quezon City  
Tel. No.: 631-3179 Fax No.: (632) 634-1504

**NOTARY PUBLIC**  
**NOTARY RUBEN M. AZANES, JR.**  
UNTIL DECEMBER 31, 2024  
PTR NO. 5555119, QUEZON CITY  
CP NO. 384112, QUEZON CITY CHAPTE  
Roll of Attorney's No. 46427  
Admin Matter No. 025(2023-2024)  
MCLE-VII-0018605-05-24-2022  
TIN: 140-394-386-000  
Bagong Lipunan dCrame Q.C.

**REPORT OF INDEPENDENT AUDITORS  
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE  
SECURITIES AND EXCHANGE COMMISSION**

The Shareholders and Board of Directors  
Philippine Realty and Holdings Corporation  
One Balete, 1 Balete Drive corner N. Domingo Street  
Brgy. Kaunlaran District 4  
Quezon City

We have audited the consolidated financial statements of Philippine Realty and Holdings Corporation and Subsidiaries as at and for the year ended December 31, 2023, on which we have rendered our report dated March 19, 2024.

In compliance with Revised Securities Regulation Code Rule 68 and based on the certification received from the Parent Company's corporate secretary and the results of our work done, as at December 31, 2023, we are stating that the said Parent Company has two thousand two hundred fifty-seven (2,257) shareholders owning one hundred (100) or more common shares.

**MACEDA VALENCIA & CO.**

  
**JOSE T. VALENCIA**  
Partner

CRA License No. 32659

Tax Identification No. 119-894-676-000

PTR No. 10083026

Issued on January 9, 2024 at Makati City

BOA/PRC Reg. No. 4748 valid until August 7, 2024

BIR Accreditation No. 08-005063-000-2024 (firm); 08-005063-001-2024 (individual)

Issued on March 26, 2024; valid until March 25, 2027

March 19, 2024  
Makati City

## REPORT OF INDEPENDENT AUDITORS

The Shareholders and Board of Directors  
Philippine Realty and Holdings Corporation  
One Balete, 1 Balete Drive corner N. Domingo Street  
Brgy. Kaunlaran District 4  
Quezon City

### *Opinion*

We have audited the consolidated financial statements of Philippine Realty and Holdings Corporation and Subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of total comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRSs).

### *Basis for Opinion*

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## *The Risk*

### Real Estate Revenue Recognition and Determination of Related Cost

The Group's revenue recognition process, policies and procedures on real estate sales are material to our audit because these involve the application of material judgment and estimation. In addition, real estate sales amounted to P175.00 million or 24% of Revenues and Other Income while costs of real estate sales amounted to P90.00 million or 16% of Cost and Expenses for the year ended December 31, 2023. The areas affected by revenue recognition, which requires material judgments and estimates, include determining when a contract will qualify for revenue recognition, measuring the progress of the development of real estate projects which defines the amount of revenue to be recognized and determining the amount of actual costs incurred as cost of real estate sales. These areas were material to our audit as an error in application of judgments and estimates could cause a material misstatement in the financial statements.

The Group's policy for revenue recognition on real estate sales are more fully described in Note 32 to the consolidated financial statements. The material judgments applied, and estimates used by management related to revenue recognition are more fully described in Note 33 to the consolidated financial statements.

## *Our Response*

We obtained an understanding of the revenue and cost recognition policy on real estate sales transactions. We performed risk assessment procedures to obtain audit evidence about the design and implementation of relevant controls. We performed a walkthrough as part of obtaining an understanding of the revenue and cost recognition process to identify and further understand what could go wrong in the process and to identify relevant controls that management has implemented to address what could go wrong. In performing walkthroughs, we obtained sufficient information to be able to evaluate the design and implementation of relevant controls and tested for operating effectiveness over revenue and cost recognition process and financial reporting close process.

On the revenue recognition process, the following controls, among others, were identified and tested for operating effectiveness.

- Control over initiation – sales reservation and payment scheme are based on valid transaction and sales cancellation are issued based on cancellation policy;
- Control over authorization – (a) Reservation and payment scheme, Contract to Sell, and Deed of Absolute Sale and (b) Notice of Cancellation for cancellation are approved by authorized officer;
- Control over recording and processing - Sales are systems generated at point of recognition and are counterchecked by responsible finance officer and cancellations are manually recognized based on approved Notice of Cancellation.

On the cost recognition process, the following key controls, among others, were tested for operating effectiveness.

- Control over initiation - Project costs are initiated based on budget.
- Control over authorization - (a) Budgets are approved by management and the Board; (b) Project spendings are made based on approved letters of award; (c) Recommendation for payment are compared with approved letter of award and approved by authorized officer; and (d) Changes in contract are approved by authorized officer;
- Control over recording and processing - (a) Payments are recorded based on approved recommendation of payment; (b) Sales are systems generated on point of recognition based on approved standard cost; and (c) Other capitalized cost such as interest cost are manually recorded based on policy.

On financial reporting close process, control over preparation of relevant disclosure were tested for operating effectiveness. Financial statements and relevant disclosures are prepared and reviewed by authorized finance officer.

We also performed substantive test procedure on selected sales and cancellations transactions during the year by examining the approved payment scheme, Contract to Sell or Deed of Absolute Sale and Notice of Cancellation and reperformed calculation of sales or cancellations recognized.

#### Valuation of Real Estate Inventories

##### *The Risk*

Real estate inventories constitute a material component in the Group's consolidated statements of financial position. Real estate inventories amounted to P2.07 billion representing 23% of the total assets as at December 31, 2023. Real estate inventories include properties under construction, acquired properties that are held for sale in the ordinary course of business and land held for development. Real estate inventories are valued at the lower of cost or market and net realizable value.

The valuation of real estate inventories is influenced by assumptions and estimates regarding construction costs to be incurred, and future selling prices. Weak demand and the consequential over supply of residential units might exert downward pressure on transaction volumes and selling prices of residential properties.

##### *Our Response*

Based on the controls over cost recognition process, we examined supporting documents of selected transactions of sampled projects to ensure that cost spending are complete and accurate and relates to the project and any spending noted outside the budgeted costs including capitalized interest are explained.

We reperformed standard cost calculation for selected projects and compared it with the standard cost used to cost inventories. We compared standard cost against net realizable values of selected projects through inspection of most recent sales contracts and expected sales proceeds from the remaining properties.

#### Allowance for Impairment Losses on Trade and Other Receivables

##### *The Risk*

The allowance for impairment losses on trade and other receivables is considered to be a matter of significance as it requires the application of judgment and use of subjective assumptions by management. As of December 31, 2023, trade and other receivables has a total carrying amount of P563 million contributing 6% of the Company's total assets.

##### *Our Response*

We tested the calculation methodology which is based on cash flows of future payments considering historical data of collections and defaults including the value of repossessed inventories and possible refunds. We also tested the assumptions including interest rates used in computing for the expected credit loss.

## Valuation of Investment Properties

### *The Risk*

Investment properties is considered to be a matter of significance as it requires the application of valuation judgment and use of assumptions by management. As of December 31, 2023, investment property has a total carrying amount of P5.16 billion contributing 57% of the Company's total assets.

### *Our Response*

To validate additions to investment properties, we examined supporting documents such as contracts, Deeds of Absolute Sale, supplier invoices and/or official receipts.

To determine fair value adjustments, we obtained the latest appraisal report and evaluated appropriateness of assumptions and valuation method and completeness of the information used.

We also evaluated the competence and objectivity of the external expert engaged by the management to value the investment properties by ensuring the expert is an accredited appraiser by the Securities and Exchange Commission (SEC).

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it become available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, otherwise appears to be materially misstated.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast material doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and material audit findings, including any material deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audits of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jose T. Valencia.

**MACEDA VALENCIA & CO.**



**JOSE T. VALENCIA**

Partner

CPA License No. 32659

Tax Identification No. 119-894-676-000

PTR No. 10083026

Issued on January 9, 2024 at Makati City

BOA/PRC Reg. No. 4748 valid until August 7, 2024

BIR Accreditation No. 08-005063-000-2024 (firm); 08-005063-001-2024 (individual)

Issued on March 26, 2024; valid until March 25, 2027

March 19, 2024

Makati City

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 AND 2022**

			December 31, 2022 (As restated – Note 29)	January 1, 2022 (As restated – Note 29)
	<i>Note</i>	<b>2023</b>		
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	3	<b>P283,145,676</b>	P163,886,734	P202,643,198
Financial assets at fair value through profit or loss (FVPL)	4	<b>6,750,000</b>	6,750,000	6,750,000
Trade and other receivables - current portion	6	<b>355,309,445</b>	177,461,738	132,440,960
Real estate inventories	7	<b>2,073,624,267</b>	2,086,122,188	2,136,292,560
Prepayments and other current assets – net	8	<b>463,159,351</b>	413,430,156	410,821,019
Investment in finance lease – current portion	12	<b>15,606,638</b>	14,099,824	13,055,174
<b>Total Current Assets</b>		<b>3,197,595,377</b>	<b>2,861,750,640</b>	<b>2,902,002,911</b>
<b>Non-current Assets</b>				
Financial assets at fair value through other comprehensive income (FVOCI)	5	<b>35,197,203</b>	36,076,106	37,644,536
Trade and other receivables – net of current portion	6	<b>207,967,647</b>	365,017,469	461,101,590
Investments in and advances to associates – net	9	<b>56,436,750</b>	58,236,132	59,667,432
Investment properties	10	<b>5,163,547,388</b>	4,926,465,273	4,406,355,439
Property and equipment – net	11	<b>91,481,034</b>	60,321,966	73,043,468
Right-of-use assets – net	12	<b>87,619,912</b>	97,414,601	89,431,827
Investment in finance lease – net of current portion	12	<b>171,970,892</b>	187,577,451	201,677,353
Other non-current assets		<b>53,386</b>	53,386	53,386
<b>Total Non-current Assets</b>		<b>5,814,274,212</b>	<b>5,731,162,384</b>	<b>5,328,975,031</b>
		<b>P9,011,869,589</b>	<b>P8,592,913,024</b>	<b>P8,230,977,942</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables - current portion	13	<b>P63,237,619</b>	P110,354,183	P150,248,583
Loans and note payable - current portion	14	<b>829,668,150</b>	666,722,994	381,938,245
Lease liability - current portion	12	<b>15,570,165</b>	14,841,458	14,116,765
<b>Total Current Liabilities</b>		<b>908,475,934</b>	<b>791,918,635</b>	<b>546,303,593</b>
<b>Non-current Liabilities</b>				
Trade and other payables - net of current portion	13	<b>76,059,054</b>	84,851,214	71,825,744
Loans and note payable - net of current portion	14	<b>372,351,579</b>	227,700,370	430,522,044
Retirement benefit obligation	16	<b>85,635,684</b>	66,953,485	70,930,176
Deferred tax liabilities – net	24	<b>753,432,863</b>	696,703,231	568,677,622
Lease liability – net of current portion	12	<b>143,092,814</b>	158,662,979	173,503,161
Deferred rent income	12	<b>43,608,343</b>	40,425,411	40,970,220
<b>Total Non-current Liabilities</b>		<b>1,474,180,337</b>	<b>1,275,296,690</b>	<b>1,356,428,967</b>
<b>Total Liabilities</b>		<b>2,382,656,271</b>	<b>2,067,215,325</b>	<b>1,902,732,560</b>

Forward

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023, 2022 AND 2021**

			December 31, 2022 (As restated – Note 29)	January 1, 2022 (As restated – Note 29)
	<i>Note</i>	<b>2023</b>		
<b>EQUITY</b>				
<b>Equity Attributable to Equity Holders of the Parent Company</b>				
Capital stock	25	<b>4,275,721,448</b>	4,275,721,448	4,275,698,948
Additional paid-in capital	25	<b>780,630,029</b>	780,630,029	780,630,029
Reserves	26	<b>56,177,322</b>	65,530,662	52,201,114
Retained earnings		<b>1,668,286,406</b>	1,555,405,651	1,368,606,555
Treasury stock	25	<b>(110,049,633)</b>	(110,049,633)	(110,049,633)
		<b>6,670,765,572</b>	6,567,238,157	6,367,087,013
<b>Equity Attributable to Non-Controlling Interests</b>				
	27	<b>(41,552,254)</b>	(41,540,458)	(38,841,631)
		<b>6,629,213,318</b>	6,525,697,699	6,328,245,382
		<b>P9,011,869,589</b>	P8,592,913,024	P8,230,977,942

*See Notes to the Consolidated Financial Statements*

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**

	<i>Notes</i>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>INCOME</b>				
Sales of real estate		<b>P174,460,724</b>	P224,998,917	P153,819,523
Rent	<i>10,12</i>	<b>65,466,246</b>	56,674,800	55,302,865
Management fees	<i>17</i>	<b>41,203,464</b>	34,655,944	36,779,297
Interest	<i>19</i>	<b>14,050,801</b>	15,924,493	17,404,620
Commission	<i>18</i>	<b>5,215,928</b>	5,567,455	4,512,545
Other income	<i>20</i>	<b>426,546,957</b>	540,509,715	637,167,113
		<b>726,944,120</b>	878,331,324	904,985,963
<b>COSTS AND EXPENSES</b>				
Cost of real estate sold	<i>7</i>	<b>90,154,100</b>	106,296,787	113,172,007
Cost of services	<i>21</i>	<b>74,909,201</b>	62,551,098	68,763,460
General and administrative expenses	<i>22</i>	<b>307,660,262</b>	338,465,029	304,443,005
Finance costs	<i>12,14</i>	<b>70,157,474</b>	63,809,071	70,888,773
Equity in net loss of an associate	<i>9</i>	<b>1,799,380</b>	1,431,300	4,488,055
Other expenses	<i>23</i>	<b>4,898,497</b>	230,051	90,852,818
		<b>549,578,914</b>	572,783,336	652,608,118
<b>INCOME BEFORE INCOME TAX</b>		<b>177,365,206</b>	305,547,988	252,377,845
<b>INCOME TAX EXPENSE</b>	<i>24</i>	<b>64,496,247</b>	125,159,497	59,638,324
<b>NET INCOME</b>		<b>P112,868,959</b>	P180,388,491	P192,739,521
<b>Attributable to:</b>				
Equity holders of the parent	<i>28</i>	<b>P112,880,755</b>	P183,087,318	P194,733,394
Non-controlling interest	<i>27</i>	<b>(11,796)</b>	(2,698,827)	(1,993,873)
		<b>P112,868,959</b>	P180,388,491	P192,739,521
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurement gain (loss) on defined benefit obligation, net of tax	<i>26</i>	<b>(P8,521,221)</b>	P14,897,978	P13,899,945
Unrealized holding loss on financial assets at FVOCI	<i>5,26</i>	<b>(878,903)</b>	(1,568,430)	(3,365,984)
		<b>(9,400,124)</b>	13,329,548	10,533,961
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>P103,468,835</b>	P193,718,039	P203,273,482
<b>BASIC EARNINGS PER SHARE</b>	<i>28</i>	<b>P0.01</b>	P0.02	P0.02

*See Notes to the Consolidated Financial Statements.*

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**

	Equity Attributable to Equity Holders of the Parent Company						Non-controlling Interests (Note 27)	Total Equity
	Capital Stock (Note 25)	Paid-in Capital (Note 25)	Additional Reserves (Note 26)	Retained Earnings (Note 26)	Treasury Stock (Note 25)	Total		
<b>Balance at January 1, 2021</b>	P2,344,226,245	P557,014,317	P44,304,162	P1,155,073,841	(P110,049,633)	P3,990,568,932	(P18,048,438)	P3,972,560,494
<b>Comprehensive income</b>								
Net income for the year	-	-	-	194,733,394	-	194,733,394	(1,993,873)	192,739,521
Other comprehensive income for the year	-	-	10,533,961	-	-	10,533,961	-	10,533,961
Adjustments	-	-	(2,637,009)	-	-	(2,637,009)	-	(2,637,009)
<b>Total comprehensive income for the year</b>	-	-	7,896,952	194,733,394	-	202,630,346	(1,993,873)	200,636,473
<b>Transaction with owners</b>								
Issuance of shares during the year	2,088,888,889	66,125,489	-	-	-	2,155,014,378	-	2,155,014,378
Collection of subscription receivable	74,037	-	-	-	-	74,037	-	74,037
Subscription receivable – Capital Stock	-	157,490,223	-	-	-	157,490,223	-	157,490,223
Subscription receivable – APIC	(157,490,223)	-	-	-	-	(157,490,223)	-	(157,490,223)
Restatement	-	-	-	18,799,320	-	18,799,320	(18,799,320)	-
<b>Total transaction with owners</b>	1,931,472,703	223,615,712	-	18,799,320	-	2,173,887,735	(18,799,320)	2,155,088,415
<b>Balance at December 31, 2021 (As restated – Note 29)</b>	4,275,698,948	780,630,029	52,201,114	1,368,606,555	(110,049,633)	6,367,087,013	(38,841,631)	6,328,245,382
<b>Comprehensive income</b>								
Net income for the year	-	-	-	183,087,318	-	183,087,318	(2,698,827)	180,388,490
Other comprehensive income for the year	-	-	13,329,548	-	-	13,329,548	-	13,329,548
Adjustments	-	-	-	3,711,779	-	3,711,779	-	3,711,779
<b>Total comprehensive income for the year</b>	-	-	13,329,548	186,799,097	-	200,128,645	(2,698,827)	197,429,817
<b>Transaction with owners</b>								
Collection of subscription receivable – Capital Stock	11,250	-	-	-	-	11,250	-	11,250
Collection of subscription receivable – APIC	11,250	-	-	-	-	11,250	-	11,250
<b>Total transaction with owners</b>	22,500	-	-	-	-	22,500	-	22,500
<b>Balance at December 31, 2022</b>	4,275,721,448	780,630,029	65,530,662	1,555,405,652	(110,049,633)	6,567,238,158	(41,540,458)	6,525,697,699
<b>Comprehensive income</b>								
Net income for the year	-	-	-	112,880,755	-	112,880,755	(11,796)	112,868,959
Other comprehensive income for the year	-	-	(9,400,124)	-	-	(9,400,124)	-	(9,400,124)
Adjustments	-	-	46,784	-	-	46,784	-	46,784
<b>Total comprehensive income for the year</b>	-	-	(9,353,340)	112,880,755	-	103,527,415	(11,796)	103,515,619
<b>Balance at December 31, 2023</b>	P4,275,721,448	P780,630,029	P56,177,322	P1,668,286,406	(P110,049,633)	P6,670,765,572	(P41,552,254)	P6,629,213,318

See Notes to the Consolidated Financial Statements.

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<i>Notes</i>	2023	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax		P177,365,206	P305,547,988	P252,377,845
Adjustments for:				
Finance costs	12,14	70,157,474	63,809,071	70,888,773
Depreciation and amortization	21,22	19,410,315	27,990,961	22,603,519
Provision for retirement benefits	16	14,813,508	15,631,169	15,373,885
Equity in net loss of an associate	9	1,799,380	1,431,300	4,488,055
Loss (gain) on repossession of real estate inventories	20,23	3,524,627	(1,498,643)	(14,287,462)
Foreign exchange loss (gain) – net	20,23	402,230	(1,952,441)	(1,434,240)
Provision for (reversal of) impairment loss on trade and other receivables	6,20,22	(22,136,446)	27,589,342	24,559,812
Interest income	19	(14,050,801)	(15,924,493)	(17,404,620)
Gain on sale of investment properties	10	(128,065,333)	-	-
Gain on change in fair value of investment properties	10,20	(259,380,144)	(526,868,292)	(610,925,892)
Dividend income	5,20	-	(1,953,910)	-
Loss on cancellation of sale of investment property	10,23	-	-	87,996,422
Loss on sublease	23	-	-	2,769,442
Loss on sale of property and equipment	23	-	-	38,793
Operating loss before working capital changes		(136,159,984)	(106,197,948)	(162,955,668)
Decrease (increase) in:				
Trade and other receivables		47,982,799	18,515,029	512,751,925
Prepayments and other current assets		(48,950,129)	2,783,533	(2,413,716)
Real estate inventories		35,211,279	69,979,015	78,532,024
Other non-current assets		-	-	(3,500,000)
Increase (decrease) in:				
Trade and other payables		(57,931,774)	(26,867,654)	(52,203,778)
Unearned income		-	-	(1,361,382)
Other non-current liabilities		3,140,408	(544,808)	1,502,544
Cash generated from (absorbed by) operations		(156,707,401)	(42,332,834)	370,351,949
Interest received	19	14,050,801	15,924,493	16,427,063
Dividends received	20	-	1,953,910	-
Retirement benefits paid	16	(539,280)	-	(1,424,639)
Contributions to retirement fund	16	(7,000,000)	-	(500,000)
Net cash from (used in) operating activities		(150,195,880)	(24,454,431)	384,854,373
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Additions to property and equipment	11	(40,698,040)	(4,768,327)	(6,427,388)
Additions to investment properties	10	(3,939,956)	(30,030,586)	(6,571,762)
Proceeds from sale of investment properties		62,036,427	-	14,000,000
Proceeds from disposal of property and equipment		776,528	24,135	1,071,894
Net cash from (used in) investing activities		18,174,959	(34,774,778)	2,072,744

*Forward*

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOW**

	<i>Note</i>	2023	2022	2021
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from avilment of loans	14	P2,018,581,702	P1,013,706,633	P796,260,165
Collection of lease receivables		23,672,896	23,284,800	13,737,584
Lease liability payments		(22,972,049)	(22,941,000)	(15,981,379)
Finance cost paid		(56,615,119)	(63,809,071)	(68,942,689)
Payments of loans and note payable	14	(1,710,985,337)	(931,743,558)	(1,017,125,554)
Proceeds from collection of subscriptions receivable		-	22,500	74,037
Costs incurred in issuance of shares		-	-	(100,985,622)
Net cash from (used in) financing activities		251,682,093	18,520,304	(392,963,458)
<b>EFFECTS OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS</b>				
		(402,230)	1,952,441	1,434,240
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
		119,258,942	(38,756,464)	(4,602,101)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	3	<b>163,886,734</b>	202,643,198	207,245,299
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	3	<b>P283,145,676</b>	P163,886,734	P202,643,198

*See Notes to the Consolidated Financial Statements.*



## **1. Corporate Information**

Philippine Realty and Holdings Corporation (the "Parent Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on July 13, 1981. The principal activities of the Parent Company include the acquisition, development, sale and lease of all kinds of real estate and personal properties, and as an investment and holding company.

The Parent Company was listed with the Philippine Stock Exchange (PSE) on September 7, 1987.

On June 22, 2021, the Company issued 4,177,777,778 new common shares at par value of P0.50 per share in favor of Greenhills Properties, Inc. (GPI), in exchange for the two vacant lots in Bonifacio Global City (BGC).

The Parent Company's registered office is at One Balete, 1 Balete Drive corner N. Domingo St. Brgy. Kaunlaran, District 4, Quezon City 1111, Philippines.

The consolidated financial statements represent the consolidation of the financial statements of the Parent Company and the following domestic subsidiaries:

	<b>Principal Activities</b>		<b>Ownership Interest</b>	
			<b>2023</b>	<b>2022</b>
PRHC Property Managers, Inc. (PPMI)	Property Management	Direct	100%	100%
Tektite Insurance Brokers, Inc. (TIBI)	Insurance Brokerage	Direct	100%	100%
Sultan's Power, Inc. (SPI)	Holding Company	Direct	100%	100%
Universal Travel Corporation (UTC)	Travel and Tours Agency	Direct	81.53%	81.53%
Recon-X Energy Corporation	Waste Management	Indirect	51%	51%

## **2. Basis of Preparation**

### Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC), as approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

### Approval of Financial Statements

The accompanying consolidated financial statements as at and for the year ended December 31, 2023 were approved and authorized for issuance by the Board of Directors (BOD) on March 19, 2024.

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

---

Basis of Measurement

The consolidated financial statements have been prepared under the historical cost convention, except for the following which are measured using alternative basis at each reporting date:

Financial assets at FVPL	Fair value
Financial assets at FVOCI	Fair value
Investment properties	Fair value
Retirement benefit obligation	Present value of the defined benefit obligation less fair value of plan assets

Functional and Presentation Currency

The consolidated financial statements are presented in Philippine peso, which is the presentation and functional currency of the Group. All financial information presented have been rounded to the nearest peso, unless otherwise stated.

Use of Estimates and Judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about material areas of estimation uncertainty and critical judgments in applying accounting policies that have the most material effect on the amounts recognized in the consolidated financial statements are described in Note 32.

---

**3. Cash and Cash Equivalents**

This account consists of:

	2023	2022
Cash on hand	P45,000	P45,000
Cash in banks	271,847,207	135,763,217
Cash equivalents	11,253,469	28,078,517
	<b>P283,145,676</b>	<b>P163,886,734</b>

Cash in banks earned an average annual interest of 0.05% and 0.03% in 2023 and 2022. Cash equivalents represent money market placements or short-term investments with maturities up to three months and annual interests ranging from 2.25% to 5.00% and 3.00% to 4.40% in 2023 and 2022, respectively.

Interest income recognized amounted to P1.33 million, P0.49 million and P0.50 million in 2023, 2022 and 2021, respectively (see Note 19).

---

**4. Financial Assets at Fair Value Through Profit or Loss (FVPL)**

This account is composed of listed equity securities that are held for trading. The fair values of these securities totaling P6,750,000 are based on quoted market prices.

## 5. Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

As at December 31, financial assets at FVOCI consist of investments in:

	2023	2022
At cost:		
Listed shares of stock	P58,332,808	P58,332,808
Golf and country club shares	3,350,000	3,350,000
	61,682,808	61,682,808
Accumulated unrealized holding loss	(26,485,605)	(25,606,702)
	P35,197,203	P36,076,106

The movements in this account are summarized as follows:

	Note	2023	2022
Balance at beginning of year		P36,076,106	P37,644,536
Fair value adjustments	26	(878,903)	(1,568,430)
Balance at end of year		P35,197,203	P36,076,106

The investments in shares of stock of various listed equity securities present the Parent Company with opportunity for return through dividend income. The above investments in equity instruments are not held for trading and the Group irrevocably elected to present subsequent changes in fair values in OCI.

The fair values of these investments are based on quoted market prices. Unrealized holding gains or losses from market value fluctuations are recognized as part of the Group's reserves.

Unrealized holding loss recognized in other comprehensive income from financial assets at FVOCI amounted to P0.88 million in 2023, P1.57 million in 2022 and P3.37 million in 2021 (see Note 26).

Dividend income recognized in profit or loss amounted to P1,953,910 in 2022 (see Note 20).

## 6. Trade and Other Receivables

This account is composed of:

	2023	2022
Trade:		
Sale of real estate	P503,026,750	P533,856,617
Lease	20,797,969	24,271,329
Management fees	5,526,833	4,970,368
Commission	4,431,572	5,165,878
Premiums receivable	4,012,287	3,957,483
Advances	82,745,378	51,760,569
Other receivables	69,094,325	69,174,370
	689,635,114	693,156,614
Less: allowance for impairment loss	126,358,022	150,677,407
	563,277,092	542,479,207
Less: non-current portion	207,967,647	365,017,469

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

Trade and other receivables- current portion	<b>P355,309,445</b>	<b>P177,461,738</b>
--	---------------------	---------------------

Trade receivables from sale of real estate include amounts due from buyers of the Parent Company's condominium projects, generally over a period of two (2) to three (3) years. The condominium certificates of title remain in the possession of the Parent Company until full payment has been made by the customers. Trade receivables for restructured accounts carry yield-to-maturity interest rates of 1.5% per month in 2023 and 2022. Interest income recognized amounted to P2,815,144, P4,305,819, and P4,127,556 in 2023, 2022 and 2021, respectively (see Note 19). Certain trade receivables with total carrying value of P216 million and P190 million as at December 31, 2023 and 2022, respectively, are pledged to a local bank as collateral to the Company's loans payable (see Note 14).

Receivables amounting to P126.35 million and P150.67 million as of December 31, 2023 and 2022, respectively, were fully provided with allowance. The movements in the allowance for impairment loss on receivables are as follows:

2023							
	Sale of real estate	Lease	Management fees	Premiums receivable	Advances	Other receivables	Total
Beginning balance	P83,512,900	P5,478,810	P 3,189,750	P5,082,902	P862,891	P52,550,154	P150,677,407
Provisions	-	-	-	-	-	2,863,554	2,863,554
(Reversals)	-	-	-	(2,182,939)	-	(25,000,000)	(27,182,939)
	<b>P83,512,900</b>	<b>P5,478,810</b>	<b>P 3,189,750</b>	<b>P2,899,963</b>	<b>P862,891</b>	<b>P30,413,708</b>	<b>P126,358,022</b>

2022							
	Sale of real estate	Lease	Management fees	Premiums receivable	Advances	Other receivables	Total
Beginning balance	P88,650,704	P7,507,749	P600,408	P5,082,902	P862,891	P16,820,965	P119,525,619
Provisions	(5,137,804)	(2,028,939)	2,589,342	-	-	35,729,189	31,151,788
(Reversals)	-	-	-	-	-	-	-
	<b>P83,512,900</b>	<b>P5,478,810</b>	<b>P3,189,750</b>	<b>P5,082,902</b>	<b>P862,891</b>	<b>P52,550,154</b>	<b>P150,677,407</b>

## 7. Real Estate Inventories

This account consists of:

	2023	2022
In progress:		
BGC Project	<b>P284,007,543</b>	P252,154,357
Andrea North Estate	<b>115,191,934</b>	129,466,042
	<b>399,199,477</b>	381,620,399
Completed units:		
Andrea North SkyVillas Tower	<b>42,177,734</b>	96,696,424
Andrea North Skyline Tower	<b>24,927,304</b>	26,008,598
The Icon Plaza	<b>54,790,767</b>	29,267,782
Casa Miguel	<b>7,192,072</b>	7,192,072
	<b>129,087,877</b>	159,164,876
Land held for development:		
New Manila, Quezon City	<b>135,336,913</b>	135,336,913
BGC	<b>1,410,000,000</b>	1,410,000,000
	<b>1,545,336,913</b>	1,545,336,913
	<b>P2,073,624,267</b>	P2,086,122,188

BGC Project represents the cost of the master plan design, excavation works, survey and permits, and capitalized loan interest related to the construction of the new tower in BGC.

On June 22, 2021, the Parent Company received two BGC lots from GPI in exchange for the Parent Company's shares of stock. One of these lots was recognized as part of real estate inventory – land held for development as the land is being used for the Parent Company's BGC condominium project.

On February 15, 2022, the Parent Company's Board of Directors confirmed its November 16, 2021 approval of the reclassification of the Baguio property previously classified as real estate inventories – land held for development, and of a condominium unit in Icon Residences Tower 1 previously classified as real estate inventories to investment properties due to the change in their use and in management's view of improving the value of the property over time.

On March 21, 2023, the Parent Company's Board of Directors confirmed its December 20, 2022 approval of the reclassification of parking units in Icon Plaza amounting to P26,237,985 and P18,310,000 in 2023 and 2022, respectively (see Note 10) from investment properties to real estate inventories as these properties are committed to be sold to several buyers.

In June 30, 2023, the Parent Company repossessed a condo unit and recognized a loss on repossession amounting to P3,524,627 (see Note 23). It was then sold within the same month for P12,293,134.

Certain real estate inventories are mortgaged as collaterals to loans (see Note 14).

The cost of real estate inventories sold recognized in the consolidated statements of total comprehensive income amounted to P90,154,100, P106,296,787 and, P113,172,007 in 2023, 2022 and 2021, respectively.

## 8. Prepayments and Other Current Assets

This account consists of:

	2023	2022
Creditable withholding tax	<b>P320,913,002</b>	P308,916,089
Prepaid expenses	<b>67,986,287</b>	23,739,449
Prepaid taxes	<b>52,218,439</b>	38,632,394
Deposits	<b>4,984,691</b>	4,984,691
Others	<b>17,056,932</b>	37,157,533
	<b>P463,159,351</b>	P413,430,156

Creditable withholding tax pertains to taxes withheld by the Group's customers in accordance with tax regulations which remained unutilized as at the end of the reporting period. This can be utilized by the Group as a deduction from future income tax obligations.

Prepaid taxes include unutilized creditable withholding taxes which the Company opted for refund with the Bureau of Internal Revenue and tax certificates.

Prepaid expenses consist of advance payment to contractors, rent, real property tax, insurance premium and membership dues.

Deposits pertain to refundable deposits paid to utility companies. These also include security deposits paid in relation to an office lease agreement.

## 9. Investments in and Advances to Associates

Details of the ownership interests in associates as at December 31 are as follows:

	2023	2022
Meridian Assurance Corporation (MAC)	30%	30%
Le Cheval Holdings, Inc. (LCHI)	45%	45%
Alexandra (USA), Inc. (AUI)	45%	45%

Details of investments in and advances to associates are as follows:

	2023	2022
<b>Meridian Assurance Corporation</b>		
Investment - acquisition cost	P88,875,080	P88,875,080
Release of investment	(7,045,222)	(7,045,222)
Investment - acquisition cost	81,829,858	81,829,858
Accumulated equity in net loss:		
Balance at beginning of year	(23,718,877)	(22,287,577)
Equity in net loss for the year	(1,799,380)	(1,431,300)
Balance at end of year	(25,518,257)	(23,718,877)
	P56,311,601	P58,110,981
<b>Le Cheval Holdings, Inc.</b>		
Investment - acquisition cost	P11,250	P11,250
Allowance for impairment loss	(11,250)	(11,250)
	P -	P -
Accumulated equity in net income:		
Balance at beginning of year	P125,149	P125,149
Equity in net loss for the year	-	-
Balance at end of year	125,149	125,149
	P125,149	P125,149
<b>Alexandra (USA), Inc.</b>		
Investment - acquisition cost	P14,184,150	P14,184,150
Allowance for impairment loss	(14,184,150)	(14,184,150)
	-	-
Advances to AUI	132,417,765	132,417,765
Allowance for unrecoverable advances	(132,417,765)	(132,417,765)
	-	-
	P56,436,750	P58,236,131

Allowance for impairment loss pertains to the company's investments in associates that have ceased operations or in process of liquidation.

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

Aggregated amounts relating to associates are as follows:

	2023	2022
<b>Meridian Assurance Corporation (MAC)</b>		
Total assets	P351,413,031	P370,799,653
Total liabilities	(26,887,253)	(32,697,486)
Net assets	324,525,778	338,102,167
Income	2,811,091	9,900,997
Cost and expenses	(15,818,365)	(14,577,798)
Net loss	P13,007,274	(P4,676,801)
<b>Le Cheval Holdings, Inc. (LCHI)</b>		
Total assets	P45,362	P45,362
Total liabilities	142,248	142,248
Net liabilities	(96,886)	(96,886)
Income	-	-
Cost and expenses	-	-
Net loss	P -	P -

The following are the principal activities of the Group's Associates:

Meridian Assurance Corporation

MAC was incorporated and registered with the SEC on March 16, 1960, renewed on November 13, 2007, primarily to engage in the business of insurance and guarantee of any kind and in all branches except life insurance, for consideration, to indemnify any person, firm or corporation against loss, damage or liability arising from any unknown or contingent event, and to guarantee liabilities and obligations of any person, firm or corporation and to do all such acts and exercise all such powers as may be reasonably necessary to accomplish the above purposes which may be incidental.

On July 7, 2021, MAC received a letter from the insurance commission confirming MAC's withdrawal from the insurance business. It is also stated in the letter that MAC is no longer required to submit annual financial statements and other documentary requirements to the commission starting financial year-end 2021. As at December 31, 2022, MAC is in the process of preparing the necessary documents for the amendment of its Articles of Incorporation and By-laws for filing with the SEC and IC. Thereafter, the Company plans to engage in the business of asset management. In 2023, the Company's application for amendment of its Articles of Incorporation and By-laws is still in process with SEC.

The registered office of MAC is Unit E-2003B East Tower, Tektite Towers (formerly Philippine Stock Exchange Centre), Exchange Road, Ortigas Center, Pasig City.

Le Cheval Holdings, Inc.

LCHI, which was incorporated and registered with the SEC on August 30, 1994 as a holding company is inactive.

Alexandra (USA), Inc.

AUI was incorporated in the United States of America (USA). AUI is involved in property development in Florida, USA. AUI is jointly owned with GPI (45%) and Warrenton Enterprises Corporation (10%) of William Cu-Unjieng. AUI is in the process of liquidation.

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**10. Investment Properties**

Investment properties consist of:

	<i>Note</i>	<b>2023</b>	<b>2022</b>
<b>Cost</b>			
Balance, beginning		<b>P2,089,668,160</b>	P2,096,426,618
Additions		<b>3,939,956</b>	30,030,586
Reclassified to real estate inventories	7	<b>(26,237,985)</b>	(18,310,000)
Reclassified to investment in finance lease		-	(18,479,044)
Balance, ending		<b>2,067,370,131</b>	2,089,668,160
Accumulated unrealized holding gain		<b>3,096,177,257</b>	2,836,797,113
		<b>P5,163,547,388</b>	P4,926,465,273

Details of the cost of investment properties are as follows:

	<b>2023</b>	<b>2022</b>
BGC	<b>P846,000,000</b>	P846,000,000
Tektite East Tower	<b>537,280,346</b>	536,346,957
Baguio	<b>402,443,016</b>	399,436,449
Tektite West Tower	<b>183,603,423</b>	183,603,423
The Icon Plaza	<b>53,665,168</b>	79,903,153
San Fernando City, La Union	<b>33,859,578</b>	33,859,578
Icon Residences Tower 1	<b>10,518,600</b>	10,518,600
	<b>P2,067,370,131</b>	P2,089,668,160

**BGC**

On June 22, 2021, the Parent Company received two BGC lots from GPI in exchange for the Parent Company's shares of stock. One of these lots was recognized as part of investment properties as the land has undetermined use as of the reporting date and will be held for capital appreciation.

**Tektite Towers East Tower and West Tower**

In 2020, the Company acquired condominium units and parking spaces at the East Tower and West Tower of Tektite Towers.

**Baguio**

This property is being leased to PPMI under a lease agreement which is renewed annually.

**The Icon Plaza**

On March 21, 2023, the Parent Company's Board of Directors confirmed its December 20, 2022 approval of the reclassification of several parking units in Icon Plaza from investment properties to real estate inventories as these properties have been sold/are committed to be sold to several buyers.

**San Fernando, La Union**

On November 29, 2021, the Parent Company cancelled its Contract to Sell agreement dated December 18, 2014 with Humboltbay Holdings, Inc for the San Fernando, La Union lot originally classified as investment property prior to sale. The Parent Company incurred a loss on sale cancellation of investment property amounting to P87,996,422 million (see Note 23).

**San Juan, La Union**

In December 2023, the Parent Company cancelled its Contract to Sell agreement dated December 18, 2014 with Humboltbay Holdings, Inc for the San Juan, La Union lot originally classified as



**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

investment property prior to sale. After the sales cancellation, the parcel of land was sold to a third party. The sale was completed in December 2023 and the Company recognized a gain on sale amounting to P128 million (see Note 20).

Details of the accumulated unrealized fair value gain are as follows:

	2023	2022
<b>Accumulated unrealized holding gain</b>		
Tektite East Tower	P1,167,654,757	P1,047,126,177
BGC	738,000,000	738,000,000
Tektite West Tower	622,030,122	566,540,552
San Fernando, La Union	311,947,822	295,480,822
Baguio	151,492,984	106,542,795
The Icon Plaza	94,290,172	72,345,367
Icon Residences Tower 1	10,761,400	10,761,400
	<b>P3,096,177,257</b>	<b>P2,836,797,113</b>

The movements in accumulated unrealized fair value gain in 2023 and 2022 are as follows:

	Note	2023	2022
Beginning balance		P2,836,797,113	P2,309,928,821
Increase	20	259,380,144	526,868,292
Total		<b>P3,096,177,257</b>	<b>P2,836,797,113</b>

Details of the carrying amount of investment properties are as follows:

	2023	2022
<b>Carrying amount of investment properties</b>		
BGC	P1,971,808,058	P1,852,368,018
Tektite East Tower	1,317,126,505	1,315,105,116
Baguio	1,024,473,138	965,977,001
Tektite West Tower	495,551,245	479,084,245
The Icon Plaza	205,158,152	186,445,948
San Fernando, La Union	128,150,290	106,204,945
Icon Residences Tower 1	21,280,000	21,280,000
	<b>P5,163,547,388</b>	<b>P4,926,465,273</b>

An independent valuation of the Company's investment properties was performed by qualified appraisers as of December 27, 2023 and February 18, 2024 to determine their fair values. The external independent appraiser used sales comparison approach in arriving at the value of the properties. In this approach, the values of the properties were determined based on sales and listings of comparable properties. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity or at a different floor level of the same building. Comparison would be premised on factors such as location, size and physical attributes, selling terms, facilities offered and time element.

Rental income recognized from the investment properties in 2023, 2022 and in 2021 amounted to P65,466,246, P56,674,800 and P55,302,865, respectively. Real property taxes attributable to the investment properties in 2023, 2022 and 2021 amounted to P6,970,788, P7,870,171 and P8,327,454, respectively and are included as part of taxes and licenses in cost of services. Condominium dues attributable to the investment properties in 2023, 2022 and 2021 amounted to P10,254,996, P8,395,079 and P9,823,728, respectively and are included also in cost of services.

Certain investment properties are mortgaged as collateral to loans (see Note 14).

## 11. Property and Equipment

The details of the carrying amounts of property and equipment, the gross carrying amounts, and accumulated depreciation and amortization of property and equipment are shown below:

	For the Years Ended December 31, 2023 and 2022				Total
	Condominium Units, Building and Building Improvements	Office Furniture, Fixtures and Equipment	Transportation , Machinery and Other Equipment	Leasehold and Office Improvements	
<b>Cost</b>					
January 1, 2022	P101,927,199	P28,783,860	P63,686,024	P1,221,181	P195,618,264
Additions	-	2,093,451	-	-	2,093,451
Adjustments	2,650,014	-	-	-	2,650,014
Disposals	-	(244,955)	-	-	(244,955)
December 31, 2022	104,577,213	30,632,356	63,686,024	1,221,181	200,116,774
Additions	-	2,551,328	38,146,712	-	40,698,040
Disposals	-	(58,482)	(11,404,302)	-	(11,462,784)
<b>December 31, 2023</b>	<b>104,577,213</b>	<b>33,125,202</b>	<b>90,428,434</b>	<b>1,221,181</b>	<b>229,352,030</b>
<b>Accumulated depreciation</b>					
January 1, 2022	38,304,759	28,687,741	54,453,890	1,128,406	122,574,796
Provision	11,269,593	1,429,613	4,702,709	92,775	17,494,690
Disposals	-	(249,817)	-	-	(249,817)
Adjustments	-	(24,861)	-	-	(24,861)
December 31, 2022	49,574,352	29,842,676	59,156,599	1,221,181	139,794,808
Provision	3,138,362	1,468,008	4,156,074	-	8,762,444
Disposals	-	(38,988)	(10,647,268)	-	(10,686,256)
<b>December 31, 2023</b>	<b>52,712,714</b>	<b>31,271,696</b>	<b>52,665,405</b>	<b>1,221,181</b>	<b>137,870,996</b>
<b>Carrying Amount</b>					
At December 31, 2022	P55,002,861	P789,680	P4,529,425	P -	P60,321,966
<b>At December 31, 2023</b>	<b>P51,864,499</b>	<b>P1,853,506</b>	<b>P37,763,029</b>	<b>P -</b>	<b>P91,481,034</b>

Certain transportation equipment of the Group with total carrying value of P35.93 million and P2.27 million as at December 31, 2023 and 2022, respectively are pledged as security under chattel mortgage (see Note 14).

## 12. Leases

### A. Rights-of-use assets

The Parent Company leases two parcels of land located at 5<sup>th</sup> Avenue corner 24<sup>th</sup> Street and 5<sup>th</sup> avenue corner 25<sup>th</sup> Street, Bonifacio Global City, Taguig City. These contracts have a term of fifteen (15) years, renewable for another ten (10) years upon submission of a written notice to renew at least ninety days prior to the expiration of the original term, with terms and conditions mutually agreed by both parties.

The Parent Company also leases Unit 10A in Icon Plaza located 26<sup>th</sup> Street, Bonifacio Global City, Taguig City. The contract has a term of five (5) years and is renewable upon mutual agreement of both parties.

The carrying amount of right-of-use assets as at December 31, 2023 and 2022 is shown below.

	2023	2022
Right-of-use assets	P133,840,828	P132,987,647
Accumulated depreciation	(46,220,916)	(35,573,046)
	P87,619,912	P97,414,601

Amounts recognized in profit or loss:

	Notes	2023	2022
Depreciation expense	21,22	P10,647,871	P10,496,270
Interest expense		8,131,867	8,824,235

### B. Investment in finance lease

The Parent Company entered into a sublease contract relating to one of the parcels of land being leased in BGC as discussed above. This agreement was assessed by the management to be of a finance lease and is renewable at the end of the lease term of initially fifteen (15) years upon mutual consent of the parties.

Amounts receivable under finance lease	2023	2022
Year 1	P24,449,088	P23,672,896
Year 2	24,856,576	24,449,088
Year 3	25,671,552	24,856,576
Year 4	26,099,392	25,671,552
Year 5	26,955,072	26,099,392
Onwards	104,293,824	131,248,896
Undiscounted lease payments	232,325,504	255,998,400
Present value of minimum lease payments receivable	P187,577,530	P201,677,275
Less: current portion	15,606,638	14,099,824
Investment in finance lease – net of current portion	P171,970,892	P187,577,451

Interest income recognized in profit or loss amounted to P9,573,151, P10,229,536, and P11,816,719 in 2023, 2022 and 2021, respectively (see Note 19).

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

**C. Lease liabilities**

A maturity analysis of lease liabilities under both lessee and lessor based on the total cash flows is reported in the table below:

	2023		2022	
	Undiscounted	Discounted	Undiscounted	Discounted
<b>Right-of-use assets</b>				
Less than 1 year	P11,812,050	P8,098,430	P11,812,050	P7,726,363
More than 1 year	86,244,653	71,884,151	98,056,703	79,982,581
	98,056,703	79,982,581	109,868,753	87,708,944
<b>Finance lease</b>				
Less than 1 year	11,160,000	7,471,735	11,160,000	7,115,095
More than 1 year	85,560,000	71,208,663	96,720,000	78,680,398
	96,720,000	78,680,398	107,880,000	85,795,493
	P194,776,703	P158,662,979	P217,748,753	P173,504,437

**D. Short-term operating leases as lessor**

The Group entered into short-term lease agreements including condominium units, office spaces, food plaza spaces and parking spaces. The lease contracts between the Group and its lessees have a term of one (1) to which are renewable annually.

Total rental income earned in 2023, 2022 and 2021 amounted to P65,466,246, P56,674,800 and P55,302,865, respectively.

Deferred rental income amounting to P43,608,343 and P40,425,411 as of December 31, 2023 and 2022, respectively, pertains to advance rent received from lessees to be applied on the last three (3) months of the lease contract.

Refundable deposits on these lease agreements amounted to P19,306,580 and P17,242,595 in 2023 and 2022, respectively, and are included as part of trade and other payables (see Note 13).

**13. Trade and Other Payables**

This account consists of:

	Note	2023	2022
Non-trade payables		P54,628,754	P56,865,807
Accrued expenses		26,033,544	60,875,331
Refundable deposits	12	19,306,580	17,242,595
Customers' deposits		16,593,017	22,485,042
Retention fee payable		14,629,535	21,682,353
Due to government agencies		5,782,849	8,360,308
Trade payables		2,050,231	7,640,712
Others		272,163	53,249
		139,296,673	195,205,397
Less: non-current portion		76,059,054	84,851,214
		P63,237,619	P110,354,183

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

Non-trade payables consist of transfer fees and retention commission payable.

Accrued expenses consist of accrual for costs of outside services, insurance, supplies, tax and other legal expenses.

Customers' deposits consist of down payments representing less than 25% of the contract price of the condominium units sold which are deductible from the total contract price.

Retention fee payable pertains to retention fees withheld from the contractors of ongoing projects.

Due to government agencies consist mainly of payable to the Bureau of Internal Revenue, SSS, HDMF and PhilHealth.

#### **14. Loans and Note Payable**

The movements in the loans and notes payable are summarized as follows:

	<b>2023</b>	<b>2022</b>
Balance at beginning of year	<b>P894,423,364</b>	P812,460,289
Availments of loan	<b>2,018,581,702</b>	1,013,706,633
Payments of principal	<b>(1,710,985,337)</b>	(931,743,558)
Balance at end of year	<b>P1,202,019,729</b>	P894,423,364

The loans and notes payable are composed of the following:

	<b>2023</b>	<b>2022</b>
Payable within one year:		
<i>Parent Company</i>		
Philippine National Bank	<b>P350,000,000</b>	P250,000,000
Philippine Bank of Communications	<b>472,985,126</b>	413,706,633
Union Bank of the Philippines	<b>5,927,594</b>	1,583,107
RCBC Savings Bank	<b>596,175</b>	536,450
<i>Subsidiary</i>		
RCBC Savings Bank	<b>159,255</b>	896,804
	<b>P829,668,150</b>	P666,722,994

	<b>2023</b>	<b>2022</b>
Payable after one year:		
<i>Parent Company</i>		
Philippine Bank of Communications	<b>P344,794,867</b>	P226,260,165
Union Bank of the Philippines	<b>26,152,493</b>	706,599
RCBC Savings Bank	<b>1,404,219</b>	574,351
<i>Subsidiary</i>		
RCBC Savings Bank	<b>-</b>	159,255
	<b>372,351,579</b>	227,700,370
	<b>P1,202,019,729</b>	P894,423,364

Philippine National Bank (PNB)

The Parent Company availed new interest-bearing loans with total principal amount of P1.4 billion and P650 million in 2023 and 2022, respectively, payable within three (3) months subject to extension upon lapse of the maturity date. These loans are secured by certain real estate inventories with the carrying amount of P135.4 million (see Note 7).

Philippine Bank of Communications (PBCom)

In 2017, the Parent Company entered into a long-term credit facility agreement with PBCom, consisting of a P500 million interest-bearing Term Loan. Drawdowns under this credit facility are payable within five (5) years from the date of drawdown payable quarterly in arrears. As at December 31, 2022 the said Term Loan was fully paid. Accordingly, the collaterals securing the Term Loan had been released.

In 2019, the Parent Company entered into a long-term credit facility agreement with PBCom. PBCom approved an interest-bearing Term Loan under which the Parent Company drew down P500 million in 2019. These loans are payable within six (6) years from the date of drawdown payable quarterly in arrears and secured by certain investment properties mortgaged in favor of PBCom with the total carrying amount of P398.2 million and P390.4 million as of December 31, 2023 and 2022, respectively.

In 2020, PBCom approved an interest-bearing Loan Line amounting to P300 million available for drawings in the form of 180-day promissory notes (PNs) payable at maturity of the PNs. The principal payment is on the maturity date of the PNs.

In 2021, PBCOM approved an interest-bearing Contract to Sell Financing line amounting to P300 million available for drawings. The Parent Company drew down P141.83 million and P114 million in 2023 and 2022, respectively, payable at maturity of the deed of undertaking and are secured by certain receivables assigned in favor of PBCom amounting to P216 million and P190 million as at December 31, 2023 and 2022, respectively (see Note 6).

In 2023, PBCom approved an interest-bearing Term Loan amounting to P3.8 billion with initial draw of P150 million payable within five (5) years payable annually. This loan was availed specifically to fund the Casa Unico Project.

In 2023, PBCom approved an interest-bearing Loan Line amounting to P300 million available for drawings in the form of 180-day promissory notes (PNs) payable at maturity of the PNs. This was secured by a lot with carrying amount of P345.8 million as of December 31, 2023 (see Note 10).

Union Bank of the Philippines (UBP)

In 2023, the Parent Company availed interest-bearing car loans from Union Bank payable in installment within sixty (60) months. These loans are secured by the vehicle acquired under this facility (see Note 11).

RCBC Savings Bank (RCBC)

In July 2017, the Parent Company availed an interest-bearing car loan from RCBC Savings Bank payable in installment within sixty (60) months. These loans are secured by the vehicle acquired under this facility (see Note 11). This was fully paid as of December 31, 2022.

In 2023, the Parent Company availed interest-bearing car loans from RCBC Savings Bank payable in installment within sixty (60) months. These loans are secured the vehicles acquired under this facility (see Note 11).

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

Total interest on the above loan agreements charged to profit or loss amounted to P61,951,600, P54,819,311 and P60,124,456 in 2023, 2022 and 2021, respectively. Interest on loans payable capitalized as part of the cost of real estate development amounted to P15,383,994 in 2023. The capitalization rate used was 7.43%.

**RCBC Savings Bank (RCBC)**

In 2019, PPMI availed of a five-year interest-bearing note payable amounting to P3,744,000 from a local bank to finance the purchase of transportation equipment. The loan was obtained in February 2019 and will mature in February 2024. The loan was fully paid on February 15, 2024.

Interest expense charged to profit or loss amounted to P74,007 and P165,525 in 2023 and 2022, respectively.

**15. Related Party Transactions**

The details of related party transactions and balances are as follows:

<b>As at and for the year ended December 31, 2023:</b>	<b>Transactions</b>	<b>Outstanding balance</b>	<b>Terms and conditions</b>
<i>Trade receivables</i>			The receivables are secured with related units until full payment.
Stockholder			
Greenhills Properties, Inc.			
Sale of parking space	P -		
Collections during the year	-	P51,892,140	
<i>Advances</i>			Advances to subsidiaries and associates are unsecured, non-interest bearing and to be settled in cash.
Alexandra (USA), Inc., Associate	-	132,417,765	
Le Cheval Holdings, Inc., Associate	-	122,248	
Less: Allowance for impairment loss	-	132,540,013	
Balance, net	-	-	
<i>Key management personnel</i>			Key management includes directors (executive and non-executive) and executive officers. Short-term benefits are payable monthly and post-employment benefits are payable upon retirement
Short-term benefits	-	-	
Salaries and other short-term employee benefits	38,481,536	-	
Post-employment benefits	-	-	
Provision for retirement benefits/PVO	7,466,814	-	
<b>As at and for the year ended December 31, 2022:</b>	<b>Transactions</b>	<b>Outstanding balance</b>	<b>Terms and conditions</b>
<i>Trade receivables</i>			The receivables are secured with related units until full payment.
Ultimate Parent Company			
Greenhills Properties, Inc.			
Sale of parking space	P -		
Collections during the year	-	P51,892,140	
<i>Forward</i>			

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2022:	Transactions	Outstanding balance	Terms and conditions
<i>Advances</i>			Advances to subsidiaries and associates are unsecured, non-interest bearing and to be settled in cash.
Alexandra (USA), Inc., Associate	-	132,417,765	
Le Cheval Holdings, Inc., Associate	-	122,248	
Less: Allowance for impairment loss	-	132,540,013	
Balance, net	-	-	
<i>Key management personnel</i>			Key management includes directors (executive and non-executive) and executive officers.
Short-term benefits	-	-	Short-term benefits are payable monthly and post-employment benefits are payable upon retirement
Salaries and other short-term employee benefits	43,439,819	-	
Post-employment benefits	-	-	
Provision for retirement benefits/PVO	7,869,438	-	

*Management Services*

PPMI provides general management services and financial management and supervision over the janitorial and security services for the efficient administration of the properties of GPI, a stockholder, and third parties, collectively referred herein as property owners. In consideration for said services, PPMI charges the property owners a fixed monthly amount, with a 10% escalation rate annually. These management contracts are renewable for a period of two (2) to three (3) years upon mutual agreement of both PPMI and the property owners.

*Receivable*

PPMI leases its office premises from its Parent Company a period of one (1) year, renewable upon mutual consent of both parties. Rent expense charged to profit or loss amounted to P304,632 in 2023 and 2022 (see Note 21).

*Advances to related parties*

The Parent Company's substantial receivables from AUI, an associate, which is intended to fund the latter's working capital requirement, represents non-interest-bearing advances with no fixed term with the option to convert to equity in case of increase in capital. Advances contributed by AUI's stockholders were in accordance with the percentage of ownership of the stockholders in AUI. As previously mentioned, AUI is in the process of liquidation (See Note 9).

## 16. Retirement Benefit Plans

The Parent Company and Tektite Insurance Brokers, Inc. (TIBI) operate funded, non-contributory defined benefit retirement plans covering substantially all of their regular employees. The plans are administered by local banks as trustee and provide for a lump-sum benefit payment upon retirement. The benefits are based on the employees' monthly salary at retirement date multiplied by years of credited service. No other post-retirement benefits are provided.

PPMI has an unfunded, noncontributory defined benefit retirement plan.

Through their defined benefit retirement plans, the Group is exposed to a number of risks, the most material of which are detailed below:



PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

- *Asset volatility* - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit.
- *Inflation risk* - Some of the Group retirement obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plans' assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out by an independent actuary on February 23, 2024, February 28, 2024 and March 1, 2024 for the year ended December 31, 2023 and February 28, 2023 for the year ended December 31, 2022. The present value of the defined benefit obligation, and the related current service cost were measured using the Projected Unit Credit Method.

Key assumptions used for the Parent Company:

	Valuation at	
	2023	2022
Discount rate	6.10%	7.22%
Future salary increase	4.00%	4.00%

Key assumptions used for PPMI:

	Valuation at	
	2023	2022
Discount rate	6.10%	7.22%
Future salary increase	6.00%	6.00%

Key assumptions used for TIBI:

	Valuation at	
	2023	2022
Discount rate	5.87%	5.21%
Future salary increase	5.00%	5.00%

Assumptions regarding future mortality and disability are set based on actuarial advice in accordance with published statistics and experience.

The reconciliation of the present value of the defined benefit obligation (DBO) and the fair value of the plan assets to the recognized liability presented as accrued retirement liability in the consolidated statements of financial position is as follows:

	2023	2022
Present value of defined benefit obligation	P121,003,805	P94,301,784
Fair value of plan assets	(35,368,121)	(27,348,299)
Recognized liability	P85,635,684	P66,953,485

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

The movements in the present value of defined benefit obligation are shown below:

	2023	2022
Liability at beginning of year	P94,301,784	P99,028,667
Current service cost	10,309,836	12,174,121
Interest cost	6,602,564	4,642,214
Remeasurement gains		
Changes in financial assumptions	11,266,396	(20,097,390)
Changes based on experience	(937,495)	(1,357,585)
Benefits paid from company reserves	(539,280)	(88,243)
Liability at end of year	P121,003,805	P94,301,784

The movements in the plan assets are shown below:

	2023	2022
Fair value of plan assets at beginning of year	P27,348,299	P28,098,491
Interest income	2,098,892	1,185,166
Actual contribution	7,000,000	-
Remeasurement loss	(1,079,070)	(1,935,358)
Fair value of plan assets at end of year	P35,368,121	P27,348,299

The main categories of plan assets as at December 31, 2023 and 2022 are as follows:

	2023	2022
Cash and cash equivalents	P28,873,687	P21,860,161
Equity instruments	6,480,332	5,453,747
Accrued interest	63,821	58,134
Liabilities	(49,719)	(23,743)
	P35,368,121	P27,348,299

The retirement expense recognized in profit or loss consists of:

	2023	2022	2021
Current service cost	P10,309,836	P12,174,121	P12,438,972
Net interest on defined benefit liability	4,503,672	3,457,048	2,934,913
	P14,813,508	P15,631,169	P15,373,885

The provision for retirement benefits is recognized under general and administrative expenses in the consolidated statements of total comprehensive income (see Note 22).

The sensitivity analysis of the defined benefit obligation is:

	Increase (decrease) in basis points	Effect on defined benefit obligation
Discount rate	1.00%	(P10,554,291)
	(1.00%)	12,520,867
Future salary increase	1.00%	12,621,614
	(1.00%)	(10,815,275)

The above sensitivity analyses are based on changes in principal assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to material actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized in the consolidated statements of financial position.

The BOD reviews the level of funding required for the retirement fund. This includes the asset-liability matching (ALM) strategy and investment risk management policy. The Group's ALM objective is to match maturities of the plan assets to the retirement benefit obligation as they fall due. The Group monitors how the duration and expected yield of the investments are matching the expected cash outflows arising from the retirement benefit obligation.

As of December 31, 2023, the weighted average duration of defined benefit obligation are 9.90, 12.50 and 2.50 years for Parent Company, PPMI and TIBI, respectively (2022: 8.10, 11.50 and 2.80 years, respectively).

#### 17. Management Fees and Other Services Fees

The Group provides general management services and financial management and supervision over the janitorial and security services through PPMI. In consideration for the said services, PPMI charges the property owners a fixed monthly amount with a 10% escalation rate annually. These management contracts are renewable for a period of two (2) to three (3) years upon mutual agreement of both PPMI and the property owners. PPMI is entitled to fixed reimbursement of actual cost of the on-site staff. The total income from management fees and other services fees amounted to P41.20 million, P34.66 million and P36.78 million in 2023, 2022 and 2021, respectively.

#### 18. Commission

The Group derives commission income from insurance brokerage through TIBI which amounted to P5.22 million, P5.57 million and P4.51 million in 2023, 2022 and 2021, respectively.

#### 19. Interest Income

The Group's interest income was derived from the following:

	<i>Note</i>	2023	2022	2021
Sublease	12	P9,573,151	P10,229,536	P11,816,719
Penalty for late payments	6	2,815,144	4,305,819	4,127,556
Cash and cash equivalents	3	1,327,085	494,516	495,270
Trade receivables		319,564	431,600	619,736
Others		15,857	463,022	345,339
		P14,050,801	P15,924,493	P17,404,620

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**20. Other Income**

The account consists of:

	<i>Notes</i>	2023	2022	2021
Gain on change in fair value of investment properties	10	P259,380,144	P526,868,292	P610,925,892
Gain on sale of investment properties	10	128,065,333	-	-
Reversal of allowance for impairment losses on receivables	6	25,000,000	-	-
Gain on money market investments		61,811	-	-
Dividend income	5	-	1,953,910	-
Foreign exchange gain		-	1,952,441	1,434,240
Gain on repossession of real estate inventories		-	1,498,643	14,287,462
Gain on money market investments		-	-	34,652
Others		14,039,669	8,236,429	10,484,867
		<b>P426,546,957</b>	<b>P540,509,715</b>	<b>P637,167,113</b>

**21. Cost of Services**

The account consists of:

	<i>Note</i>	2023	2022	2021
Salaries, wages, and other benefits		P22,332,559	P18,387,056	P20,657,116
Condominium dues	10	10,254,996	8,395,079	9,823,728
Depreciation and amortization on ROU assets	12	9,937,930	8,763,860	8,466,620
Outside services		8,238,708	6,774,278	4,063,409
Taxes and licenses		7,082,369	7,949,813	8,595,591
Utilities		6,405,401	4,804,628	4,167,232
Commission		3,054,398	1,630,729	627,766
Insurance and bond premiums		2,155,302	2,052,286	2,131,294
SSS, Pag-IBIG and other contributions		2,031,418	1,459,167	1,558,212
Repairs and maintenance		1,423,249	649,308	1,492,363
Communication		492,331	532,221	618,175
Rental	12	304,632	304,632	561,943
Employees' welfare		53,753	64,823	101,192
Others		1,142,155	783,218	5,898,819
		<b>P74,909,201</b>	<b>P62,551,098</b>	<b>P68,763,460</b>

Others include various expenses that are individually immaterial.

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**22. General and Administrative Expenses**

The account consists of:

	<i>Note</i>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Salaries, wages, and other benefits		<b>P65,670,871</b>	P71,586,651	P69,048,790
Taxes and licenses		<b>92,729,926</b>	64,020,284	44,916,582
Professional fees		<b>28,917,983</b>	21,799,851	21,423,175
Marketing expense		<b>26,435,882</b>	33,285,461	40,531,274
Transportation and travel		<b>16,694,189</b>	34,324,100	15,408,094
Provision for retirement benefits	<i>16</i>	<b>14,813,508</b>	15,631,169	15,373,885
Depreciation and amortization				
Property and equipment	<i>11</i>	<b>8,762,444</b>	17,494,691	12,981,031
ROU assets	<i>12</i>	<b>709,941</b>	1,732,410	1,155,868
SSS, Pag-IBIG, Medicare and other benefits		<b>8,127,483</b>	5,528,706	5,761,900
Insurance and bond premiums		<b>8,012,471</b>	7,295,002	12,445,616
Outside services		<b>8,004,499</b>	6,726,186	5,809,893
Condominium dues		<b>4,408,640</b>	5,351,072	8,069,082
Repairs and maintenance		<b>4,320,622</b>	5,461,617	5,919,526
Provision for impairment loss on trade and other receivables	<i>6</i>	<b>2,863,554</b>	27,589,342	24,559,812
Utilities		<b>2,569,246</b>	1,838,399	1,879,823
Postage and communication		<b>2,459,827</b>	2,455,107	2,377,689
Representation and entertainment		<b>870,586</b>	916,823	770,962
Supplies and materials		<b>323,620</b>	168,221	3,120,464
Rental		<b>40,909</b>	516,225	86,844
Membership dues		-	697,754	-
Miscellaneous		<b>10,924,061</b>	14,045,958	13,269,083
		<b>P307,660,262</b>	P338,465,029	P304,443,005

**23. Other Expenses**

The account consists of:

	<i>Note</i>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Loss on repossession of real estate properties	<i>7</i>	<b>P3,524,627</b>	P -	P -
Bank charges		<b>971,640</b>	144,637	48,161
Foreign exchange loss		<b>402,230</b>	-	-
Loss on money market investment		-	85,414	-
Loss on sale of property and equipment		-	-	38,793
Loss on cancellation of sale of investment property	<i>10</i>	-	-	87,996,422
Loss on sublease	<i>12</i>	-	-	2,769,442
		<b>P4,898,497</b>	P230,051	P90,852,818

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**24. Income Taxes**

The components of income tax expense are as follows:

	2023	2022	2021
Current	P4,874,336	P1,755,527	P120,471
Deferred	59,621,911	123,403,970	59,517,853
	<b>P64,496,247</b>	<b>P125,159,497</b>	<b>P59,638,324</b>

The reconciliation of the provision for income tax expense computed at the statutory rate to the provision shown in the consolidated statements of total comprehensive income is as follows:

	2023	2022	2021
Income before income tax	<b>P177,365,206</b>	<b>P305,547,988</b>	<b>P252,377,845</b>
Income tax expense using statutory tax rate	<b>P44,341,301</b>	<b>P76,336,592</b>	<b>P63,646,131</b>
Additions to (reductions in) income tax resulting from the tax effects of:			
Non-deductible expenses	<b>17,534,397</b>	<b>18,144,504</b>	<b>14,305,124</b>
Movement on unrecognized deferred tax assets	<b>1,959,011</b>	<b>31,723,767</b>	<b>64,500,197</b>
Unrecognized net operating loss carry-over (NOLCO)	<b>1,120,162</b>	<b>1,120,162</b>	<b>848,363</b>
Limit on interest expense	<b>78,884</b>	<b>30,250</b>	<b>29,423</b>
Expired MCIT	-	<b>135,344</b>	-
Retirement obligation	-	<b>46,860</b>	<b>51,560</b>
Dividend income	-	<b>(488,478)</b>	-
Book and tax difference in income tax expense due to CREATE	-	-	<b>(816,990)</b>
Changes in deferred tax assets and liabilities due to reduction in income tax rates under CREATE	-	-	<b>(82,652,386)</b>
Gain on changes in fair value of investment property of a subsidiary	<b>(217,600)</b>	<b>(1,766,400)</b>	<b>(150,400)</b>
Interest income subjected to final tax	<b>(319,908)</b>	<b>(123,104)</b>	<b>(122,698)</b>
	<b>P64,496,247</b>	<b>P125,159,497</b>	<b>P59,638,324</b>

The components of the deferred income tax assets (liabilities) recognized by the Group are as follows:

	2023		2022	
	Tax Base	Deferred Tax	Tax Base	Deferred Tax
<b>Deferred Tax Assets:</b>				
Retirement benefit obligation	<b>P81,503,968</b>	<b>P19,689,834</b>	<b>P78,526,024</b>	<b>P18,229,507</b>
Deferred rent income	<b>43,608,343</b>	<b>10,897,159</b>	<b>40,437,410</b>	<b>10,108,753</b>
Book and tax basis difference under PFRS 16	<b>10,550,723</b>	<b>2,628,999</b>	<b>8,134,602</b>	<b>2,033,650</b>
Impairment loss on receivables	<b>3,189,750</b>	<b>637,950</b>	<b>3,189,750</b>	<b>637,950</b>
Unrealized foreign exchange loss	<b>52,732</b>	<b>13,183</b>	-	-
MCIT	-	-	<b>75,183</b>	<b>75,183</b>
	<b>138,905,516</b>	<b>33,867,125</b>	<b>130,362,969</b>	<b>31,085,043</b>

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

	2023		2022	
	Tax Base	Deferred Tax	Tax Base	Deferred Tax
<b>Deferred Tax Liabilities:</b>				
Gain on change in fair value of investment properties	(3,054,331,098)	(763,582,774)	(2,796,038,953)	(699,009,737)
Gain on sublease	(83,858,576)	(20,964,644)	(91,405,050)	(22,851,262)
Retirement obligation charged to OCI	-	-	(15,436,655)	(3,087,331)
Unrealized gain on repossession of real estate inventories	(9,244,982)	(2,311,246)	(9,244,982)	(2,311,246)
Accrued rent receivable	(1,765,295)	(441,324)	(1,765,295)	(441,324)
Unrealized foreign exchange gain	-	-	(349,498)	(87,374)
	<b>(3,149,199,951)</b>	<b>(787,299,988)</b>	<b>(2,914,240,433)</b>	<b>(727,788,274)</b>
	<b>(P3,010,294,435)</b>	<b>(P753,432,863)</b>	<b>(P2,783,877,463)</b>	<b>(P696,703,231)</b>

The recognized deferred tax assets were from the Parent Company and PPMI.

The Group's unrecognized deferred tax assets pertain to the following:

	2023		2022	
	Tax Base	Deferred Tax	Tax Base	Deferred Tax
NOLCO	P496,152,562	P89,138,108	P463,814,777	P116,046,159
Allowance for impairment loss on receivables	361,308,516	124,796,819	385,622,756	95,974,451
Allowance for impairment loss on investments in subsidiaries and associates	55,618,196	12,119,549	55,618,196	12,119,549
MCIT	6,711,389	6,711,389	5,287,421	5,287,421
Accrued retirement benefit expense	4,131,716	826,343	3,864,116	772,823
	<b>P923,922,379</b>	<b>P233,592,208</b>	<b>P914,207,266</b>	<b>P230,200,403</b>

Detail of the Group's NOLCO which can be claimed as deduction from future taxable income is as follows:

Year Incurred	Expiry date	Amount	Applied	Expired	Balance
2023	2026	P31,915,467	P -	P -	P31,915,467
2022	2025	95,688,923	-	-	95,688,923
2021	2026	255,733,127	-	-	255,733,127
2020	2025	112,815,045	-	-	112,815,045
		<b>P496,152,562</b>	<b>P -</b>	<b>P -</b>	<b>P496,152,562</b>

In accordance to Section 4 of Revenue Regulations No. 25-2020 issued on September 30, 2020, the business or enterprise which incurred net operating loss for taxable years 2020 and 2021 shall be allowed to carry over the same as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

Details of the Group's MCIT which can be claimed as deduction from future taxable income is as follows:

Year Incurred	Expiry date	Amount	Applied	Expired	Balance
2023	2026	P4,217,650	P -	P -	P4,217,650
2022	2025	1,701,073	(75,183)	-	1,625,890
2021	2024	867,849	-	-	867,849
2020	2023	2,108,581	-	(2,108,581)	-
		P 8,895,153	(P75,183)	(2,108,581)	P6,711,389

*Impact of the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE)*

On March 26, 2021, the President signed into law the "Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE", which seeks to reduce the corporate income tax rates and to rationalize the current fiscal incentives by making it time-bound, targeted, and performance-based.

The following are certain provisions of the law that had an impact on the Group's financial statements.

- Reduced RCIT rate effective July 1, 2020 of 20% or 25%
- Reduced MCIT rate of 1% effective July 1, 2020 until June 30, 2023.

As mentioned above, the reduction in income tax under CREATE took effect on July 1, 2020. However, Philippine Interpretations Committee issued Questions and Answers No. 2020-07, in which it stated that the CREATE Law is considered to be not substantively enacted as of December 31, 2020; accordingly, the current and deferred taxes for financial reporting purposes as of December 31, 2020 are measured using the regular income tax rate in effect as of December 31, 2020, which is 30%. The difference was reflected as adjustment to the current income tax for the year ended December 31, 2021 in accordance with PAS 12, Income Taxes.

## **25. Capital and Treasury Stock**

Movements in the Group's capital stock are as follows:

	2023	December 2022 (As restated – Note 29)	January 2022 (As restated – Note 29)
<b>Authorized</b>			
16,000,000,000 common shares at P0.50 par value	P8,000,000,000	P8,000,000,000	P8,000,000,000
<b>Issued and outstanding</b>			
7,866,647,523 shares in 2023 and 2022			
3,688,869,745 shares in 2020	3,933,323,762	3,933,323,762	3,933,323,762
<b>Subscribed</b>			
1,314,711,262 shares	657,355,632	657,355,632	657,355,632
Subscriptions receivable – Capital Stock	(157,478,973)	(157,478,973)	(157,490,223)
Subscription receivable - APIC	(157,478,973)	(157,478,973)	(157,490,223)
	342,397,686	342,397,686	342,375,186
<b>Capital Stock</b>	<b>4,275,721,448</b>	<b>4,275,721,448</b>	<b>4,275,698,948</b>
<b>Additional paid-in capital</b>	<b>780,630,029</b>	<b>780,630,029</b>	<b>780,630,029</b>
<b>Total Capital Stock</b>	<b>P5,056,351,477</b>	<b>P5,056,351,477</b>	<b>P5,056,328,977</b>



**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

Details of the Group's treasury stock are as follows:

	2023	2022	2021
Treasury Stock			
82,049,497 common shares with average cost of P1.34 per share	P110,049,633	P110,049,633	P110,049,633

**26. Reserves**

This account consists of:

	Note	2023	December 2022 (As restated – Note 29)	January 2022 (As restated – Note 29)
Appropriated retained earnings for:				
Treasury stock acquisitions		P109,712,439	P109,712,438	P109,712,439
Revaluation on FVOCI				
Balance at beginning of year		(25,606,702)	(24,038,272)	(20,672,288)
Movements during the year		(878,903)	(1,568,430)	(3,365,984)
Balance at end of year	5	(26,485,605)	(25,606,702)	(24,038,272)
Remeasurement gain (loss) on retirement benefit obligation				
Balance at beginning of year		(18,575,075)	(33,473,053)	(44,735,989)
Adjustment		46,784	-	(2,637,009)
Actuarial gain (loss) during the year - gross		(11,395,861)	19,519,617	18,852,265
Tax effect		2,874,640	(4,621,639)	(4,952,320)
Balance at end of year		(27,049,512)	(18,575,075)	(33,473,053)
		P56,177,322	P65,530,662	P52,201,114

The Parent Company's retained earnings amounting to P109,712,439 is appropriated to cover the cost of the treasury shares.

**27. Non-controlling Interest**

This pertains to equity in subsidiaries not attributable, directly or indirectly, to the parent. Details are as follows:

	2023	December 2022 (As restated – Note 29)	January 2022 (As restated – Note 29)
<b>Universal Travel Corporation</b>			
January 1	(P7,240,458)	(P7,230,871)	(P7,223,932)
Share in net loss	(11,796)	(9,587)	(6,939)
December 31	(7,252,254)	(7,240,458)	(7,230,871)
<b>Recon-X Energy Corporation</b>			
January 1	(34,300,000)	(31,610,760)	(20,072,695)
Adjustment	-	-	(9,551,131)
Share in net loss	-	(2,689,240)	(1,986,934)
December 31	(34,300,000)	(34,300,000)	(31,610,760)
	(P41,552,254)	(P41,540,458)	(P38,841,631)

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**28. Basic Earnings Per Share**

	2023	2022	2021
Net income attributable to equity holders of Parent Company	P112,880,755	P183,087,319	P194,733,394
Weighted average no. of common shares issued and outstanding	9,099,309,288	9,099,309,288	9,099,309,288
Basic earnings per share	P0.01	P0.02	P0.02

The weighted average number of common shares issued and outstanding was computed as follows:

	2023	2022	2021
Issued and outstanding shares	7,866,647,523	7,866,647,523	7,866,647,523
Subscribed shares	1,314,711,262	1,314,711,262	1,314,711,262
Treasury shares	(82,049,497)	(82,049,497)	(82,049,497)
Average number of shares	9,099,309,288	9,099,309,288	9,099,309,288

The Group has no potential dilutive shares as at December 31, 2023, 2022 and 2021.

**29. Restatement**

The following reconciliation shows the effects of the Company's reclassification of certain equity amounts as at January 1, 2022:

	As previously reported (January 1, 2022)	Adjustments	As restated (January 1, 2022)
<b>Statements of Financial Position</b>			
Capital stock	P4,433,189,171	(157,490,223)	P4,275,698,948
Additional paid-in capital	623,139,806	157,490,223	780,630,029
Retained earnings	1,349,807,235	18,799,320	1,368,606,555
Non-controlling interest	20,042,311	18,799,320	38,841,631

In 2016, the Parent Company undertook a quasi-reorganization which involved the reduction of the par value of the company's shares from P1.00 to P0.50 per share, and the use of the resulting additional paid-capital to wipe out the company's deficit. The adjustment above pertains to the effect of the quasi-reorganization on unpaid subscriptions as of December 31, 2023.

**30. Provisions and Contingencies**

The Group is a party to legal claims that arise in the ordinary course of business, the outcome of which is not presently determinable. The Group and its legal counsel, however, believe that final settlement, if any, will not be material to the Group's financial results.

### 31. New and Amended Standards

#### Adoption of Amendments to Standards

The accounting policies adopted in the preparation of the financial statements are consistent with those of the Group's financial statements for the year ended December 31, 2022 except for the adoption of the following new standards and amended PFRS which became effective beginning January 1, 2023. Unless otherwise indicated, none of these had a material effect on the financial statements.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current* affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
  - clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
  - make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.
- Amendments to PAS 8, *Definition of Accounting Estimates* focus entirely on accounting estimates and clarify the following:
  - The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
  - Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
  - A change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
  - A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure Initiative – Accounting Policies* amends the following:
  - An entity is now required to disclose its material accounting policy information instead of its material accounting policies;
  - several paragraphs are added to explain how an entity can identify material

accounting policy information and to give examples of when accounting policy information is likely to be material;

- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
  - the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements;
  - the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information; and
  - adds guidance and examples to explain and demonstrate the application of the "four-step materiality process" to accounting policy information in order to support the amendments to PAS 1.
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities from a Single Transaction* include an exemption from the initial recognition exemption provided in PAS 12.15(b) and PAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.
  - Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules* are:
    - An exception to the requirements in PAS 12 that an entity does not recognize and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes. An entity has to disclose that it has applied the exception.
    - A disclosure requirement that an entity has to disclose separately its current tax expense (income) related to pillar two income taxes.
    - A disclosure requirement that state that in periods in which pillar two legislation is enacted or substantively enacted, but not yet in effect, an entity discloses known or reasonably estimable information that helps users of financial statements understand the entity's exposure to pillar two income taxes arising from that legislation.
    - The requirement that an entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments and retrospectively in accordance with PAS 8.

New and Amended Standards Not Yet Adopted.

A number of new and amended standards and interpretations are effective for annual periods beginning after January 1, 2023 and have not been applied in preparing the financial statements. Unless otherwise indicated, none of these is expected to have a material effect on the financial statements. The Company will adopt the following new and amended standards and interpretations on the respective effective dates:

- PFRS 17, *Insurance Contracts* and Amendments to PFRS 17, *Initial Application of PFRS 17 and PFRS 9 – Comparative Information* add a new transition option to PFRS 17 (the "classification overlay") to alleviate operational complexities and one-time accounting mismatches in comparative information between insurance contract liabilities and related

financial assets on the initial application of PFRS 17.

On December 15, 2022, the FRSC amended the mandatory date of PFRS 17 from January 1, 2023 to January 1, 2025 to be consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of IFRS 17 by two (2) years after its effective date as decided by the IASB. This also, in effect, extends the mandatory date of the amendments by two years. This is still subject to approval of the Board of Accountancy.

- Amendments to PAS 7 and PFRS 7, *Supplier Finance Arrangements* describes the characteristics of an arrangement for which an entity is required to provide the information. Entities will have to disclose in the notes additional about:
  - The terms and conditions of the supplier finance arrangements;
  - For the arrangements, as at the beginning and end of the reporting period:
    - a) The carrying amounts of financial liabilities that are part of the arrangement and the associated line item presented;
    - b) The carrying amount of financial liabilities disclosed under a) for which suppliers have already received payment from the financial providers;
    - c) The range of payment due dates of financial liabilities disclosed under a) and comparable trade payables that are not part of a supplier finance agreement; and
  - The type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of the arrangement.

This amendment is effective for annual periods beginning on or after January 1, 2024 with transition reliefs provided.

- Amendments to PAS 1, *Non-current Liabilities with Covenants* modifies the requirements introduced by Classification of Liabilities as Current or Non-current on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances: Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The amendments are effective for reporting periods beginning on or after January 1, 2024.

The amendments are applied retrospectively in accordance with PAS 8.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback* requires the seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease.

The amendments are effective for annual periods beginning on or after January 1, 2024.

## 32. Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements.

### Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and entities controlled by the Parent Company, the subsidiaries, up to December 31 each year. Details of the subsidiaries are shown in Note 37.

The consolidated financial statements were prepared using uniform accounting policies for like transactions and other events in similar circumstances. Inter-company balances and transactions, including inter-company profits and unrealized profits and losses, are eliminated.

### *Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Parent Company controls an entity when the Parent Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Parent Company. They are deconsolidated from the date that control ceases.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired i.e. discount on acquisition is credited to profit and loss in the period of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognized. Subsequently, any losses applicable to the minority interest in excess of the minority interest are allocated against the interests of the Parent Company.

Acquisition-related costs are expensed as incurred.

### *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

### *Associates*

An associate is an entity over which the Parent Company is in a position to exercise material influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

An investment is accounted for using the equity method from the day it becomes an associate or joint venture. The investment is initially recognized at cost. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and not amortized. Any excess of the investor's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over

the cost of the investment is excluded from the carrying amount of the investment, and is instead included as income in the determination of the share in the earnings of the investees.

Under the equity method, the investments in the investee companies are carried in the consolidated statements of financial position at cost plus post-acquisition changes in the Parent Company's share in the net assets of the investee companies, less any impairment losses. The consolidated statements of total comprehensive income reflect the share of the results of the operations of the investee companies. The Parent Company's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Parent Company and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

The Group discontinues applying the equity method when their investments in investee companies are reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the investee companies. When the investee companies subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee companies and the Group are identical and the investee companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances. Upon loss of material influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of material influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

#### Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree at fair value of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

#### Segment Information

The Group's operating segments are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on operating segments is presented in Note 36 to the financial statements. The Chief Executive Officer (the chief operating decision maker) reviews management reports on a regular basis.

The measurement policies the Group used for segment reporting under PFRS 8 are the same as those used in the financial statements. There have been no changes in the measurement methods used to determine reported segment profit or loss from prior periods. All inter-segment transfers are carried out at arm's length prices.

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.

For management purposes, the Group is currently organized into five business segments. These divisions are the basis on which the Group reports its primary segment formation.

The Group's principal business segments are as follows:

- a. Sale of Real Estate and Leasing
- b. Property Management
- c. Insurance Brokerage
- d. Holding Company
- e. Travel Services (discontinued as of July 31, 2018)

The Group's resources producing revenues are all located in the Philippines. Therefore, geographical segment information is not presented.

#### Financial Assets and Liabilities

##### *Financial Assets*

##### *Initial recognition and Measurement*

The Group recognizes a financial asset in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition is done using settlement date accounting. Financial assets are recognized initially at fair value of the consideration given. The initial measurement of financial assets, except for those designated as at FVPL, includes transaction costs.

##### *Classification*

The Group classifies its financial assets, at initial recognition, in the following categories: financial assets at amortized cost, financial assets at FVOCI and financial assets at FVPL. The classification depends on the business model of the Group for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are not reclassified subsequent to initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

*Financial Assets at Amortized Cost.* A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, the financial assets are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is



calculated by taking into account any discount or premium on acquisition, and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are reclassified to FVPL, impaired or derecognized, as well as through the amortization process.

The Group's cash and cash equivalents, trade and other receivables and refundable deposits are included under this category.

*Financial Assets at FVOCI (equity instruments).* Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of total comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's financial assets at fair value through OCI include investments in quoted and unquoted equity instruments and proprietary club shares.

*Financial Assets at FVPL.* Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or materially reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statements of financial position at fair value with net changes in fair value recognized in profit or loss.

The Group's investments in equity instruments at FVPL are classified under this category.

#### *Derecognition*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The right to receive cash flows from the asset has expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; and either: (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and

rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes the associated liability. The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group is required to repay.

#### *Impairment*

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables on sale of real estate, the Group applies a general approach in calculating ECLs. Under the general approach, ECLs are recognized in three (3) stages as follows:

- Stage 1: For credit exposures for which there has not been a material increase in credit risk since initial recognition and there is no default that occurred, a 12-month ECL is provided for credit losses that result from default events that are possible within the next 12 months.
- Stage 2: For credit exposures for which there has been a material increase in credit risk since initial recognition and there is still no default that occurred, a loss allowance equivalent to lifetime ECL is required for credit losses expected over the remaining life of the exposure.
- Stage 3: For credit exposures for which there has been a material increase in credit risk since initial recognition and for which an actual default has also occurred, a loss allowance equivalent to lifetime ECL is required for credit losses expected over the remaining life of the exposure.

The key inputs in the model include the Group's definition of default and historical data of two (2) material projects with an average of five (5) years for the origination, maturity date and default date. The Group considers trade receivables on sale of real estate in default when contractual payment are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

At each reporting date, the Group assesses whether there has been a material increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Group considers that there has been a material increase in credit risk when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed material increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12- months ECL.

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. However, when there has been a material increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from publicly available sources to determine whether the debt instrument has materially increased in credit risk and to estimate ECLs.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

For trade receivables on lease and other financial assets such as accrued receivable, receivable from related parties and advances to other companies, impairment provisions would be based on the assumption that the receivable is demanded at the reporting date and it would reflect the losses (if any) that would result from this. Since the receivables are collectible on demand, the contractual period is the very short period needed to transfer the cash once demanded. Discounting would have immaterial effect in the balances.

#### *Financial Liabilities*

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, finance lease liability and loans payable.

##### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

##### *Loans and borrowings*

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of total comprehensive income.

This category generally applies to short term and long term debt.

##### *Derecognition*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of total comprehensive income.

#### Determination of Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is material to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

#### Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

#### Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to income as they are consumed in operations or expire with the passage of time.

Prepayments are classified in the consolidated statements of financial position as current asset when the cost of goods or services related to the prepayment are expected to be incurred within one (1) year or the Group's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current assets.

#### Real Estate Inventories

Property acquired or being developed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value.

Cost includes amounts paid to contractors for construction, borrowing costs, planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Net realizable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less costs to complete and the estimated costs to sell.

The cost of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

The provision account, if any, is reviewed on a monthly basis to reflect the reasonable valuation of the Group's inventories. Inventory items identified to be no longer recoverable is written-off and charged as expense for the period.

Real estate held for development is measured at lower of cost and NRV. Expenditures for development and improvements of land are capitalized as part of the cost of the land. Directly

identifiable borrowing costs are capitalized while the development and construction is in progress.

#### Property and Equipment

Property and equipment are initially measured at cost which consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use and are subsequently measured at cost less any accumulated depreciation, amortization and impairment losses, if any.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of years
Condominium units	20
Building	25
Building improvements	5 to 10
Office furniture, fixtures and equipment	3 to 10
Transportation and other equipment	5
Leasehold and office improvements	5

The assets' residual values, estimated useful lives and depreciation and amortization methods are reviewed periodically to ensure that the amounts, periods and methods of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

#### *Derecognition*

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time, the cost and their related accumulated depreciation are removed from the accounts. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

#### Investment Properties

Investment properties comprised completed property and property under development or re-development that are held to earn rentals or capital appreciation or both and that are not occupied by the Group. Investment property is initially measured at cost incurred in acquiring the asset and subsequently stated at fair value. Revaluations are made with sufficient regularity by external independent appraisers to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the period. The external independent appraiser uses sales comparison approach in arriving at the value of the properties. In this approach, the value of the properties is based on sales and listings of comparable properties. This is done by adjusting, the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity or at different floor levels of the same building. Comparison would be premised on factors such as location, size and physical attributes, selling terms, facilities offered and time element.

A gain or loss arising from a change in the fair value of investment property is recognized in profit or loss for the period in which it arises.

A transfer is made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. A transfer is made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. A transfer between investment property, owner-occupied property and inventory does not change the carrying amount of the property transferred nor does it change the cost of that property for measurement or disclosure purposes.

#### *Derecognition*

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statements of total comprehensive income in the year of retirement or disposal.

#### Impairment of Non-financial Assets

At each reporting date, the Group assesses whether there is any indication that any of its non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of the non-financial asset is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss reverses subsequently, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized in profit or loss.

#### Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Parent Company after deducting all of its liabilities. Distribution to the Parent Company's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Parent Company's Board of Directors.

#### Capital stock

Capital stock is classified as equity when there is no obligation to the transfer of cash or other assets. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

#### *Additional paid-in capital*

Additional paid-in capital pertains to premium paid over the par value of shares.

*Retained earnings*

Retained earnings include all the accumulated income (loss) of the Group, dividends declared and share issuance costs. Retained earnings is net of amount offset from additional paid-in capital arising from the quasi-reorganization.

*Treasury stock*

The Parent Company's equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statements of total comprehensive income on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Employee Benefits

*Short-term benefits*

The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Group to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses and non-monetary benefits.

*Post-employment benefits*

The Group's net obligation in respect of its defined benefit plan is calculated by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligation (DBO) is performed on a periodic basis by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the DBO at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Revenue Recognition

Revenue from contracts with customers

*Revenue from real estate sales*

The Parent Company primarily derives its real estate revenue from the sale of vertical real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Parent Company expects to be entitled in exchange for those goods or services.

The disclosures of material accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 33.

The Parent Company derives its real estate revenue from sale of condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Parent Company's performance does not create an asset with an alternative use and the Parent Company has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Parent Company uses the output method. The Parent Company recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the monthly project accomplishment report prepared by the third-party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Revenue from sales of completed real estate projects is accounted for using the full accrual method.

Any excess of collections over the recognized receivables are included in the "Deposits and other current liabilities" account in the liabilities section of the consolidated statements of financial position.

If any of the criteria under the full accrual or percentage-of-completion method is not met, the deposit method is applied until all the conditions for recording a sale are met. Pending recognition of sale, cash received from buyers are presented under the "Deposits and other current liabilities" account in the liabilities section of the consolidated statements of financial position.

*Cancellation of real estate sales*

The Group reverses the previously recognized revenue and related costs.

The Group also derives its revenue from management fee, commission, rental and interest income for which the Group assessed that there is only one performance obligation. Revenue from contracts with customers is recognized at a point in time when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

*Management fee*

Management fee is recognized when the related services have been performed in accordance with the terms and conditions of the management agreement and applicable policies.



*Commission income*

Commission income is recognized when the real estate and insurance brokering services have been performed in accordance with the terms and conditions of the agreement, commission scheme and applicable policies. Commission income recognized is the amount earned as an agent and excludes amounts collected on behalf of the principal.

*Interest income*

Interest income is accrued on a time proportion basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

*Rental income*

Rent income from operating leases is recognized as income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

*Miscellaneous income*

Miscellaneous income is recognized when earned.

*Cost recognition from real estate sales*

Cost of real estate sales is recognized consistent with the revenue recognition method applied and is determined with reference to the specific, including estimated costs, on the property allocated to sold area. Cost of residential and commercial lots and units sold before the completion of the development is determined on the basis of the acquisition cost of the land plus its full development costs, which include estimated costs for future development works, as determined by the Parent Company's in-house technical staff.

Estimated development costs include direct land development, shared development cost, building cost, external development cost, professional fees, post construction, contingency, miscellaneous and socialized housing. Miscellaneous costs include payments such as permits and licenses, business permits, development charges and claims from third parties which are attributable to the project. Contingency includes fund reserved for unforeseen expenses and/or cost adjustments. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts are considered as special budget appropriations that are approved by management and are made to form part of total project costs on a prospective basis and allocated between costs of sales and real estate inventories.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss on the basis of: (i) a direct association between the costs incurred and the earning of specific items of income; (ii) systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or (iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the consolidated statements of financial position as an asset.

Cost and expenses in the consolidated statements of total comprehensive income are presented using the function of expense method. General and administrative expenses are costs attributable to general, administrative and other business activities of the Group.

#### Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they were incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

#### Leases

##### *The Group as Lessee*

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a material event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under PAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statements of financial position.

The Group applies PAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

Short-term leases with terms of less than 12 months or lease of low value assets are expensed as incurred.

#### *The Group as Lessor*

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies PFRS 15 to allocate the consideration under the contract to each component.

*The Group as Sub-lessor*

The Group is a sub-lessor (intermediate lessor) to one of its right-of-use assets.

An intermediate lessor classifies the sublease as a finance lease or an operating lease as follows:

- If the head lease is a short-term lease, the sublease is classified as an operating lease
- Otherwise, the sublease is classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. A lease is classified as a finance lease if it transfers substantially all the risks and rewards from the right-of-use asset resulting from the head lease; otherwise, it is classified as an operating lease.

For subleases classified as a finance lease, the intermediate lessor derecognizes the right-of-use asset relating to the head lease that is transfers to the sublessee and recognizes the net investment in the sublease; any difference between the right-of-use assets and the investment in the finance sublease is recognized in profit or loss. At the commencement date, net investment in the finance lease is measured at an amount equal to the present value of the lease payments for the underlying right-of-use assets during the lease term. The lessor recognizes finance income over the lease term, based on a pattern reflecting a constant period rate of return on the lessor's net investment in the lease.

For subleases classified as operating lease, the intermediate lessor recognizes the lease income from operating leases on a straight-line basis over the lease term. The respective leased asset is included in the statement of financial position based on its nature.

Income Tax

Income tax expense for the year comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is calculated on the basis of the tax laws enacted at the reporting date. Management periodically evaluates positions in income tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. The Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets

and liabilities relate to income taxes levied by the same taxation authority and the same taxable entity.

Uncertainty over Income Tax Treatments

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty is followed.

The Group considers whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing.

If the Group concludes that it is probable that a particular tax treatment is accepted, the Company determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings.

If the Group concludes that it is not probable that a particular tax treatment is accepted, the Group uses the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the resolution of the uncertainty.

Provisions and Contingencies

Provisions are recognized when the Group has a present obligation, either legal or constructive, as a result of a past event; when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and; when the amount of the obligation can be estimated reliably. When the Group expects reimbursement of some or all of the expenditure required to settle a provision, the entity recognizes a separate asset for the reimbursement only when it is virtually certain that reimbursement will be received when the obligation is settled.

The amount of the provision recognized is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. A provision is measured using the cash flows estimated to settle the present obligation; its carrying amount is the present value of those cash flows.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Related Party Relationships and Transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise material influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

#### Earnings per Share

##### *Basic earnings per share*

The Group computes its basic earnings per share by dividing net profit attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the period.

##### *Diluted earnings per share*

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares.

#### Events After the Reporting Date

The Group identifies events after the reporting date as events that occurred after the reporting date but before the date the consolidated financial statements were authorized for issue. Any subsequent event that provides additional information about the Group's financial position at the reporting date is reflected in the consolidated financial statements. Non-adjusting subsequent events are disclosed in the notes to the consolidated financial statements when material.

---

### **33. Critical Accounting Judgments and Key Sources of Estimation Uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Critical Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### *Revenue and cost recognition on real estate projects*

The Parent Company's revenue recognition and cost policies require management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Parent Company's revenue from real estate and construction contracts is recognized based on the percentage of completion and are measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving material estimates in determining the quantity of inputs such as materials, labor and equipment needed, the assessment process for the POC is complex and the estimated project development costs requires technical determination by management's specialists (project engineers).

Similarly, the commission is determined using the percentage of completion.

##### *Provision for expected credit losses of trade receivables*

The Group uses historical loss rates as input to assess credit risk characteristics. The Group determines the appropriate receivables groupings based on shared credit risk characteristics such as revenue type, collateral or type of customer. The historical loss rates are adjusted to reflect the expected future changes in the portfolio condition and performance based on economic conditions and indicators such as inflation and interest rates that are available as at the reporting date.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a material estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The

Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Group's trade receivables is disclosed in Notes 6 and 35.

*Evaluation of net realizable value of real estate inventories*

The Parent Company adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the assets. In determining the recoverability of the assets, management considers whether those assets are damaged or if their selling prices have declined. Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

Results of management's assessment disclosed that there is no need for provision for impairment of inventories as at December 31, 2023 and 2022.

*Estimating useful lives of assets*

The useful lives of assets are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Group's assets. In addition, the estimation of the useful lives is based on the Group's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of assets would increase the recognized operating expenses and decrease non-current assets.

*Post-employment and other employee benefits*

The present value of the retirement obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of retirement obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related retirement obligation.

Other key assumptions for retirement obligations are based in part on current market conditions. Additional information is disclosed in Note 16.

Retirement obligation as at December 31, 2023 and 2022 amounted to P85,635,684 and P66,953,485, respectively.

*Estimating fair value of investment property*

The Group obtained the services of an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment properties being valued. An independent valuation of the Group's investment properties was performed by appraisers to determine their fair values. The valuation was determined by reference to sales and listing of comparable properties.

*Recoverability of deferred tax assets*

The Group reviews the carrying amounts at each reporting date and reduces deferred tax assets to the extent that it may be more prudent and conservative not to make a determination when these deferred tax assets can be utilized. The Group considers that it is impracticable to disclose with sufficient reliability the possible effects of sensitivities surrounding the utilization of deferred tax assets.

Total unrecognized deferred tax assets amounted to P233,592,208 and P230,200,403 as at December 31, 2023 and 2022, respectively (see Note 24).

*Impairment losses on non-financial assets*

The Group performs an impairment review when certain impairment indicators are present. Determining the fair value of non-financial assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause the Group to conclude that non-financial assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial position and results of operations.

Critical Accounting Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most material effect on the amounts recognized in the consolidated financial statements:

*Existence of a contract*

The Parent Company's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Parent Company before revenue recognition is to assess the probability that the Parent Company will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer.

*Collectability*

In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

*Revenue recognition method and measure of progress*

The Parent Company concluded that revenue for real estate sales is to be recognized over time because: (a) the Parent Company's performance does not create an asset with an alternative use and; (b) the Parent Company has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Parent Company's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring material costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Parent Company requires a certain percentage



of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Parent Company. The Parent Company considers that the initial and continuing investments by the buyer of about 25% would demonstrate the buyer's commitment to pay.

The Parent Company has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Parent Company's performance in transferring control of real estate development to the customers.

*Distinction between investment properties and owner-occupied properties and real estate inventories and held for development*

The Group determines whether a property qualifies as investment property. In making this judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately at the reporting date, the property is accounted for as investment property only if an immaterial portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so material that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

The Group determines that a property will also be classified as real estate inventory when it will be sold in the normal operating cycle or it will be treated as part of the Group's strategic land activities for development in the medium or long-term.

*Contingencies*

The Group is currently involved in various legal proceedings and tax assessments. Estimates of probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe these proceedings will have a material adverse effect on the financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the Group's strategies relating to these proceedings.

---

### 34. Fair Value Measurement

The fair values of the Group's financial instruments are equal to the carrying amounts in the consolidated statements of financial position as at December 31, 2023 and 2022.

Fair values have been determined for measurement and disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values are disclosed in the notes to the consolidated financial statements specific to that asset or liability.

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

*Cash and cash equivalents and trade and other receivables – current portion* carrying amounts approximate fair values due to the relatively short-term maturities of these items.

*Trade and other receivables-non-current portion* carrying amounts approximate their fair values as they are either priced using prevailing market rates or that the effect of discounting has been considered.

*Financial assets at FVPL and FVOCI*– these are investments in equity securities, fair value for quoted equity securities is based on quoted prices published in markets as of reporting dates.

*Trade and other payables* – the carrying value of trade and other payables approximate its fair value either because of the short-term nature of these financial liabilities.

*Loans payable* – carrying amounts approximate their fair values as they are either priced using prevailing market rates or that the effect of discounting is not material.

The table below analyzes financial and non-financial assets measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

**December 31, 2023**

	Level 1	Level 2	Level 3	Total
<b>Financial assets at FVPL</b>				
Equity investments	P6,750,000	P -	P -	P6,750,000
<b>Financial assets at FVOCI</b>				
Equity investments	35,197,203	-	-	35,197,203

**December 31, 2022**

	Level 1	Level 2	Level 3	Total
<b>Financial assets at FVPL</b>				
Equity investments	P6,750,000	P -	P -	P6,750,000
<b>Financial asset at FVOCI</b>				
Equity investments	36,076,106	-	-	36,076,106

### 35. Financial Risk Management Objectives and Policies

The Group's activities expose it to a variety of financial risks: market risk, liquidity risk and credit risk. 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.

The BOD has overall responsibility for the establishment and oversight of the Group's risk management framework. It monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### Market Risk

#### *Foreign exchange risk*

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise with respect to transactions denominated in US dollar. 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. Material fluctuation in the exchange rates could materially 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.

The amounts of the Group's foreign currency denominated monetary assets at the reporting date are as follows:

	2023		2022	
	US dollar Deposit	Peso Equivalent	US dollar Deposit	Peso Equivalent
Cash and cash equivalents	\$328,389	P18,248,577	\$343,937	P19,301,749

The closing rates applicable as at December 31, 2023 and 2022 are P55.57 and P56.12 to US\$1, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Group's income in 2023 and 2022. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months at a 99% confidence level.

	+/-	Effect on Equity
2023	0.19%	P34,939
2022	0.79%	P152,859

#### *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 and note payable. The interest rates on cash and cash equivalents and loans and note payable are disclosed in Notes 3 and 14, respectively.

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.

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

The following table illustrates the sensitivity of the Group's profit or loss to a reasonably possible change in interest rates of its cash and cash equivalents and loan with all other variables held constant.

	2023		2022	
	+/- %	Effect on Profit or Loss	+/- %	Effect on Profit or Loss
Cash in bank	0.16%	P434,956	0.06%	P81,530
Cash equivalents	0.07%	7,877	1.07%	300,440
Loans and note payable	1.19%	(14,304,035)	1.64%	(14,635,961)
		(P13,861,202)		(P14,253,991)

*Price risk*

Price risk is the risk that the fair value of the financial instrument particularly 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 Parent Company's Board of Directors reviews and approves all equity investment decisions.

At December 31, 2023, the impact of 0.26% increase/decrease in the price of listed equity securities, with all other variables held constant, would have been an increase/decrease of in the Group's total comprehensive income and equity for the year of 2023 – P91,513 and 2022 – P121,269 . The Group's sensitivity analysis takes into account the historical performance of the stock market.

Liquidity risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations.

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

The Group maintains adequate highly liquid assets in the form of cash and cash equivalents to assure necessary liquidity.

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Carrying Amount	Contractual Obligation			Total
		Less than One Year	One to Five Years	More than Five Years	
<b>2023</b>					
			(In Thousand Pesos)		
Trade and other payables*	P133,514	P53,813	P72,289	P7,412	P133,514
Loans and note payable	1,202,020	861,004	416,765	-	1,277,769
<b>2022</b>					
			(In Thousand Pesos)		
Trade and other payables*	P186,730	P133,630	P53,100	P-	P186,730
Loans and note payable	894,422	706,637	238,793	-	945,430

*\*excluding payables to government*

**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's credit risk is primarily attributable to its cash and cash equivalents and trade and other receivables as disclosed in Notes 3 and 6, respectively. The Group has adopted stringent procedure 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 credit history.

In respect of 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 Group also undertakes supplemental credit review procedures for certain installment payment structures. The Group'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 and auto-debit arrangements. Exposure to bad debts is not material 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 Group security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults by the tenants. For existing tenants, the Group 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 FVPL, financial assets at FVOCI and advances to associates. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank 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 Group closely

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at December 31 are as follows:

	2023	2022
Cash and cash equivalents excluding cash on hand	<b>P283,100,676</b>	P163,841,734
Trade and other receivables	<b>563,277,092</b>	542,479,207
	<b>P846,377,768</b>	P706,320,941

The credit quality of financial assets which are neither past due nor impaired is discussed below:

*(a) Cash in banks and cash equivalents*

The Group deposits its cash balance in reputable banks to minimize credit risk exposure amounting to P283,100,676 and P163,961,734 as at December 31, 2023 and 2022, respectively (see Note 3). Cash deposits are considered to be of high grade.

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. However, when there has been a material increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from publicly available sources to determine whether the debt instrument has materially increased in credit risk and to estimate ECLs.

Receivables amounting to P126.36 million and P150.68 million as of December 31, 2023 and 2022, respectively (see Note 6), were impaired and fully provided for. The allowance for doubtful accounts for receivables has been determined as follows:

	2023	2022
Trade:		
Sale of real estate	<b>P73,462,630</b>	P83,512,900
Lease	<b>4,787,075</b>	5,478,810
Management fees	<b>3,189,750</b>	3,189,750
Premiums receivable	<b>2,899,962</b>	5,082,902
Advances	<b>862,891</b>	862,891
Other receivables	<b>41,155,714</b>	52,550,154
	<b>P126,358,022</b>	P150,677,407

*(b.1.) Trade receivables on real estate*

2023	Stage 1	Stage 2	Stage 3	Total
<b>Trade receivables</b>				
High grade	<b>P215,548,097</b>	P -	P -	<b>P215,548,097</b>
Sub-standard	-	<b>10,953,547</b>	-	<b>10,953,547</b>
Low grade	-	-	<b>181,261,021</b>	<b>181,261,021</b>
Individually impaired	-	-	<b>95,130,085</b>	<b>95,130,085</b>
	<b>P215,548,097</b>	<b>P10,953,547</b>	<b>P276,391,106</b>	<b>P502,892,750</b>

*Forward*

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

2023	Stage 1	Stage 2	Stage 3	Total
<b>Provision</b>				
High grade	P4,087,405	P -	P -	P4,087,405
Sub-standard	-	3,820,559	-	3,820,559
Low grade	-	-	9,532,005	9,532,005
Individually impaired	-	-	66,072,931	66,072,931
	4,087,405	3,820,559	75,604,936	83,512,900
	P211,460,692	P7,132,988	P200,786,170	P419,379,850

2022	Stage 1	Stage 2	Stage 3	Total
<b>Trade receivables</b>				
High grade	P269,348,812	P -	P -	P269,348,812
Sub-standard	-	76,348,441	-	76,348,441
Low grade	-	-	121,787,390	121,787,390
Individually impaired	-	-	66,371,974	66,371,974
	269,348,812	76,348,441	188,159,364	533,856,617
<b>Provision</b>				
High grade	4,087,405	-	-	4,087,405
Sub-standard	-	3,820,559	-	3,820,559
Low grade	-	-	9,532,005	9,532,005
Individually impaired	-	-	66,072,931	66,072,931
	4,087,405	3,820,559	75,604,936	83,512,900
	P265,261,407	P72,527,882	P112,554,428	P450,343,717

High grade exposures are loans that do not have greater-than-normal credit risk. The buyer has the apparent ability and willingness to satisfy his obligation in full and therefore no loss in ultimate collection is anticipated.

Sub-standard grade exposures are receivables that have normal credit risk and have past due above 30 days but below 90 days.

Low grade exposures are receivables that are past due date beyond 90 days and have approached greater-than-normal credit risk.

Individually impaired exposures are receivables that are past due beyond 90 days, have approached greater-than normal credit risk.

For trade receivables on sale of real estate, the Parent Company applies a general approach in calculating ECLs. Under the general approach, ECLs are recognized in three (3) stages as follows:

- Stage 1: For credit exposures for which there has not been a material increase in credit risk since initial recognition and there is no default that occurred, a 12-month ECL is provided for credit losses that result from default events that are possible within the next 12 months.
- Stage 2: For credit exposures for which there has been a material increase in credit risk since initial recognition and there is still no default that occurred, a loss allowance equivalent to lifetime ECL is required for credit losses expected over the remaining life of the exposure.
- Stage 3: For credit exposures for which there has been a material increase in credit risk since initial recognition and for which an actual default has also occurred, a loss allowance equivalent to lifetime ECL is required for credit losses expected over the remaining life of the exposure.

*b.2* For trade receivables on lease and other financial assets such as accrued receivable, receivable from related parties and advances to other companies, impairment provisions would be based on the assumption that the receivable is demanded at the reporting date and it would

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

reflect the losses (if any) that would result from this. Since the receivables are collectible on demand, the contractual period is the very short period needed to transfer the cash once demanded. Discounting would have immaterial effect in the balances.

2023					
	Lease	Management fees	Premiums receivable	Advances	Other receivables
Gross amount	P20,797,696	P5,226,833	P4,012,287	P82,745,379	P69,094,324
Provisions	5,478,810	3,189,750	2,899,962	862,891	41,155,714
Carrying Amount	P15,318,886	P2,037,083	P1,112,325	P81,882,488	P27,938,610

2022					
	Lease	Management fees	Premiums receivable	Advances	Other receivables
Gross amount	P24,271,329	P4,970,368	P12,365,197	P51,760,569	P69,174,370
Provisions	5,478,810	3,189,750	5,082,902	862,891	52,550,154
Carrying Amount	P18,792,519	P1,780,618	P7,282,295	P50,897,678	P16,624,216

### 36. Capital Management

The Parent Company manages its capital to ensure that the Parent Company is able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Parent Company consists of equity, which comprises of issued capital, additional paid-in capital, reserves, retained earnings and treasury stocks.

Management reviews the capital structure on a quarterly basis. As part of this review, management considers the cost of capital and the risks associated with it.

There were no changes in the Parent Company's approach to capital management during the year.

As part of the reforms of the Philippine Stock Exchange (PSE) to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Parent Company has fully complied with this requirement in 2021 and 2020.

#### Tektite Insurance Brokers, Inc.

TIBI was incorporated and registered with the SEC on January 2, 1989 to engage in the business of insurance brokerage. On May 24, 2022, the BOD of TIBI approved the amendment of the Company's Articles of Incorporation and By-laws to conform with the IC's requirements in changing its business activities from that of an insurance broker to an insurance agent. As of reporting period, TIBI is in the process of finalizing all the requirements to change its IC registration from a broker to an agent.

The registered office address of TIBI is at the 20<sup>th</sup> Floor, East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City.

### 37. Segment Information

The segment assets and liabilities as of December 31, 2023, 2022 and 2021 and the results of operations of the reportable segments for the years ended December 31, 2023, 2022 and 2021 are as follows:



**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**2023**

	Parent Company	Subsidiaries					Intersegment adjustments	Consolidated
	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Travel Services			
(In Thousand Pesos)								
Revenue								
Revenue from contracts with customers	P174,461	P41,203	P5,216	P -	P -	P -	P -	P220,880
Rental income	65,150	151	165	-	-	-	-	65,466
Intersegment sales	-	434	-	-	-	-	(434)	-
Total revenue	239,611	41,788	5,381	-	-	-	(434)	286,346
Real estate costs and expenses	422,081	45,858	5,051	61	107	-	(434)	472,724
Equity in net loss of an associate	-	-	-	-	-	-	1,799	1,799
Gross loss	(182,470)	(4,070)	330	(61)	(107)	(1,799)	(1,799)	(188,177)
Interest income	13,986	2	20	-	43	-	-	14,051
Finance costs	(70,083)	(74)	-	-	-	-	-	(70,158)
Other income	424,107	2,440	-	-	-	-	-	426,547
Other expenses	(4,899)	-	-	-	-	-	-	(4,899)
Provision for income tax	(63,823)	(592)	(81)	-	-	-	-	(64,496)
Net income	116,820	(2,294)	269	(61)	(64)	(1,799)	(1,799)	112,868
Net income attributable to:								
Equity holders of PRHC								112,880
Non-controlling interests								(12)
								112,868
Other information								
Segment assets	8,868,520	95,780	12,796	119	1,297	(23,080)	(23,080)	8,955,432
Investment in associates	100,930	-	-	-	-	(44,493)	(44,493)	56,437
Total assets	8,969,450	95,780	12,796	119	1,297	(67,573)	(67,573)	9,011,869
Segment liabilities	1,576,411	36,796	7,280	-	30,225	(21,489)	(21,489)	1,629,223
Deferred tax liabilities	756,870	(3,437)	-	-	-	-	-	753,433
Total liabilities	P2,333,281	P33,359	P7,280	P -	P30,225	(P21,489)	(P21,489)	P2,382,656

*Forward*

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2023

	Parent Company	Subsidiaries					Intersegment adjustments	Consolidated
	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Travel Services			
		(In Thousand Pesos)						
Segment additions to:								
Property and equipment	P40,698	P-	P-	P-	P-	P-	P-	P40,698
Investment properties	3,940	-	-	-	-	-	-	3,940
Depreciation and amortization	8,593	84	80	-	-	-	-	8,757
Non-cash expenses other than depreciation and amortization	P12,385	P2,112	P316	P-	P-	P-	P-	P14,813
Impairment losses	P2,864	P-	P-	P-	P-	P-	P-	P2,864

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

2022

	Parent Company	Subsidiaries					Intersegment adjustments	Consolidated
	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Travel Services			
(In Thousand Pesos)								
Revenue								
Revenue from contracts with customers	P224,999	P34,656	P5,567	P -	P -		P -	P265,222
Rental income	56,344	151	180	-	-		-	56,675
Intersegment sales	-	669	-	-	-		(669)	-
Total revenue	281,343	35,476	5,747	-	-		(669)	321,897
Real estate costs and expenses	462,212	40,738	4,981	-	52		(669)	507,314
Equity in net loss of an associate	-	-	-	-	-		1,431	1,431
Gross loss	(180,869)	(5,262)	766	-	(52)		(1,431)	(186,848)
Interest income	15,914	2	8	-	-		-	15,924
Finance costs	(63,644)	(166)	-	-	-		-	(63,810)
Other income	530,682	9,828	-	-	-		-	540,510
Other expenses	(230)	-	-	-	-		-	(230)
Provision for income tax	(125,623)	417	47	-	-		-	(125,159)
Net income (loss)	176,230	4,819	821	-	(52)		(1,431)	180,387
Net income attributable to:								
Equity holders of PRHC								183,087
Non-controlling interests								(2,699)
								180,388
Other information								
Segment assets	8,499,110	91,673	9,364	367	1,271		(67,108)	8,534,677
Investment in associates	100,930	-	-	-	-		(42,694)	58,236
Total assets	8,600,040	91,673	9,364	367	1,271		(109,802)	8,592,913
Segment liabilities	1,328,245	30,556	4,119	-	30,144		(22,552)	1,370,512
Deferred tax liabilities	699,939	(3,236)	-	-	-		-	696,703
Total liabilities	P2,028,184	P27,320	P4,119	P -	P30,144		(P22,552)	P2,067,215
Forward								

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2022

	Parent Company	Subsidiaries					Intersegment adjustments	Consolidated
	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Travel Services			
		(In Thousand Pesos)						
Segment additions to:								
Property and equipment	P1,546	P511	P36	P -	P -	P -	P -	P2,093
Investment properties	30,031	-	-	-	-	-	-	30,031
Depreciation and amortization	12,338	1,985	80	3,090	-	-	-	17,493
Non-cash expenses other than depreciation and amortization	P12,757	P2,640	P234	P -	P -	P -	P -	P15,631
Impairment losses	P25,000	P2,589	P -	P -	P -	P -	P -	P27,589

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

2021

	Parent Company	Subsidiaries					Intersegment adjustments	Consolidated
	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Travel Services			
(In Thousand Pesos)								
Revenue								
Revenue from contracts with customers	P153,820	P36,779	P4,513	P -	P -		P -	P195,112
Rental income	55,050	151	102	-	-		-	55,303
Intersegment sales	-	555	-	-	-		(555)	-
Total revenue	208,870	37,485	4,615	-	-		(555)	250,415
Real estate costs and expenses	437,696	43,985	5,211	-	42		(555)	486,379
Equity in net loss of an associate	4,488	-	-	-	-		-	4,488
Gross income (loss)	(233,314)	(6,500)	(596)	-	(42)		-	(240,452)
Interest income	17,378	3	19	-	5		-	17,405
Finance costs	(70,631)	(258)	-	-	-		-	(70,889)
Other income	630,573	1,296	-	-	-		5,298	637,167
Other expenses	(90,853)	-	-	-	-		-	(90,853)
Provision for income tax	(58,227)	(1,388)	(24)	-	-		-	(59,639)
Net income (loss)	P194,926	(P6,847)	(P601)	-	(P37)		P5,298	P192,739
Net income attributable to: Equity holders of PRHC Non-controlling interests								P194,733 (1,994) P192,739
Other information								
Segment assets	P8,126,410	P84,400	P12,273	P547	P1,201		(P53,521)	P8,171,310
Investment in associates	59,667	-	-	-	-		-	59,667
Total assets	P8,186,077	P84,400	P12,273	P547	P1,201		(P53,521)	P8,230,977
Segment liabilities	P1,283,793	P32,488	P4,316	P-	P30,022		(16,564)	P1,334,055
Deferred tax liabilities	572,354	(3,676)	-	-	-		-	568,678
Total liabilities	P1,856,147	P28,812	P4,316	P-	P30,022		(16,564)	P1,902,733
Forward								

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2021

	Parent Company	Subsidiaries					Intersegment adjustments	Consolidated
	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Travel Services			
		(In Thousand Pesos)						
Segment additions to:								
Property and equipment	P6,195	P176	P56	P -	P -	P -	P -	P6,427
Investment properties	6,572	-	-	-	-	-	-	6,572
Depreciation and amortization	21,441	870	293	-	-	-	-	22,604
Non-cash expenses other than depreciation and amortization	P102,422	P3,499	P258	P -	P -	P -	P -	P106,179
Impairment losses	P22,780	P1,780	P -	P -	P -	P -	P -	P24,560

The following are the principal activities of the Parent Company's subsidiaries:

PRHC Property Managers, Inc. (PPMI)

PPMI was incorporated and registered with the SEC on May 24, 1991 to engage in the business of managing, operating, developing, buying, leasing and selling real and personal property either for itself and/or for others.

The registered office address of PPMI is at Unit E2003B, 20<sup>th</sup> Floor East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City.

Tektite Insurance Brokers, Inc. (TIBI)

TIBI was incorporated and registered with the SEC on January 2, 1989 to engage in the business of insurance brokerage. On May 24, 2022, the BOD of TIBI approved the amendment of the Company's Articles of Incorporation and By-laws to conform with the IC's requirements in changing its business activities from that of an insurance broker to an insurance agent. As of reporting period, TIBI is in the process of finalizing all the requirements to change its IC registration from a broker to an agent.

The registered office address of TIBI is at the 20<sup>th</sup> Floor, East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City.

Universal Travel Corporation (UTC)

UTC was incorporated and registered with the SEC on November 9, 1993 to engage in the business of travel services by providing, arranging, marketing, engaging or rendering advisory and consultancy services relating to tours and tour packages. On March 15, 2018, the Board of Directors of UTC approved the resolution on the cessation of operations effective July 31, 2018. Thereafter, the Company became inactive.

The registered office address of UTC is Unit E2003B, 20<sup>th</sup> Floor East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City.

Sultan's Power, Inc. (SPI)

Sultan Power, Inc. ("SPI") was incorporated under Philippine laws and registered with the SEC on March 19, 2015 as a holding company. SPI acquired 51% of the total issued and outstanding shares of RECON-X Energy Corporation ("RECON-X") in 2021.

RECON-X was incorporated under Philippine laws and registered with the SEC on June 27, 2014 to engage in the business of recycling and converting plastics into fuel (gasoline, diesel and kerosene) using patented technology. The process was duly certified on November 2, 2015, by the Intellectual Property Office of the Philippines ("IPOPHL") for "Improved Method of Converting Land-Filled Plastic Wastes into Hydrocarbon Fuel", certified by the Department of Science and Technology ("DOST") and by the Department of Energy ("DOE"). As of December 31, 2021, RECON-X was able to procure the additional catalysts and materials needed for the plastic diesel conversion plant to be used to process waste materials into fuel. In 2023, RECON-X has started introduction of feedstocks, performance testing and testing of fuel compliance with National Standards and securing plastic waste supply from a plastic waste aggregator. RECON-X is set to commence its commercial operations in 2024.

The registered office address of SPI is Unit E2003B, 20<sup>th</sup> Floor East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City.



5/F Don Jacinto Bldg.,  
Dela Rosa cor. Salcedo Sts.,  
Legaspi Village, Makati City 1226  
Philippines  
Telephone: +63 (2) 8403 7228 to 30  
Fax: +63 (2) 8403 7306

[MVCo@MVCo.com.ph](mailto:MVCo@MVCo.com.ph)  
[www.MVCo.com.ph](http://www.MVCo.com.ph)  
[www.nexia.com](http://www.nexia.com)

**STATEMENTS REQUIRED BY THE REVISED SECURITIES REGULATION CODE (SRC) RULE 68,  
ON OCTOBER 3, 2019**

The Shareholders and Board of Directors  
Philippine Realty and Holdings Corporation  
One Balete, 1 Balete Drive corner N. Domingo Street  
Brgy. Kaunlaran District 4  
Quezon City

We have audited the accompanying consolidated financial statements of Philippine Realty and Holdings Corporation and Subsidiaries as at and for the year ended December 31, 2023, on which we have rendered our report dated March 19, 2024. The supplementary information shown in the Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1, 5B and Annex 68-D), Financial Soundness Indicators (Part 1, 5C and Annex 68-E), and Map of Relationships Between and Among the Related Parties (Part 1, 5G) as additional components required by Part I, Section 5 of the Revised SRC Rule 68 and Schedules A, B, C, D, E, F and G, as required by Part II, Section 7 and Annex 68-J of the Securities Regulation Code, are presented for purposes of filing with the Securities and Exchange Commission and are not a required part of the basic consolidated financial statements.

Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with Part I, Section 5 and Part II, Section 7 of the Revised SRC Rule 68.

**MACEDA VALENCIA & CO.**

  
**JOSE T. VALENCIA**  
Partner

CRA License No. 32659

Tax Identification No. 119-894-676-000

PTR No. 10083026

Issued on January 9, 2024 at Makati City

BOA/PRC Reg. No. 4748 valid until August 7, 2024

BIR Accreditation No. 08-005063-000-2024 (firm); 08-005063-001-2024 (individual)

Issued on March 26, 2024; valid until March 25, 2027

March 19, 2024  
Makati City



**Reconciliation of Retained Earnings Available for Dividend Declaration**  
**For the reporting period ended December 31, 2023**

**Philippine Realty And Holdings Corporation**  
One Balete, 1 Balete Drive Corner N. Domingo St.  
Brgy. Kaunlaran, Dirtrict 4, Quezon City 1111, Philippines

<b>Unappropriated Retained Earnings, beginning of the reporting period</b>		<b>P1,555,405,651</b>
Adjustments for:		
Accumulated Deferred Tax		<b>696,703,231</b>
Accumulated unrealized gain on fair market value		<b>(2,836,797,113)</b>
		<b>(584,688,231)</b>
<b>Less: Items that are directly debited to Unappropriated Retained Earnings</b>		
Dividend declaration during the reporting period	-	
Retained Earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	-
<b>Unappropriated Retained Earnings, as adjusted</b>		<b>(584,688,231)</b>
<b>Add: Net Income for the current year</b>		<b>112,880,755</b>
<b>Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</b>		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	<b>(259,380,144)</b>	
Realized fair value gain of Investment Property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS (describe nature)	-	<b>(259,380,144)</b>
<b>Add/Less: Adjustments related to relief granted in SEC and BSP</b>		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in reconciling items under the previous categories	<b>59,621,911</b>	
Net movement of deferred tax asset and deferred tax liabilities related to same transaction, e.g. set-up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment to deviation from PFRS/GAAP – gain (loss)	-	<b>59,621,911</b>
<b>Total Retained Earnings, end of the reporting period available for dividend</b>		<b>(P671,565,709)</b>

## SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

As of December 31, 2023

Philippine Realty And Holdings Corporation  
One Balete, 1 Balete Drive Corner N. Domingo St.  
Brgy. Kaunlaran, District 4, Quezon City 1111, Philippines

	2023	2022
Current Ratio <sup>(1)</sup>	<b>3.52</b>	3.61
Acid Test Ratio <sup>(2)</sup>	<b>1.24</b>	1.32
Debt to Equity Ratio <sup>(3)</sup>	<b>0.36</b>	0.32
Asset to Equity Ratio <sup>(4)</sup>	<b>1.36</b>	1.32
Interest Coverage Ratio <sup>(5)</sup>	<b>3.53</b>	5.80
Net Profit Margin Ratio <sup>(6)</sup>	<b>0.39</b>	0.56
Return on Assets <sup>(7)</sup>	<b>0.01</b>	0.02
Return on Equity <sup>(8)</sup>	<b>0.02</b>	0.03
Solvency Ratio <sup>(9)</sup>	<b>0.06</b>	0.09

<sup>(1)</sup> Current ratio is measured as current assets divided by current liabilities.

<sup>(2)</sup> Acid test ratio is measured as current assets less inventory divided by current liabilities.

<sup>(3)</sup> Debt to equity ratio is measured as total liabilities divided by total equity.

<sup>(4)</sup> Asset to equity ratio is measured as total assets divided by total equity.

<sup>(5)</sup> Interest coverage ratio is measured by EBIT, or earnings before interest and taxes, divided by total financing costs.

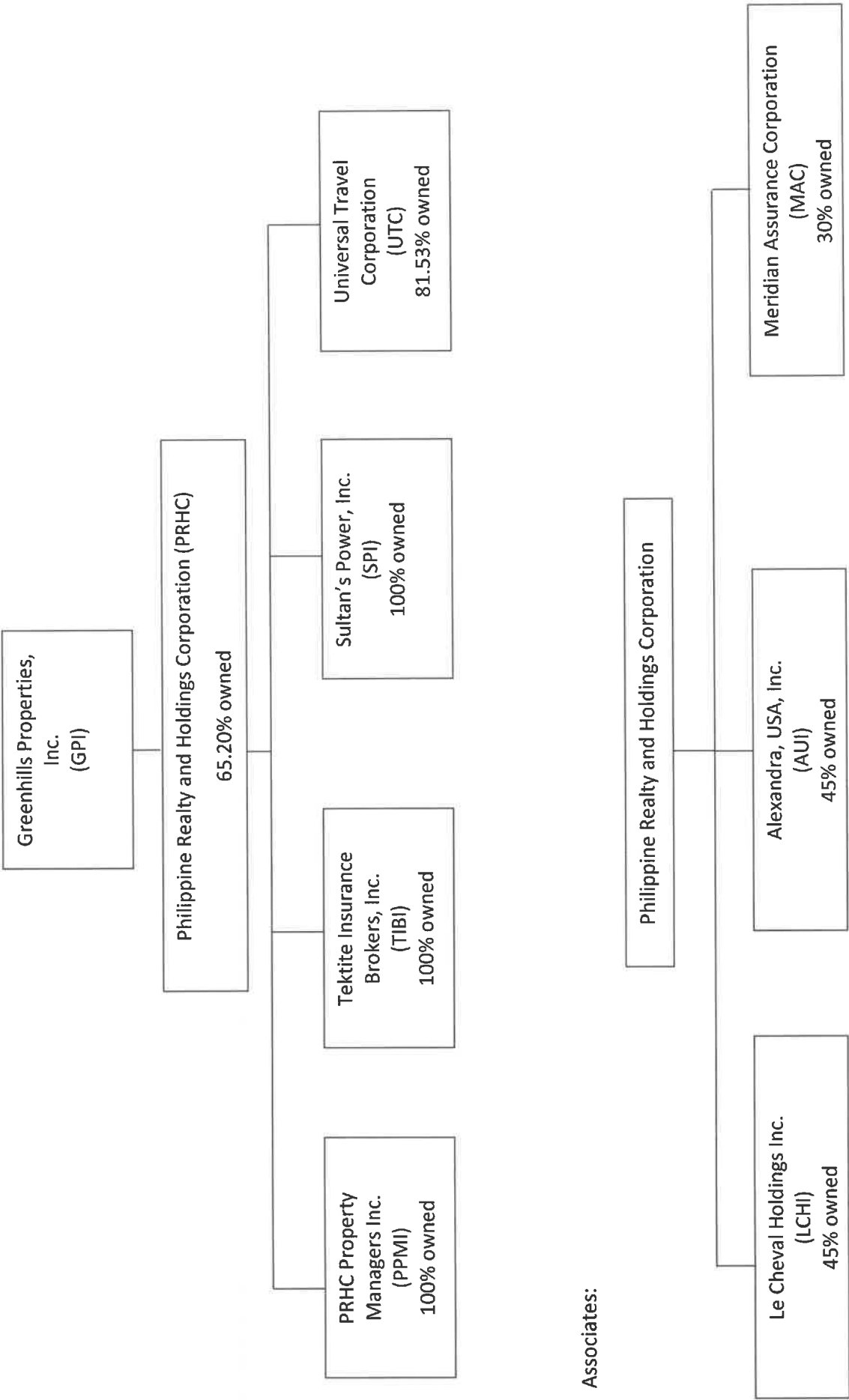
<sup>(6)</sup> Net profit margin ratio is derived by dividing net profit with total revenue.

<sup>(7)</sup> Return on assets is measured by dividing net income after tax with total assets.

<sup>(8)</sup> Return on equity is measured by dividing net income after tax with total capital accounts.

<sup>(9)</sup> Solvency ratio is measured by dividing net income after tax plus depreciation with total liabilities.

**PHILIPPINE REALTY AND HOLDINGS CORPORATION**  
**SUBSIDIARIES, AFFILIATES GROUP STRUCTURE**  
**As of December 31, 2023**



Associates:

## **ANNEX 68-I**

### **Schedule for Listed Companies with a Recent Offering of Securities to the Public As of December 31, 2023**

Philippine Realty And Holdings Corporation  
One Balete, 1 Balete Drive Corner N. Domingo St.  
Brgy. Kaunlaran, District 4, Quezon City 1111, Philippines

1. Gross and net proceeds as disclosed in the final prospectus

*Not applicable*

2. Actual gross and net proceeds

*Not applicable*

3. Each expenditure item where the proceeds were used

*Not applicable*

4. Balance of the proceeds as of end reporting period

*Not applicable*

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**

**Schedule A – Financial Assets**

**December 31, 2023**

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds or notes	Amount shown in the Statement of Financial Position	Valued based on market quotation at end of reporting period	Income received and accrued
<b>Financial assets at fair value through profit or loss</b>				
Tagaytay Properties	6,750,000 shares	P6,750,000	P6,750,000	P -
<b>Financial Assets at Fair Value through OCI</b>				
<b>Equity securities</b>				
A. Brown Company, Inc.	36,840,000 shares	P29,103,600	P23,946,000	P -
Premium Leisure Corporation	14,264,120 shares	6,133,572	8,843,755	-
Philippine Racing Club (prc)	944 shares	7,364	7,448	-
Orchard Golf & Country Club				
CLASS "C" Shares	1 share	800,000	500,000	-
Valley Golf Country Club	1 share	1,600,000	1,900,000	-
	51,105,066 shares	P37,644,536	P35,197,203	P -
<b>Trade and other receivables - net</b>				
		P563,277,092	P563,277,092	P319,564
		P607,671,628	P605,224,295	P319,564

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**Schedule B –Amounts Receivable from Director, Officers, Employees,**  
**Related Parties and Principal Stockholders (Other than Related Parties)**  
**December 31, 2023**

<b>Name of Debtor</b>	<b>Balance at the beginning of the period</b>	<b>Additions</b>	<b>Amounts collected</b>	<b>Amounts written-off</b>	<b>Current</b>	<b>Non-current</b>	<b>Balance at the end of period</b>
ABUYAN, JOHN MARK	P -	P8,580	P -	P -	P8,580	P -	P8,580
ALKUINO, MA ZELAINE	-	170	-	-	170	-	170
AGUILAR, DENNIS	27,836	56,786	(46,765)	-	37,857	-	37,857
AGUSTIN, OLIVER	-	9,415	-	-	9,415	-	9,415
ALMEROL, CARLA	104,035	62,262	(118,799)	-	47,499	-	47,499
AVILA, JESSICA	8,000	-	-	-	8,000	-	8,000
BONTOGON, MARISSA	486,365	333,721	(746,022)	-	74,063	-	74,063
CALANOG, DANTE	54,062	684,893	(338,459)	-	95,748	304,749	400,496
CALUBAYAN, MARIE JOYCE	81,924	-	(80,020)	-	1,904	-	1,904
CARAG, ADELINE SUSAN	424,172	-	(399,172)	-	25,000	-	25,000
CARTAGENA, AILENE	21,441	47,821	(37,397)	-	31,865	-	31,865
CATACUTAN, MIGUEL	-	885,000	(333,657)	-	88,857	462,486	551,343
CATACUTAN, RICHARD	40,216	-	(40,216)	-	-	-	-
CIAR, ERWIN	585,731	458,794	(933,986)	-	110,539	-	110,539
CRUZ, ROSELLE	10,092	28,393	(16,479)	-	22,006	-	22,006
DAYRIT, AMYLEEN JOY	168,254	-	(168,254)	-	-	-	-
DELA CRUZ, ANGELICA	20,445	-	(20,445)	-	-	-	-
DEOCAMPO, DEXTER JAN	-	114,289	(91,247)	-	23,042	-	23,042
DEOCERA, NORBERT	90,430	-	(90,430)	-	-	-	-
DURAN, AILEEN	1,411,469	5,801,455	(6,557,856)	-	655,067	-	655,067
DURAN, NORMALENE	249,561	-	(154,179)	-	88,450	6,932	95,382
ENRIQUEZ, EDILYNDA	264,707	25,000	(289,248)	-	459	-	459

Name of Debtor	Balance at the beginning of the period	Additions	Amounts collected	Amounts written-off	Current	Non-current	Balance at the end of period
GARGAR, ERWIN	3,500	4,000	(7,500)	-	-	-	-
GATCHALIAN, VILLAMOR	20,007	28,393	(30,341)	-	18,059	-	18,059
GO, RICHARD NICOLAS KO	752,503	130,087	(753,255)	-	129,335	-	129,335
GOZO, CAROL JOY	80,500	339,800	(420,300)	-	-	-	-
HERNANI, MARIA ELIZABETH	26,399	-	(26,399)	-	-	-	-
ISNIT, JOSEFINA	497,379	1,122,739	(1,428,760)	-	191,358	-	191,358
LAMPAS, ROCHELLE JOY	23,760	4,802	-	-	28,562	-	28,562
LANUZA, CAMILLE	67,495	-	-	-	67,495	-	67,495
LANUZA, GERARDO DOMENICO	813,444	333,000	(910,795)	-	235,649	-	235,649
LAROYA, JOHN CEDRICK	10,000	-	(10,000)	-	-	-	-
LAURINO, ROSE ANN	-	130,929	(50,000)	-	80,929	-	80,929
MAGPAYO, GILBERT	3,500	19,852	(18,068)	-	5,284	-	5,284
MAGPAYO, JERRY	-	1,281	-	-	1,281	-	1,281
MEDRANO, EDMUNDO	1,231,026	636,944	(1,695,132)	-	172,838	-	172,838
MIRANDE, MIKE	375,810	258,536	(623,385)	-	10,961	-	10,961
OLBES, ANTONIO	-	233,000	-	-	233,000	-	233,000
PACA, CARLOS MIGUEL	859,477	317,228	(1,160,874)	-	15,831	-	15,831
PANESA, MARIA TERESA	-	485,500	(458,500)	-	27,000	-	27,000
PENGSON, BELLE	1,950	-	(1,950)	-	-	-	-
PERILLO, MARIA CHRISTINA	284,841	1,139,065	(496,589)	-	282,311	645,006	927,317
PUYAT, TXYLA	233,365	-	(233,365)	-	-	-	-
RAMOS, MARK ANTHONY	161,684	391,004	(552,636)	-	52	-	52
SANTOS, ROZANO	408,006	385,519	(495,583)	-	200,844	97,098	297,942
SANTOS, LEONARD ROSS	254,028	4,590	(29,124)	-	229,494	-	229,494
TABAJEN, CHRISTIAN	-	24,285	(22,908)	-	1,377	-	1,377
TABLADA, DEXTER	-	37,000	(37,000)	-	-	-	-
TABORLUPA, MARGIE	150,607	160,660	(247,300)	-	63,967	-	63,967

Name of Debtor	Balance at the beginning of the period	Additions	Amounts collected	Amounts written-off	Current	Non- current	Balance at the end of period
TAMANG, CHARLIE	7,000	14,568	(21,568)	-	-	-	-
TAN, KRISTINE	-	649,000	(85,546)	-	52,327	511,127	563,454
TUROT, KRISTEL JOY	15,630	-	(15,630)	-	-	-	-
UMAYAM, RODRIGO	102,836	-	(36,521)	-	66,315	-	66,315
VALENTIN, RHONALD	-	634,933	(64,392)	-	139,178	431,363	570,541
VEDAÑA, FERDERICK	26,897	59,314	(70,268)	-	15,943	-	15,943
VERCELES, REGANDOR	407,647	7,721	(329,305)	-	86,063	-	86,063
VICTORIA, RODOLFO	7,582	-	(7,582)	-	-	-	-
Others	201,889	-	(201,889)	-	-	-	-
	<b>P11,077,502</b>	<b>P16,070,329</b>	<b>(P21,005,096)</b>	<b>P -</b>	<b>P3,683,974</b>	<b>P 2,458,761</b>	<b>P6,142,734</b>

Note: Receivables from Directors, Officers, Employees, Related Parties and Principal Stockholders are subject to usual terms in the normal course of business.



**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**Schedule C – Amounts Receivable from Related Parties which are eliminated**  
**during the consolidation of financial statement**  
**December 31, 2023**

<b>Name of Debtor</b>	<b>Balance at the beginning of the period</b>	<b>Additions</b>	<b>Amounts collected (i)</b>	<b>Amounts written-off (ii)</b>	<b>Current</b>	<b>Non-current</b>	<b>Balance at the end of period</b>
Universal Travel Corporation, Subsidiary	P30,103,309	P13,804	P -	P -	P -	P30,117,113	P30,117,113
PRHC Property Managers, Inc., Subsidiary	14,284,540	3,295,462	-	-	17,580,002	-	17,580,002
Sultan's Power, Inc., Subsidiary	76,261,884	338,274	-	-	-	76,600,158	76,600,158
	P120,649,733	P3,647,540	P -	P -	P17,580,002	P106,717,271	P124,297,273

- i. If collected was other than in cash, explain.
- ii. Give reasons to write-off.

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**

**Schedule D – Long Term Debt**

**December 31, 2023**

Title of issue and type of obligation (i)	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt in related Statement of Financial Position " (ii)	Amount shown under caption "Long-term debt in related Statement of Financial Position " (iii)	Interest Rate %	Maturity Date	
Car loan	34,748,061	5,927,594	26,152,493	8.14% - 9.59%	April 2024 – July 2028	
Car loan	2,983,110	596,175	1,404,219	8.31% - 9.46%	January 2025 – August 2028	
Real estate mortgage	1,032,678,156	472,985,126	344,794,867	7.75% - 8.50%	March 2024 – December 2028	
Real estate mortgage	350,000,000	350,000,000	-	7.75% - 8.00%	January 2024 – March 2024	

- i. Include in this column each type of obligation authorized.
- ii. This column is to be totalled to correspond to the related Statements of Financial Position caption.
- iii. Include in this column details as to interest rates, amounts or numbers of periodic instalments, and maturity dates.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES  
Schedule E – Indebtedness to Related Parties  
(Included in the Consolidated Financial Statement of Position)  
December 31, 2023

Name of Related Parties (i)	Balance at the beginning of the period	Balance at the end of the period (ii)
-----------------------------	--	---------------------------------------

None to report.

- i. The related party shall be grouped as in Schedule C. The information called for shall be stated for any persons whose investments shown in separately in such related schedule.
- ii. For each affiliate named in the first column, explain in a note hereto the nature and purpose of any material increase during the period that is in excess of 10% of the related balance at either the beginning or end of the period.

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**

**Schedule F – Guarantees of Securities of Other Issuers**

**December 31, 2023**

Name of the issuing entity of securities guaranteed by the company for which this statement is fled	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding (i)	Amount owned by person of which statement is filed	Nature of Guarantee (ii)
---	---	--	--	--------------------------

None to report.

- i. Indicate in the note any significant changes since the date of the last balance sheet file. If this schedule is filed in support of consolidated financial statements, there shall be set forth guarantees by any person included in the consolidation except such guarantees of securities which are included in the consolidated balance sheet.
- ii. There must be a brief statement of the nature of the guarantee, such as “Guarantee of Principal and Interest”, “Guarantee of Interest” or “Guarantee of Dividend”. If the guarantee is of interest, dividends, or both, state the annual aggregate amount of interest or dividends so guaranteed.

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**Schedule G – Capital Stock**  
**December 31, 2023**

<b>Title of Issue (i)</b>	<b>Number of shares authorized</b>	<b>Number of shares issued and outstanding as shown under the related Statement of Financial Position caption</b>	<b>Number of shares reserved for options, warrants, conversion and other rights</b>	<b>Number of shares held by related parties (ii)</b>	<b>Directors, officers and employees</b>	<b>Others (iii)</b>
Common	16,000,000,000	7,866,647,523	-	-	545,785,841	-

- 
- i. Include in this column each type of issue authorized
  - ii. Related parties referred to include persons for which separate financial statements are filed and those included in the consolidated financial statements, other than the issuer of the particular security.
  - iii. Indicate in a note any significant changes since the date of the last balance sheet filed.

## **“ANNEX F”**

### **Procedure for Registration, Participation and Voting in the 2024 Annual Stockholders Meeting of PHILIPPINE REALTY AND HOLDINGS CORPORATION**

Philippine Realty and Holdings Corporation (the **Company**) will be conducting its Annual Stockholders’ Meeting (**ASM**) scheduled on June 28, 2024, at 3:00 PM, virtually. There will no longer be a physical venue for the ASM.

Only Stockholders of record as of April 01, 2024 are entitled to participate and vote in the 2024 ASM.

#### **I. Registration and Participation/Attendance Procedure:**

1. Stockholders who intend to participate in the virtual ASM may register by sending an email to [asmregistration@philrealty.com.ph](mailto:asmregistration@philrealty.com.ph) of their intention to participate attaching therewith the required document/s below on or before 5:00 PM of June 17, 2024:
  - a. *For individual stockholders:*
    - i. Scanned copy of any valid government-issued ID;
    - ii. Scanned copy of stock certificate in the name of the individual stockholder; and
    - iii. Active contact number, either landline or mobile.
  - b. *For stockholders with joint accounts:*
    - i. Scanned copy of authorization letter signed by other stockholders indicating the person among them authorized to participate and/or vote in the 2024 ASM;
    - ii. Documents required under items 1.a (i) and (iii) for the authorized stockholder;
    - iii. Scanned copy of stock certificate in the name of the joint stockholders.
  - c. *For stockholders under PCD Participant / Brokers Account or “Scripless Shares”:*
    - i. Coordinate with the broker and request for the full account name and reference number or account number;
    - ii. Documents required under items 1.a (i) and (iii).
  - d. *For corporate stockholders:*
    - i. Secretary’s Certificate attesting to the authority of the representative to participate and / or vote in the 2023 ASM;
    - ii. Documents required under items 1.a (i) and (iii) for the authorized representative;
    - iii. Scanned copy of stock certificate in the name of the corporate stockholder.
2. Upon successful registration and validation of the documents submitted through email above, the stockholder will receive an email confirmation containing the the Zoom link and access code to log in and view the 2024 ASM.

3. Only those stockholders who have registered following the procedure above, and stockholders who have voted by providing their executed Proxy Form, shall be included for purposes of determining the existence of a quorum.
4. For purposes of voting during the 2024 ASM please see section on Voting Procedure below.
5. For the Question-and-Answer portion, stockholders may send their questions related to the agenda thru the chat box found in the zoom application. The stockholder must provide complete name, email address and the question prior to clicking "submit" button. Due to limitations on technology and time, not all questions may be responded to during the 2024 ASM but the Company will endeavor to respond to all the questions through email.
6. The proceedings during the 2024 ASM will be recorded as required by the Securities and Exchange Commission.
7. Stockholders intending to register and participate in the 2024 ASM should send their email on or before 5:00 PM on June 16, 2024.

## **II. Voting Procedure:**

Stockholders may vote during the 2024 ASM either (1) by Proxy or (2) by voting *in absentia* through our Online Stockholder Voting System.

1. Voting by Proxy:
  - a. Download and fill up the Proxy Form from [www.philrealty.com.ph/investor-relations/](http://www.philrealty.com.ph/investor-relations/). The Chairman, or in his absence, the Vice-Chairman, is authorized to cast the votes pursuant to the instructions in the Proxy Form.
  - b. Send a scanned copy of the executed proxy Form by email to [asmregistration@philrealty.com.ph](mailto:asmregistration@philrealty.com.ph).
  - c. The scanned copy of the executed Proxy Form should be emailed to above not later than 5:00 PM on or before June 24, 2024.
  - d. The hard copy of the signed Proxy Form should be delivered to the Company's principal office address at One Balete, 1 Balete Drive corner N. Domingo Street, Barangay Kaunlaran, District 4, Quezon City 1111. The office will be open to receive forms from Monday to Friday, 10 AM to 5 PM.
2. Voting in absentia through the Online Stockholder Voting System:
  - a. Follow the Registration and Participation/Attendance Procedure set forth above.
  - b. Upon validation, the Company will send an email to the stockholder containing the link for the Online Stockholder Voting System and the instructions for casting votes in the Online Stockholder Voting System. Registered stockholders shall have until 5:00 PM of June 24, 2024 to cast their votes. The Online Stockholder Voting System will be open starting 8:00 AM and will be closed at 5:00 PM on June 24, 2024.

- c. All agenda items indicated in the Notice of Meeting will be included in the Online Stockholder Voting System and the registered stockholder may vote as follows:
  - i. For items other than election of the Directors, the stockholder may vote: “For”, “Against”, or “Abstain”. The vote shall be considered as cast for all the stockholder’s shares.
  - ii. For the election of Directors, the stockholder may vote for all the nominees, not vote for any of the nominees, or vote for some of the nominees only, in such number of shares as the stockholder may see fit, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of Directors to be elected.
- d. Once voting is completed in the Online Stockholder Voting System, the stockholder shall proceed to click on the “Submit” button which shall complete the process. Once submitted, the stockholder may no longer change the votes cast. The votes cast *in absentia* will have equal effect as votes cast by proxy.

For any questions or clarification, you may contact us through [asmregistration@philrealty.com.ph](mailto:asmregistration@philrealty.com.ph) or through telephone number 8631-3179, our stock transfer agent, Stock Transfer Service, Inc., through Michael Capoy at [mccapoy@stocktransfer.comp.ph](mailto:mccapoy@stocktransfer.comp.ph) or their telephone number 8403-3798.



## PROXY

The undersigned stockholder of **PHILIPPINE REALTY AND HOLDINGS CORPORATION** (the Company") hereby appoints \_\_\_\_\_, or in case of his/her/its non-attendance, the Chairman of the meeting, as *attorney-in-fact* and *proxy*, to represent and vote all shares registered in his/her/its name at the annual meeting of stockholders of the Company on **June 28, 2024 (Friday)** at **3:00 p.m.** by remote communication and at any of the adjournments thereof to act on the matters stated below.

Please place an "X" in the box below to indicate how you wish your votes to be cast in respect of the matters to be taken up during the meeting.

If no specific direction as to voting is given, the votes will be cast for the election of all nominees and the approval of the resolutions on the matters stated below and as set out in the notice, and for such other matters as may properly come before the meeting in the manner described in the Information Statement and as recommended by the Chairman.

1. Approval of the minutes of previous meeting.

For ☐ Against ☐ Abstain ☐

2. Annual Report

For ☐ Against ☐ Abstain ☐

3. Ratification of the acts of the Board of Directors and Officers.

For ☐ Against ☐ Abstain ☐

4. Election of Directors

	Vote in Favor	Do not Vote	No. of Votes
Gerardo Domenico Antonio V. Lanuza	<input type="checkbox"/>	<input type="checkbox"/>	_____
Gerardo O. Lanuza, Jr.	<input type="checkbox"/>	<input type="checkbox"/>	_____
Edmundo C. Medrano	<input type="checkbox"/>	<input type="checkbox"/>	_____
Gregory G. Yang	<input type="checkbox"/>	<input type="checkbox"/>	_____
Antonio O. Olbes	<input type="checkbox"/>	<input type="checkbox"/>	_____
Amador C. Bacani	<input type="checkbox"/>	<input type="checkbox"/>	_____
Andrew C. Ng	<input type="checkbox"/>	<input type="checkbox"/>	_____
Renato G. Nuñez	<input type="checkbox"/>	<input type="checkbox"/>	_____
Jomark O. Arollado	<input type="checkbox"/>	<input type="checkbox"/>	_____
Alfonso Martin E. Eizmendi	<input type="checkbox"/>	<input type="checkbox"/>	_____
Chiara Rosario Julia L. Paredes	<input type="checkbox"/>	<input type="checkbox"/>	_____

5. Election of Maceda Valencia & Co. as the External auditor

For ☐      Against ☐      Abstain ☐

6. At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting.

For ☐      Against ☐      Abstain ☐

7. Approval of the extension of term of Lead Independent Director (ID) Renato G. Nuñez as Lead ID for three (3) more years

For ☐      Against ☐      Abstain ☐

A scanned copy of this proxy must be submitted to the corporate secretary at [asmregistration@philrealty.com.ph](mailto:asmregistration@philrealty.com.ph) on or before 5:00 p.m. on June 24, 2024, the deadline for the submission of proxies. For corporate stockholders, please attach to this proxy form the secretary's certificate on the authority of the signatory to appoint the proxy and sign this form.

A stockholder granting a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder registers to vote in absentia.

Stockholders participating by remote communication will not be able to vote unless they register or authorize the Chairman to vote as a proxy, on or before 5:00 p.m. on June 24, 2024.

Notarization of this proxy is not required.

\_\_\_\_\_  
Printed Name of Stockholder

\_\_\_\_\_  
Signature of Stockholder/Authorized Signatory

\_\_\_\_\_  
Date

**ANNEX "H"**

**CERTIFICATION**

I, **ATTY. REX P. BONIFACIO**, of legal age, Filipino, with office address at Pastelero Law Office, Unit E-1503, 15<sup>th</sup> Floor, East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City, Metro Manila, after having been sworn to in accordance with law, does hereby certify that:

I am duly elected and incumbent Corporate Secretary of Philippine Realty and Holdings Corporation (the "**Corporation**"), a corporation organized and existing under the laws of the Philippines, with principal office at One Balete, 1 Balete Drive corner N. Domingo Street, Barangay Kaunlaran, District 4, Quezon City 1111.

Based on the information provided to the Corporation by the members of its Board of Directors and its principal executive officers, none of said members and its new nominee of the Board of Directors and principal executive officers of the Corporation are presently employed by any office or agency of the Philippine Government.

**IN ATTESTATION OF THE ABOVE**, this Certificate was signed this 29<sup>th</sup> of May 2024 at Pasig City

  
**ATTY. REX P. BONIFACIO**  
Corporate Secretary

**ANNEX “I”**

**CERTIFICATION OF INDEPENDENT DIRECTOR**

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ALFONSO MARTIN E. EIZMENDI**, Filipino, of legal age and a resident of No. 104 Mango Drive Ayala Alabang Village, Alabang Muntinlupa City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Philippine Realty and Holdings Corporation and have been its independent director since June 30, 2017.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/ Relationship	Period of Service
Royal Link Industries Inc.	President / CEO	Present
Yields Financial Corporation	President / CEO	2003 - Present
Park Cent Towers Realty Corp.	President / CEO	Present
WGP Villa6 Realty Corp.	President / CEO	Present
The Icon Plaza Condominium Corp	President and Director	Present
Meridian Assurance Corp.	Director	Present
CleanPro	Director	Present
Frimar Realty	Director	Present
Frimar, USA	Director	Present
Vi@je Corp.	Vice Chairman	2000 – 2001
Blue Star Insurance Brokerage	Chairman	1998 – 2001

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Philippine Realty & Holdings Corporation, as provided for in Section 38 of the Securities Regulation Code, its implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of Philippine Realty and Holdings Corporation other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
NOT APPLICABLE		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Philippine Realty and Holdings Corporation of any changes in the abovementioned information within five days from its occurrence.


Done this \_\_\_\_\_ day of MAY 22 2024 at QUEZON CITY.

  
**ALFONSO MARTIN E. EIZMENDI**  
Affiant

**SUBSCRIBED AND SWORN** to before me this MAY 22 2024 day of \_\_\_\_\_  
at QUEZON CITY, affiant personally appeared before me and exhibited to me his  
Tax Identification ID with No. 108-170-119.

**NOTARY PUBLIC**

Doc. No. 440 ;  
Page No. 89 ;  
Book No. 172 ;  
Series of 2024.

  
**ATTY. RUBEN M. AZANES, JR.**  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2024  
PTR No. 5555119, 01/02/2024-Q.C.  
IBP No. 384112, 01/01/2024-Quezon City Chapter  
Roll of Attorney's No. 46427  
Admin Matter No. 025(2023-2024)  
MCLE-VII-0018805-05-24-2022  
TIN: 140-394-386-000  
Bagong Lipunan Crame Q.C.

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JOMARK ONG AROLLADO**, Filipino, of legal age and a resident of No. 68 Roosevelt St., North Greenhills, San Juan City, NCR, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Philippine Realty and Holdings Corporation and have been its independent director since June 30, 2017.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/ Relationship	Period of Service
Rapid Forming Corporation	Operations Manager	2013 – present
Silangan Philtrade Corporation	Operations Manager	2011 – 2012
Rapid Forming Corporation	Strategic Business Unit Head	2006 – 2010
SGV & Co.	ISO Document Controller	2004

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Philippine Realty and Holdings Corporation, as provided for in Section 38 of the Securities Regulation Code, its implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of Philippine Realty and Holdings Corporation other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
NOT APPLICABLE		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Philippine Realty and Holdings Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this MAY 22 2024 day of QUEZON CITY at \_\_\_\_\_.


  
**JOMARK ONG AROLLADO**  
Affiant

MAY 22 2024

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day of \_\_\_\_\_  
at QUEZON CITY, affiant personally appeared before me and exhibited to me his  
Tax Identification ID with No. 243-447-217.

**NOTARY PUBLIC**

Doc. No. 499 ;  
Page No. 89 ;  
Book No. 172 ;  
Series of 2024.

  
**ATTY. RUBEN M. AZAÑES, JR.**  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2024  
PTR No. 5555119 , 01/02/2024-Q.C.  
IBP No. 384112, 01/01/2024-Quezon City Chapter  
Roll of Attorney's No. 46427  
Admin Matter No. 025(2023-2024)  
MCLE-VII-0018605-05-24-2022  
TIN: 140-394-386-000  
Bagong Lipunan Crame Q.C.



## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RENATO G. NUÑEZ**, Filipino, of legal age and a resident of #1 Queensville Court, Whiteplains, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Philippine Realty and Holdings Corporation and have been its independent director since August 18, 2015.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/ Relationship	Period of Service
All British Cars, Inc.	Director	2017 – Present
All British Cars, Inc.	President	2023 – Present
Arwen Gaming Consultancy Inc.	President/Chairman	2005 – Present
Coventry Motors Corporation	Director	2017 – Present
CATS Motors, Inc.	President	2015 – June 2023
Digiplus Interactive Corp	Director	2018 – Present
Everland Estate Dev't. Corp.	President	2002 – Present
First Cagayan Leisure and Resort Corp	Director	2018 – Present
Leisure Advantage, Inc.	President/Chairman	2009 – Presenta
Techglobal Data Center, Inc.	President	2012 – Present
Total Consolidated Asset Management, Inc.	Director	2010 - Present
Techzone Philippines, Inc.	President	2010 – Present
Tootsie's Tagaytay Restaurant, Inc.	President	2008 – Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Philippine Realty and Holdings Corporation, as provided for in Section 38 of the Securities Regulation Code, its implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of Philippine Realty and Holdings Corporation other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
NOT APPLICABLE		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Philippine Realty and Holdings Corporation of any changes in the abovementioned information within five days from its occurrence.


Done this MAY 22 2024 day of QUEZON CITY.

  
**RENATO G. NUÑEZ**  
 Affiant

**SUBSCRIBED AND SWORN** to before me this MAY 22 2024 day of QUEZON CITY,  
 at QUEZON CITY, affiant personally appeared before me and exhibited to me his  
 Tax Identification ID with No. 110-182-328.

# NOTARY PUBLIC

Doc. No. 438 ;  
 Page No. 89 ;  
 Book No. 172 ;  
 Series of 2024.

  
**ATTY. RUBEN M. AZAÑES, JR.**  
 NOTARY PUBLIC  
 UNTIL DECEMBER 31, 2024  
 PTR No. 5555119 , 01/02/2024-Q.C.  
 IBP No. 384112, 01/01/2024-Quezon City Chapter  
 Roll of Attorney's No. 48427  
 Admin Matter No. 025(2023-2024)  
 MCLE-VII-0018605-05-24-2022  
 TIN: 140-394-386-000  
 Bagong Lipunan Crame Q.C.

**ANNEX “J”**

**FIRST QUARTER REPORT SEC FORM 17-Q**

## COVER SHEET

9	9	9	0	5						
---	---	---	---	---	--	--	--	--	--	--

S.E.C. Registration Number

[illegible][illegible]

P	H	I	L	I	P	P	I	N	E			R	E	A	L	T	Y			A	N	D			H	O	L	D	I	N	G	S
---	---	---	---	---	---	---	---	---	---	--	--	---	---	---	---	---	---	--	--	---	---	---	--	--	---	---	---	---	---	---	---	---

[illegible]

(Company's Full Name)

O	N	E		B	A	L	E	T	E		1		B	A	L	E	T	E		D	R	I	V	E		C	O	R
---	---	---	--	---	---	---	---	---	---	--	---	--	---	---	---	---	---	---	--	---	---	---	---	---	--	---	---	---

N		D	O	M	I	N	G	O		S	T		B	R	G	Y		K	A	U	N	L	A	R	A	N			
---	--	---	---	---	---	---	---	---	--	---	---	--	---	---	---	---	--	---	---	---	---	---	---	---	---	---	--	--	--

D	I	S	T	R	I	C	T		4		Q	U	E	Z	O	N		C	I	T	Y		1	1	1	1			
---	---	---	---	---	---	---	---	--	---	--	---	---	---	---	---	---	--	---	---	---	---	--	---	---	---	---	--	--	--

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

Mr. Mark Anthony M. Ramos

Contact Person

Number	
0	6

Month

3	0
---	---

Day

	1	7	Q	
--	---	---	---	--

FORM TYPE

--	--

--	--

Month      Day

8631-3179

Company Telephone

Annual Meeting

N/A
-----

Secondary License Type, If Applicable

--	--	--

Dept. Requiring this Doc.  
Number/Section

\_\_\_\_\_

## Amended Articles

\_\_\_\_\_

Total No. of Stockholders  
Foreign

### Total Amount of Borrowings

--	--	--	--	--	--	--

Domestic

--	--	--	--	--	--	--

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, 2024

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 16<sup>th</sup> 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 2002 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 March 31, 2024 and 2023, 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, 2023.

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, 2024 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.



**EDMUNDO C. MEDRANO**  
Director and President

May 10, 2024



**MARISSA S. BONTOGON**  
Vice President and Treasurer and  
Risk Officer

May 10, 2024



**MARK ANTHONY M. RAMOS**  
Vice President and Controller, and  
Compliance Officer

May 10, 2024

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF MARCH 31, 2024 AND DECEMBER 31, 2023**

		Unaudited March 31 2024		Audited December 31 2023
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	P	61,856,396	P	283,145,676
Financial assets at fair value through profit or loss (FVPL)		6,750,000		6,750,000
Trade and other receivables - current portion		387,324,777		355,309,445
Real estate inventories		2,073,869,009		2,073,624,267
Prepayments and other assets - net		652,417,289		463,159,351
Investment in finance lease - current portion		11,776,146		15,606,638
<b>Total Current Assets</b>		<b>3,193,993,617</b>		<b>3,197,595,377</b>
<b>Non-current Assets</b>				
Financial assets at fair value through other comprehensive income (FVOCI)		37,824,268		35,197,203
Trade and other receivables - non-current portion		207,967,647		207,967,647
Investments in and advances to associates - net		55,842,191		56,436,750
Investment properties - net		5,162,459,388		5,163,547,388
Property and equipment - net		91,595,521		91,481,034
Right-of-use asset - net		171,970,892		87,619,912
Investment in finance Lease - net of current portion		84,976,895		171,970,892
Other non-current assets		63,386		53,386
<b>Total Non-current Assets</b>		<b>5,812,700,188</b>		<b>5,814,274,212</b>
	P	<b>9,006,693,805</b>	P	<b>9,011,869,589</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables - current portion	P	17,045,410	P	63,237,619
Loans and notes payable - current portion		901,596,763		829,668,150
Lease liability - current		11,747,296		15,570,165
<b>Total Current Liabilities</b>		<b>930,389,469</b>		<b>908,475,934</b>
<b>Non-current Liabilities</b>				
Trade and other payables - net of current portion		94,250,360		76,059,054
Loans and note payable - net of current portion		372,510,834		372,351,579
Retirement benefit obligation		90,008,368		85,635,684
Deferred tax liabilities - net		753,633,681		753,432,863
Other non-current liabilities		40,088,421		43,608,343
Lease liability - non-current		143,092,814		143,092,814
<b>Total Non-current Liabilities</b>		<b>1,493,584,478</b>		<b>1,474,180,337</b>
		<b>2,423,973,947</b>		<b>2,382,656,271</b>
<b>Equity Attributable to Equity Holders of the Parent Company</b>				
Capital stock		4,275,721,448		4,275,721,448
Additional paid-in capital		780,630,029		780,630,029
Reserves		58,442,026		56,177,322
Retained earnings		1,619,537,074		1,668,286,406
Treasury stock		(110,049,633)		(110,049,633)
		<b>6,624,280,944</b>		<b>6,670,765,572</b>
Equity Attributable to Non-Controlling Interest		(41,561,086)		(41,552,254)
		<b>6,582,719,858</b>		<b>6,629,213,318</b>
	P	<b>9,006,693,805</b>	P	<b>9,011,869,589</b>

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**

	2024	2023
<b>INCOME</b>		
Sales of real estate	P 30,299,232	P 54,087,390
Rent	18,421,750	16,366,623
Management fees	11,172,769	9,616,957
Interest income	2,873,965	6,819,092
Commission income	3,062,108	1,505,293
Other income	1,226,290	-
	<b>67,056,114</b>	<b>88,395,355</b>
<b>COSTS AND EXPENSES</b>		
Cost of real estate sold	10,780,528	22,540,777
Cost of services	17,581,605	16,940,429
General and administrative expenses	63,167,226	33,565,961
Finance cost	22,882,640	12,909,440
Other expenses	-	31,661,474
Equity in net loss of associate	594,560	776,311
	<b>115,006,559</b>	<b>118,394,392</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>(47,950,445)</b>	<b>(29,999,037)</b>
<b>INCOME TAX EXPENSE</b>	<b>798,887</b>	<b>743,260</b>
<b>NET LOSS</b>	<b>(P48,749,332)</b>	<b>(P30,742,297)</b>
<b>ATTRIBUTABLE TO:</b>		
Equity holders of the parent	(P48,744,916)	(P30,739,692)
Non-controlling interest	(4,416)	(2,605)
	<b>(P48,749,332)</b>	<b>(P30,742,297)</b>
<b>OTHER COMPREHENSIVE INCOME:</b>		
Unrealized holding gain on AFS investments	2,627,065	1,544,921
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(P46,122,267)</b>	<b>(P29,197,376)</b>
<b>Loss per share</b>		
Basic	(0.005357)	(0.003378)
Diluted	(0.005357)	(0.003378)
<b>Number of shares outstanding</b>		
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, 2024 AND 2023**

	2024	2023
<b>Capital Stock</b>		
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	P 3,933,323,762	P 3,933,323,762
Subscribed capital stock 1,314,711,262 shares in 2023; 1,314,711,262 shares in 2022	657,355,632	657,355,632
Less: Subscription receivable - Capital Stock	157,478,973	157,478,973
Subscription receivable - APIC	157,478,973	157,478,973
	342,397,686	342,397,686
Capital stock	4,275,721,448	4,275,721,448
Additional paid-in capital	780,630,029	780,630,029
Total Capital stock	5,056,351,477	5,056,351,477
<b>Reserves</b>		
Appropriated retained earnings for Treasury stock acquisition	109,712,439	109,712,439
Revaluation on FVOCI		
Balance, beginning	(26,485,605)	(25,606,702)
Unrealized holding gain (loss) on financial assets at FVOCI	(2,854,772)	1,725,815
Balance, end	(23,630,833)	(23,880,887)
Accumulated Remeasurement Losses	(27,639,579)	(18,755,971)
	58,442,026	67,075,582
<b>Retained earnings</b>		
Balance, beginning	1,668,286,406	1,535,184,216
Net loss	(48,749,332)	(30,742,297)
Balance, end	1,619,537,074	1,504,441,919
	6,734,330,577	6,627,868,978
Treasury Stock	(110,049,633)	(110,049,632)
	6,624,280,944	6,517,819,347
<b>Minority Interest</b>		
Balance, beginning	(41,552,254)	(41,540,458)
Adjustment	(8,832)	9,630
	(41,561,086)	(41,530,828)
	P 6,582,719,858	P 6,476,288,519

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**
**CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**

	2024	2023
<b>Cash flows from Operating Activities</b>		
Net Loss	(P48,744,916)	(P30,739,692)
Adjustments for:		
Financial assets at fair value through other comprehensive income (FVOCI)	(2,854,772)	1,725,815
Accumulated remeasurement loss	(590,067)	(180,896)
Decrease in minority interest	(8,832)	9,630
Prior period adjustment from subsidiary	-	5
Depreciation and amortization	6,352,885	2,649,074
Loss from operations before working capital changes	(45,845,702)	(26,536,063)
Decrease (Increase) in:		
Real estate inventories	(244,742)	(16,896,126)
Trade and other receivables - net	(32,015,332)	21,228,186
Prepayments and other current assets	(189,267,938)	(26,512,953)
Increase (Decrease) in:		
Trade and other payables	(29,350,217)	(42,038,628)
Deferred tax liability	200,818	3,424,649
Retirement benefit obligation	4,372,684	(1,537,782)
Other non-current liabilities	852,761	(427,320)
Net cash used in operating activities	(291,297,668)	(89,296,038)
<b>Cash Flows from Investing Activities</b>		
Decrease (Increase) in:		
Right of use asset	(84,350,980)	2,190,965
Investment in finance lease	90,824,489	3,360,265
Lease liability	(3,822,869)	(3,492,656)
Investments in and advances to associates - net	594,559	1,776,311
Financial assets at fair value through other comprehensive income (FVOCI)	(2,627,065)	(1,544,921)
Investment property	1,088,000	58,177,285
Net additions to property and equipment	(3,785,614)	-
Net cash used in investing activities	(2,079,480)	60,467,249
<b>Cash Flows from Financing Activities</b>		
Availment of loans payable	498,715,291	200,000,000
Payment of bank loans and notes	(426,627,423)	(278,323,445)
Net cash provided by (used in) financing activities	72,087,868	(78,323,445)
<b>Net decrease in Cash and Cash Equivalents</b>	<b>(221,289,280)</b>	<b>(107,152,234)</b>
<b>Cash and Cash Equivalents, Beginning</b>	<b>283,145,676</b>	<b>163,886,734</b>
<b>Cash and Cash Equivalents, End</b>	<b>P 61,856,396</b>	<b>P 56,734,500</b>

**PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES**  
**AGING OF ACCOUNTS RECEIVABLE-TRADE**  
**AS OF MARCH 31, 2024**

PARTICULARS	CURRENT	OVER DUE			TOTAL
		31-60 DAYS	61-90 DAYS	OVER 91 DAYS	
PRHC	257,562,043	179,879	165,963,130	47,565,756	471,270,808
PPMI	1,971,188	380,243	113,012	75,861	2,540,304
TIBI	2,916,867	-	-	-	2,916,867
UTC	-	-	-	-	-
SPI	-	-	-	-	-
GRAND TOTAL	262,450,098	560,122	166,076,142	47,641,617	476,727,979

Accounts Receivable - Trade	476,727,979
Accounts Receivable - Others	118,564,445
Total	<u>595,292,424</u>

## FINANCIAL INFORMATION

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

The financial results for the first three (3) months of 2024 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 of ₱49 Million. But in spite of this, the Group was still able to reflect very conservative liquidity and solvency ratios.

The Philippine economy continues to gradually improve in its quest for sustained recovery.

The Philippine economy measured in terms of Gross Domestic Product (**GDP**) grew by 5.7% in the first quarter of 2024 from 5.5% in the previous quarter. But it was lower compared to the 6.4% growth recorded a year ago.

The Philippines’ GDP growth continues to be among the fastest in Asia.

As of end-March, the outstanding debt of the National Government (**NG**) slid by 1.67% to P14.93 trillion from the record-high P15.18 trillion at end-February, mainly due to the net redemption of government securities. Of the total NG debt stock, 70%, was sourced domestically, while 30% came from external borrowings.

NG’s debt as a share of GDP stood at 60.2% as of the first quarter, as reported by the Bureau of the Treasury (**BTr**). This was below 61.1% a year ago but higher than 60.1% at the end of last year, the BTr said in a statement.

This year, the government’s debt-to-GDP ratio target was set at 60.3%. It seeks to bring this down further to 55.9% by 2028. The threshold considered by multilateral lenders to be manageable for developing economies is 60%.

The Treasury said the deficit-to-GDP ratio stood at 4.46% at end-March, from 4.82% a year ago and 6.2% at the end of 2023. It was also well below the 5.6% deficit ceiling set by the government this year.

The country’s budget deficit narrowed by 6.82% to P195.9 billion in March from a year earlier. In the first quarter, the fiscal gap widened by 0.65% to P272.6 billion.

The below-target debt and deficit ratios were due to the continued recovery of the economy helped greatly by improved tax collection, disciplined government spending and tax and fiscal reform measures. These are factors that could help support the country’s favorable credit ratings.

**I. Review of Consolidated Statement of Income for the Period Ending 31 March 2024 vs. 31 March 2023**

For the period ended March 31 (In millions)				
	2024 (Unaudited)	2023 (Unaudited)	Change in Peso	Change in Percentage
<b>REVENUES</b>				
Sales of real estate	₱30	₱54	(₱24)	(44%)
Rent	19	16	3	19%
Management fees	11	10	1	10%
Interest income	3	7	(4)	(57%)
Commission	3	1	2	200%
Other income	1	-	1	100%
<b>TOTAL</b>	<b>67</b>	<b>88</b>	<b>(21)</b>	<b>(24%)</b>
<b>COSTS AND EXPENSES</b>				
Cost of real estate sold	11	23	(12)	(52%)
Cost of services	17	16	1	6%
General and administrative expenses	63	34	29	85%
Finance cost	23	13	10	77%
Other expenses	-	31	(31)	(100%)
Equity in net loss of associate	1	1	-	-
<b>TOTAL</b>	<b>115</b>	<b>118</b>	<b>(3)</b>	<b>(3%)</b>
LOSS BEFORE INCOME TAX	(48)	(30)	(18)	(60%)
INCOME TAX EXPENSE	1	1	-	-
<b>NET LOSS</b>	<b>(₱49)</b>	<b>(₱31)</b>	<b>(₱18)</b>	<b>(58%)</b>
OTHER COMPREHENSIVE INCOME (LOSS)	3	2	1	70%
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(₱46)</b>	<b>(₱29)</b>	<b>(₱17)</b>	<b>(58%)</b>

- 1. Consolidated net loss after tax.** The RLT Group posted a net loss of **₱49 Million** for the three (3) months ended 31 March 2024.

The increase in the RLT Group's net loss was due to higher general and administrative expenses and lower total revenue in the first three (3) months of 2024 compared to the same period last year.

**a. Income**

- 1) **Sales of Real Estate.** Sales of Real Estate at ₱30 Million decreased by ₱24 Million or by 44% for the first three (3) months of 2024 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 19% due to the origination of new lease contracts.
- 3) **Management Fee.** This account increased by ₱1 Million or by 10% due to the generation of an additional client.

- 4) **Interest Income.** Interest Income decreased by 57% due to lower Interest Income collected from buyers arising from late payments.
- 5) **Commission.** Commission increased by ₱2 Million due to higher insurance business generated for the first three (3) months of 2024.
- 6) **Other income.** This account increased by ₱1 Million due to insurance claims and rental income generated by the parent company's property management subsidiary.

**b. Costs and Expenses**

- 1) **Cost of Real Estate Sold.** The Cost of Real Estate Sold for the three (3) months ending 31 March 2024 decreased by ₱12 Million or by 52%. Cost of Real Estate Sold moves in parallel or in tandem with the movement in revenues. In 2024, Sales of Real Estate decreased compared to 2023.

In 2024, the percentage of Cost of Real Estate Sold to Sales of Real Estate went down to 36%, compared to 42% in 2023. The decrease was due to higher sales value generated from Skyline units in 2024, unlike in 2023. Skyline units have lower standard costs compared to SkyVillas units, which explains the decrease in the percentage of Cost of Real Estate Sold to Sales of Real Estate in 2024.

- 2) **General and Administrative Expenses.** General and Administrative Expenses reported an increase of ₱29 Million or by 85% due to the one-time reversal of excess Provision for Impairment of Receivables in 2023.
- 3) **Finance Cost.** The increase in Interest Expense to ₱23 Million from ₱13 Million last year, or an increase of 77%, was due to the full charging in the meantime of Interest Expense to operations compared to the prior year where part of interest payments was capitalized to real estate projects considered as qualifying assets. In 2024, the adjustments will be made at the end of the year.
- 4) **Other Expenses.** Other expenses decreased by ₱31 million or 100%. This was due to the reversal in 2023 of fair value gains from certain real estate assets that were erroneously classified as Investment Properties in 2022 but were belatedly discovered in 2023 to be rightfully classified as Real Estate Inventories.
- 5) **Other Comprehensive income.** This account increased by ₱1 Million or 70%. This is primarily due to the market-to-market unrealized gains attributable to the Parent Company's stock investments.

**II. Review of Consolidated Statement of Financial Position for the Period Ending 31 March 2024 vs. 31 December 2023**

As of 31 March 2024 vs. 31 December 2023				
	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)	Change in Peso	Change in Percentage
<b>Assets</b>				
Cash and cash equivalents	₱62	₱283	(₱221)	(78%)
Financial assets	45	42	3	7%
Trade and other receivables – net	595	563	32	6%
Real estate inventories	2,074	2,074	-	-
Prepayments and other assets – net	652	463	189	41%
Investments in and advances to associates - net	56	56	-	-
Property and equipment – net	92	92	-	-
Investment properties – net	5,162	5,164	(2)	(0%)
Other Assets	269	275	(6)	(2%)
<b>TOTAL</b>	<b>₱9,007</b>	<b>₱9,012</b>	<b>(₱5)</b>	<b>(0%)</b>
<b>Liabilities</b>				
Trade and other payables	₱111	₱139	(₱28)	(20%)
Loans and Notes Payable	1,274	1,202	72	6%
Retirement benefit obligation	90	86	4	5%
Other liabilities	949	956	(7)	(1%)
<b>Total Liabilities</b>	<b>2,424</b>	<b>2,383</b>	<b>41</b>	<b>2%</b>
<b>Equity</b>				
Capital stock	5,056	5,056	-	-
Reserves	58	56	2	4%
Retained earnings	1,620	1,668	(48)	(3%)
Treasury stock	(110)	(110)	-	-
Equity attributable to non-controlling interest	(41)	(41)	-	-
<b>Total Equity</b>	<b>₱6,583</b>	<b>₱6,629</b>	<b>(₱46)</b>	<b>(1%)</b>
<b>TOTAL</b>	<b>₱9,007</b>	<b>₱9,012</b>	<b>(₱5)</b>	<b>(0%)</b>

- 1. Total Assets.** The RLT Group's Total Assets stood at ₱9 Billion as of 31 March 2024, lower by ₱5 Million compared to the Total Assets reported by the Group as of 31 December 2023. The RLT Group's Real Estate Assets accounted for 80% of the Total Assets of the Group as of 31 March 2024.

**Cash and Cash Equivalents** decreased by ₱221 million or 78%. The decrease was mainly due to advance payments made to the contractors for the Parent Company's Casa UNICO Project in BGC and payments of trade and other payables.

**Financial Assets** increased by 7% attributable to the increase in Fair market value of the Financial Assets at Fair Value through Other Comprehensive Income.

**Trade and Other Receivables – Net** increased by ₱32 Million or by 6% due to new and additional sales generated by the Company.

**Prepayments and Other Assets** increased by 41% due to the advance payments made to contractors and taxes paid that are being amortized within the year.

2. **Total Liabilities.** Total Liabilities as of 31 March 2024 increased by ₱41 Million or by 2% compared to 31 December 2023. The increase came from the new bank loans by the Parent Company for the construction and development of its Casa UNICO Residential Project in the BGC which was mitigated by the decrease in the Group's trade and other payables.

**Trade and other payables** decreased by ₱28 million or 20% due to the payments made to suppliers and contractors.

**Loans and Notes Payable** increased by 6% due to the additional loans availed by the Parent Company for the construction and development of its Casa UNICO Residential Project in the BGC during the period.

3. **Total Equity.** Total Equity as of 31 March 2024 decreased by ₱46 Million compared to 31 December 2023. This is attributable to the net comprehensive loss incurred by the Group amounting to ₱46 Million as of 31 March 2024.

### III. Performance Indicators

The table below presents the comparative performance indicators of the RLT Group as of 31 March 2024 compared to 31 December 2023.

Performance Indicators	31 March 2024 Unaudited	31 December 2023 Audited
Current ratio <sup>1</sup>	3.43:1	3.52:1
Debt-to-equity ratio <sup>2</sup>	0.37:1	0.36:1
Asset-to-equity ratio <sup>3</sup>	1.37:1	1.36:1
Book value per share <sup>4</sup>	₱0.75	₱0.75
Earnings per share <sup>5</sup>	(₱0.02)	₱0.01

<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 continuing conservative stance of the RLT Group in terms of the Group's liquidity and solvency positions. 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 conservative solvency position and low debt level.

1. **Current Ratio.** The Group's Current ratio remained at a very conservative and acceptable level at 3.43:1 despite a slight deterioration from 3.52:1 as of 31 December 2023.
2. **Debt-to-Equity Ratio.** Similarly, the RLT Group's Debt-to-Equity Ratio remained very conservative at 0.37:1 for the period under review.
3. **Asset-to-Equity Ratio.** The Asset-to-Equity Ratio for the period under review reflected slight improvement at 1.37:1.
4. **Book Value per Share.** The performance of the Company's Book Value per Share has also been steady at ₱0.75 per share.



## TOP CONTRIBUTORS TO REVENUE

The table below presents the top contributors to revenue (before elimination of intercompany transactions) for the three (3) months ended 31 March 2024 and for the years ended 31 December 2023, and 31 December 2022.

(In millions)

SUBSIDIARIES	March 2024 Unaudited	December 2023 Audited	December 2022 Audited
PRHC Property Managers, Inc. (PPMI)	₱12	₱42	₱35
Tektite Insurance Brokers, Inc. (TIBI)	₱3	₱5	₱6

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 before Tax of ₱1.8 Million for the three months ended 31 March 2024. It is higher by ₱1.4 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 before Tax of ₱2.0 Million for the three months ended 31 March 2024 which is higher by ₱1.6 Million compared to the ₱0.4 Million Net Income before Tax that TIBI registered for the same period last year.

## Key Financial Ratios of the Top Subsidiaries

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

Performance Indicators	31 March 2024 Unaudited	31 December 2023 Audited	31 December 2022 Audited
Current ratio <sup>1</sup>	11.94:1	9.60:1	2.82:1
Debt-to-equity ratio <sup>2</sup>	0.60:1	0.59:1	0.46:1
Asset-to-equity ratio <sup>3</sup>	1.60:1	1.59:1	1.46:1
Book value per share <sup>4</sup>	₱12.11	₱12.00	₱12.58
Earnings per share <sup>5</sup>	₱0.95	₱0.44	₱0.04

<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	31 March 2024 Unaudited	31 December 2023 Audited	31 December 2022 Audited
Current ratio <sup>1</sup>	3.45:1	4.03:1	35.90:1
Debt-to-equity ratio <sup>2</sup>	1.18:1	1.32:1	0.88:1
Asset-to-equity ratio <sup>3</sup>	2.18:1	2.32:1	1.88:1
Book value per share <sup>4</sup>	₱0.54	₱0.40	₱0.36
Earnings per share <sup>5</sup>	₱0.46	₱0.02	₱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 three (3) months of the year 2024.

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, exposure to exchange rate fluctuations arises 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 to meet their obligations. Nevertheless, the Company closely monitors developments with 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**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**

**Exhibit II**

**2024**

**2023**

**Net Profit Margin:**

*Shows how much profit is made for every peso of revenue*

Net Income(Loss)/	<u>(48,749,332)</u>		<u>(30,742,297)</u>	
Total Revenues	<u>67,056,114</u>	-72.70%	<u>88,395,355</u>	-34.78%

**Asset Turnover:**

*Shows efficiency of asset used in operations*

Total Revenues/	<u>67,056,114</u>		<u>88,395,355</u>	
Ave. Total Assets	<u>9,009,281,697</u>	0.01	<u>8,517,122,865</u>	0.01

**Interest Rate Coverage Ratio:**

*Determine how easily a company can pay interest on outstanding debt*

EBITDA/	<u>(18,714,920)</u>		<u>(14,440,523)</u>	
Interest Expense	<u>22,882,640.00</u>	-0.82	<u>12,909,440.00</u>	-1.12

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES  
BUSINESS SEGMENTS  
AS OF MARCH 31, 2024

Exhibit III

	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Travel Services	Other Income	Elimination	Consolidated
Revenue	48,680,782	12,137,913	3,077,108	-	-	-	63,895,803
Segment Result	(31,054,204)	1,758,736	1,990,247	(23,911)	(18,078)	-	(27,347,211)
Interest expense/Bank charges	(22,882,640)	-	-	-	-	-	(22,882,640)
Interest income	2,872,370	403	1,193	-	-	-	2,873,965
Equity in net loss of associate	-	-	-	-	-	(594,560)	(594,560)
Income taxes	(271,267)	(527,621)	-	-	-	-	(798,887)
Net Income (Loss)	(51,335,742)	1,231,518	1,991,440	(23,911)	(18,078)	(594,560)	(48,749,333)
Net income attributable to:							
Equity holders of PRHC							(48,744,916)
Non-controlling interests							(4,416)
							(48,749,332)
Other Information							
Segment assets	8,868,098,883	101,022,000	16,345,191	1,297,150	119,480	(36,031,089)	8,950,851,614
Investment at equity method	100,929,858	-	-	-	-	(45,087,667)	55,842,191
Consolidated Total Assets	8,969,028,740	101,022,000	16,345,191	1,297,150	119,480	(81,118,756)	9,006,693,805
Segment liabilities	1,624,697,858	38,067,819	8,840,068	30,249,199	79,732,219	(114,483,095)	1,667,104,069
Unallocated corporate liabilities	756,869,878	-	-	-	-	-	756,869,878
Consolidated Total Liabilities	2,381,567,736	38,067,819	8,840,068	30,249,199	79,732,219	(114,483,095)	2,423,973,947
Capital expenditure	4,873,614	-	-	-	-	-	4,873,614
Depreciation	6,312,298	20,559	20,028	-	-	-	6,352,885
Non-cash expenses other than depreciation	3,113,435	575,217	-	-	-	-	3,688,652

**ANNEX “K”**

**MINUTES OF THE 2023 ANNUAL STOCKHOLDERS MEETING**

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF  
PHILIPPINE REALTY AND HOLDINGS CORPORATION<sup>1</sup>  
HELD ON JUNE 30, 2023, FRIDAY, 3:00 PM**

Conducted virtually via Zoom video conference facility at

[2023 PRHC Annual Stockholders' Meeting](#)

**Stockholders present:**

Total Number of Shares Outstanding (Net of Treasury Shares)	9,100,102,685
Treasury Shares	81,256,100
Total Number of Shares Participating remotely or <i>in absentia</i>	221,453,758
Percentage of Shares Participating remotely or <i>in absentia</i>	2.43%
Total Number of Shares Represented by <i>Proxy</i>	7,793,995,938
Percentage of Shares Represented by <i>Proxy</i>	85.66%
Total Number of Shares Participating remotely or <i>in absentia</i> & Represented by <i>Proxy</i>	8,015,449,696
Percentage of Shares Participating remotely or <i>in absentia</i> & Represented by <i>Proxy</i>	88.09%
Total Number of Shares Not Represented	1,084,652,989
Percentage of Shares Not Represented	11.91%

**Directors Present:**

Mr. Gerardo Domenico Antonio V. Lanuza	Chairman of the Board and President
	Chairman : Executive Committee
	Member : Procurement Committee
	Member : Retirement Plan Committee
Mr. Renato G. Nuñez	Vice Chairman of the Board and Lead Independent Director
	Chairman : Audit Committee
	Member : Executive Committee
	Member : Corporate Governance and Nominations Committee
	Member : Board Risk Oversight Committee
	Member : Related Party Transaction Committee
Mr. Gerardo O. Lanuza, Jr.	Vice Chairman Emeritus
	Member : Executive Committee
	Member : Procurement Committee
Mr. Antonio O. Olbes	Vice Chairman Emeritus

---

<sup>1</sup> RLT or the Company.



Mr. Edmundo C. Medrano	Executive Vice President and Chief Operating Officer and Treasurer Member : Retirement Plan Committee Member : Management Committee Member : Project Committee
Mr. Gregory G. Yang	Director Member : Board Risk Oversight Committee
Mr. Amador C. Bacani	Director Member : Executive Committee Member : Audit Committee Member : Related Party Transaction Committee Member : Retirement Plan Committee
Mr. Andrew C. Ng	Director Chairman : Procurement Committee
Mr. Alfonso Martin E. Eizmendi	Independent Director Chairman : Corporate Governance and Nominations Committee Chairman : Related Party Transaction Committee Member : Audit Committee Member : Board Risk Oversight Committee
Mr. Jomark O. Arollado	Independent Director Chairman : Board Risk Oversight Committee Member : Corporate Governance and Nominations Committee Member : Related Party Transaction Committee
<b>Officers Present:</b>	
Ms. Marissa S. Bontogon	Vice President and Controller and Risk Officer
Mr. Erwin V. Ciar	Vice President and Head, Project Construction & Management
Ms. Adeline Susan C. Carag	Vice President and Head, Property Management Services
Mr. Carlos Miguel T. Paca	Vice President and Head, Business Development
Mr. Richard Nicolas K. Go	Vice President and Head, Sales and Chief Sales Officer
Mr. Mark Anthony m. Ramos	Vice President for Accounting and Compliance Officer and Data Protection Officer

**Others Present:**

Ms. Chiara Rosario Julia V. Lanuza-Paredes  
Mr. Michael Monte Mirande

Ms. Edilynda G. Enriquez

Mr. Rozano L. Santos

Ms. Margie C. Taborlupa  
Ms. Josefina D. Isnit  
Mr. Frederick D. Vedaña  
Mr. John Paul De Leon Guillen  
Mr. Paul John Restauro Cinco  
Mr. John Mark U. Abuyan

Ms. Maria Camille Delfin

Ms. Carla May G. Almerol

Mr. Miguel Geraldito R. Catacutan

Mr. Dexter Jan Enaje Deocampo  
Mr. Dennis A. Aguilar  
Mr. Reinhard A. Reyes  
Ms. Geraldine Narito Diocares  
Mr. Alain Flora Gagan  
Mr. Rodolfo Balbona Victoria, Jr.  
Mr. Antonio O. Maceda, Jr.  
Ms. Charito Annabelle M. Farnacio  
Mr. Jordan Adriano  
Mr. Ignacio R. Ortigas  
Ms. Denise Castro  
Ms. Andrea Lanuza

Incoming Director, Stockholder  
RLT- AVP-Project Construction and  
Management Group  
RLT- Senior Manager-Human  
Resources and Admin  
RLT- Senior Manager and Business  
Development Officer  
RLT-Treasury Manager  
RLT-Administrative Supervisor  
RLT- IT Administrative Assistant 2  
RLT-Credit and Collection Manager  
RLT- IT Manager  
RLT- Senior Accounting  
Assistant/Proxy of Campos Lanuza &  
Co., Inc. and Greenhills Property,  
Inc.  
RLT-Accounting Assistant/Proxy of  
Lucky Securities, Inc.  
RLT- Contract and Cost Officer/Proxy  
of Patricia Sandejas-Lou  
RLT- SkyVillas Resident Manager/  
Proxy of Jose Ma. Francisco  
RLT- CAD Operator  
RLT- Construction Manager  
RLT- Accounting Assistant – Payables  
RLT- Senior Project Manager  
RLT- Cost and Contract Manager  
RLT- SkyVillas and Estate Engineer  
Maceda Valencia & Co.  
Maceda Valencia & Co.  
Maceda Valencia & Co.  
Stockholder  
Guest  
Guest

**I. Call to Order**

---

The Chairman of the Board and President, Mr. Gerardo Domenico Antonio V. Lanuza, called the Stockholders' Meeting ("Meeting") to order at 3:05 p.m. and presided over the same. The Corporate Secretary, Atty. Rex P. Bonifacio, recorded the minutes of the Meeting.

At the request of the Chairman, the Corporate Secretary introduced the members of the Board of Directors to the stockholders.

The Corporate Secretary also acknowledged the presence of the key officers of the Company and guests.

## II. Certification of Service of Notice

---

The Corporate Secretary certified that a copy of the Notice of Meeting was published in print and online format in *BusinessMirror* and *BusinessWorld*, both newspaper of general circulation, on June 8 and 9, 2023, in accordance with the requirements of the Securities and Exchange Commission ("SEC"). The Affidavits of Publication issued by *BusinessMirror* and *BusinessWorld* are hereto attached as Annexes "A" and "B" and made part of the Minutes.

## III. Certification of the Presence of Quorum

---

The Corporate Secretary reported that Eight Billion Fifteen Four Hundred Forty Nine Thousand Six Hundred Ninett Six (8,015,449,696) shares or Eighty Eight and 09/100 Percent (88.09%) of the Company's Nine Billion One Hundred Million One Hundred Two Thousand Six Hundred Eighty Five (9,100,102,685) total outstanding shares<sup>2</sup> entitled to vote were represented at the meeting *in absentia* and by proxy.<sup>3</sup> Based on the recorded attendance, the Corporate Secretary certified that there was a quorum and that the Meeting could proceed.

At the request of the Chairman, the Corporate Secretary read the rules of conduct and procedures of the Meeting.

1. Stockholders who have registered and voted on or before the deadline as provided in the Definitive Information Statement and Notice of Stockholders' Meeting shall be considered for purposes of determining the quorum.
2. All questions, comments, or clarifications shall be addressed to the Chairman of the Meeting and shall be entertained, read, and responded to during the Question and Answer or after the Other Matter.
3. The Moderator of the Meeting shall read the questions which shall be responded to by whoever the Chairman of the Meeting may appoint or designate from the members of the Board or officers of the Corporation.
4. Stockholders may send their questions, comments, or clarifications on matters related to the items in the agenda through the comment section found in the Zoom link.
5. The Company will endeavor to answer all questions. All queries not answered during the Question and Answer for whatever reason will be responded to via email.
6. The meeting is being recorded in compliance with the guidelines for online meetings issued by the SEC and by joining our live webcast stockholders are deemed to have given their consent thereto.

---

<sup>2</sup> Net of Treasury Shares of 81,256,100

<sup>3</sup> A copy of the Attendance Report submitted by the Company's stock and transfer agent, Stock Transfer Service, Inc., to the Corporate Secretary is herewith attached as Annex "C".



7. In compliance with the Revised Corporation Code of the Philippines, I will be reporting the voting results after the discussion of each agenda item, and the same shall be reflected in the minutes of this meeting.

#### **IV. Reading and Approval of the Minutes of the last Annual Stockholders Meeting**

The Chairman proceeded to the next order of business which was the reading and approval of the minutes of the annual meeting of the stockholders held on June 30, 2022. A copy of the minutes was made available at the Office of the Corporate Secretary and posted in the Company's website.

Ms. Camille Delfin ("MS. DELFIN"), a proxy holder, made the following motion:

*"Mr. Chairman, I respectfully move that the reading of the minutes of the Annual Stockholders' Meeting held on June 30, 2022 be dispensed with, and that the same be approved and ratified as recorded."*

The motion was seconded by Mr. John Mark Abuyan ("MR. ABUYAN"), a proxy holder.

At the request of the Chairman and there being no objection, the Corporate Secretary presented the voting results for this item. Below is the tabulation of votes:<sup>4</sup>

Vote	Number of Votes	Percentage of Shares Represented
In Favor	8,015,449,696	100%
Against	0	0
Abstain	0	0
Total	8,015,449,696	100%

With the above votes in favor of approval, the Chairman declared the motion carried and the agenda item approved.

#### **V. Approval of the Annual Report and Audited Financial Statements for the Year 2022**

The Chairman proceeded to the next item in the agenda which was the approval of the Annual Report and the Audited Financial Statements for the year 2022.

After a short speech, the Chairman gave the floor to the Company's Executive Vice President and Chief Operating Officer and Treasurer, Mr. Edmundo C. Medrano, for his report on the financial and operational highlights of 2022, as well as an overview of what is store for 2023. The Mr. Medrano delivered his report, as follows:

<sup>4</sup> The tabulation of votes for each agenda item was validated by Michael C. Capoy, representative of Stock Transfer Services, Inc.

Good afternoon to everyone joining us in this virtual meeting. To our Stockholders, members of the Board of Directors, my colleagues at PhilRealty, and guests—thank you for attending.

At this time of the year, we hold this annual gathering to inform you of the various activities, successes, and challenges that your Company has undertaken and overcome in 2022.

There were several factors that came into play that contributed to the performance of your Company, and one important aspect is the condition of the real estate industry as a whole. Allow me to give you a quick overview before I delve into the specifics of PhilRealty’s performance in 2022.

The first half of 2022 saw the gradual improvement of real estate in the Metro. Office leasing volumes continued to accelerate, resulting in lower vacancy levels despite new supply. The retail market recorded more store openings than store closures, which drove vacancy downward. Residential sales continue to move sideways, with the pre-selling segment gaining traction while hotel occupancy normalizes with the usual lean season.

It is apparent that this positive trajectory continued for the rest of 2022, as based on reports released early this year, the real estate sector in the Philippines has generated a gross value added of ₱536.4 billion pesos, an increase of more than 9% compared to the previous year. Overall, the value added from real estate has steadily increased over the past few years, as you can see in this graph.<sup>5</sup>



<sup>5</sup> <https://www.statista.com/statistics/1265322/philippines-gross-value-added-from-real-estate/#:~:text=Real%20estate%20sector%20gross%20value%20added%20Philippines%202020%2D2022&text=The%20gross%20value%20added%20generated,increase%20over%20the%20past%20years>

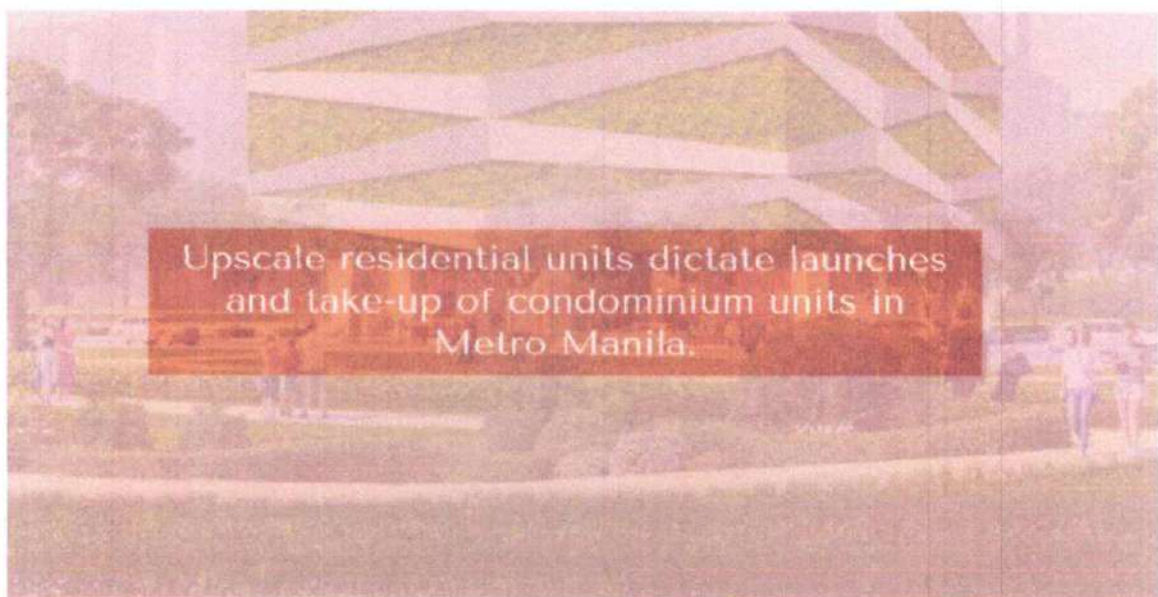


*Specific to our segment, the Philippines' luxury real estate market has also seen resilient and consistent performance in the past few years. Several property firms have shared the observation that the segment has remained steady as high net-worth individuals renovate units in the major central business districts (CBDs) with expectations of higher returns. Real property consultants noted that luxury village land values and luxury condominium prices continue to increase in spite of the 18 months of lockdowns. In fact, capital values for luxury projects have continued to grow despite the economic downturn, which shows the strong capital preservation of these assets.<sup>6</sup>*



The Luxury segment has steady growth despite lockdowns and economic challenges.

*In particular, Colliers Philippines said that mid-income and upscale residential units continue to dictate the launches and take-up of condominium units in Metro Manila. The outlook highlighted that during the first quarter (Q1) of 2022, Taguig, compared to Makati and Pasig CBDs, exhibited the largest increase in leads for residential rentals, which belong to the upscale and luxury segments. It is seen that this trend may be influenced by returning expats and C-level executives amid an improving business environment.*

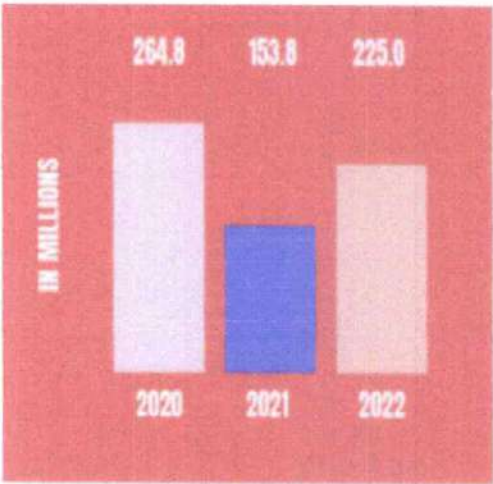


<sup>6</sup> <https://www.bworldonline.com/special-features/2022/07/29/464515/positive-hints-in-luxury-segments-trajectory/>

With the upward trajectory of the real estate sector, your Company was able to capitalize on the opportunities in 2022 as shown in the following slides on the financial performance of PhilRealty for 2022.

Our sales in real estate had a significant increase, from ₱153.8 million in 2021 to ₱225.0 million in 2022, up by ₱71.2 million. This is a large 46% increase in our performance for our core offering, which is the sale of properties.

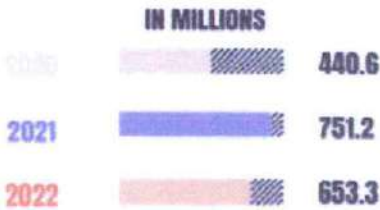
## Sales of Real Estate



Positive growth of property selling.

However, as can be seen here, revenues generated from rent, management fees, interest gains, and revaluation of investment properties was ₱97.9 million less compared to 2021. Rent and commissions are slightly up, but the decrease in the other revenue figures resulted in a decrease in the overall earnings generated from these sources.

## Other Revenues

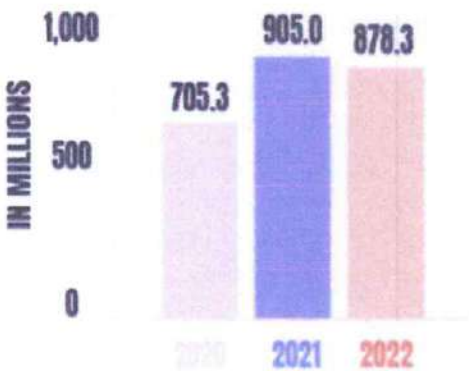


A decrease of 13% for income sourced from management fees, rent, interest, etc.



As a result, our total revenues for 2022 ended at ₱878.3 million which is 3% lower than 2021.

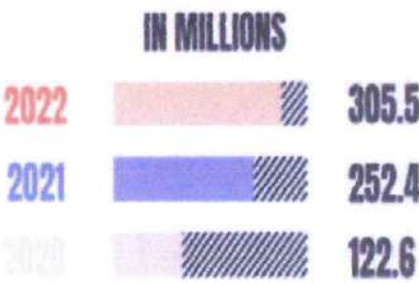
## Total Revenues



Slight decline of 3% from 2021 to 2022.

Nevertheless, with the combined effects of higher real estate sales and a much lower level of costs and expenses, your Company posted a total income before tax of more than ₱305 million, up by ₱53.1 million compared to ₱252.4 million the previous year.

## Total Income Before Tax

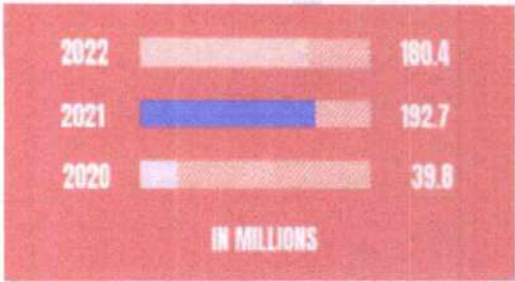


Increase of 20% from last year.



However, the consolidated net income after tax was down by 6.4% in 2022 in spite of higher total income before tax, mainly because we enjoyed huge one-time tax benefit adjustments in 2021 when the CREATE Act was implemented.

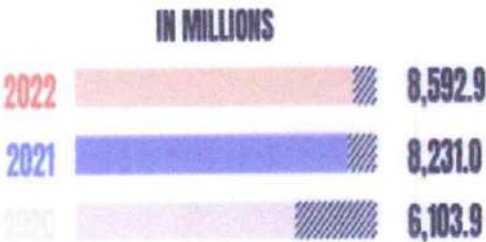
## Net Income After Tax



Php 12.3 million less in 2022 compared to previous year.

Our total assets increased from 2021 to 2022, jumping from ₱8.23 billion to ₱8.59 billion. Your Company is committed to further expanding our portfolio and adding quality assets.

## Total Assets



We are expanding quality assets.

We are happy to report that your Company's net worth grew by 3% in 2022, with an increase of ₱197.5 million.

# Net Worth

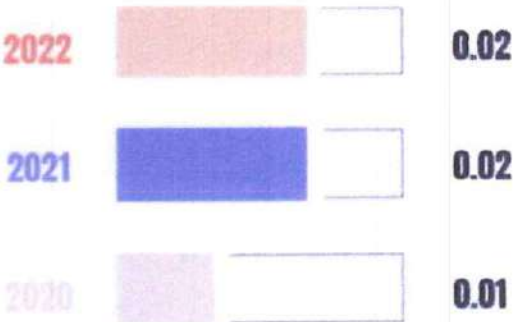
Increase of Php 197.5 million from 2021.



Our per-share earnings remained steady at ₱0.02, unchanged compared to 2021.

# Per Share Earnings

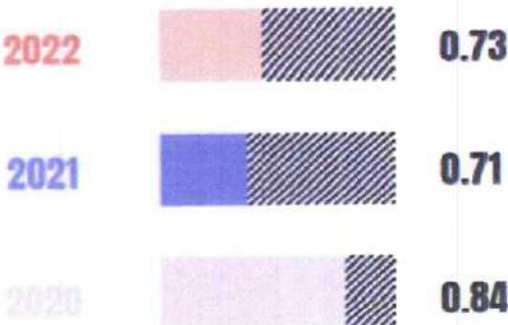
Constant performance for 2 consecutive years.



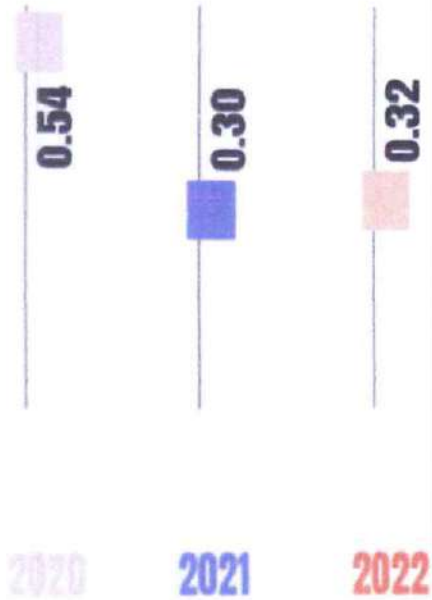
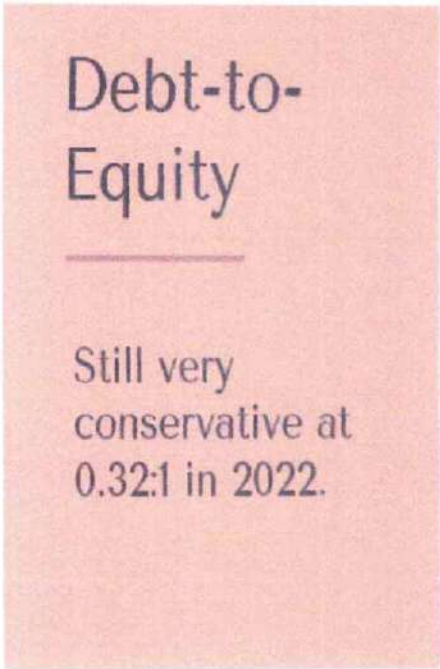
Our book value per share increased from ₱0.71 in 2021 to ₱0.73 in 2022.

# Book Value Per Share

Uptick from 0.71 to 0.73 in 2022.

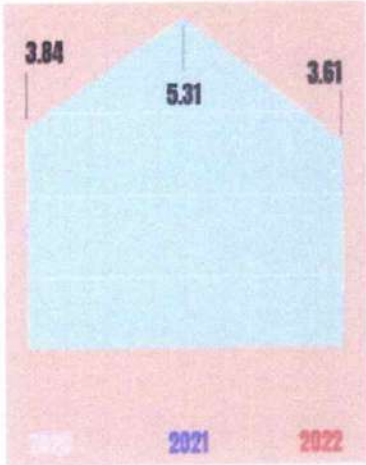


*Your Company's Debt-to-Equity ratio slightly increased, closing at 0.32 to 1, but still a very good and conservative financial leverage ratio. The Company has managed to maintain a consistent balance between its debt and its equity positions over the years.*

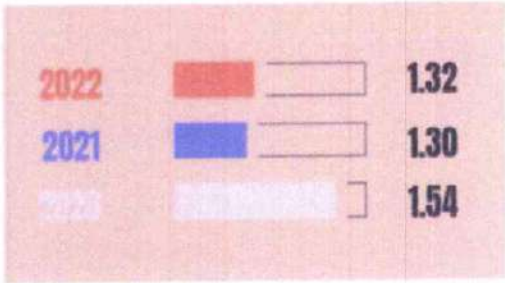


*Meanwhile, PhilRealty's current ratio decreased from 5.31 to 1 to 3.61 to 1, but still a very comfortable liquidity ratio.*

### Current Ratio



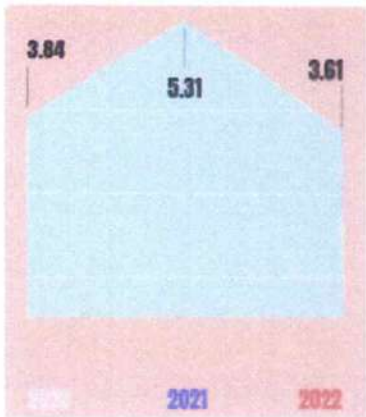
### Asset-to-Equity



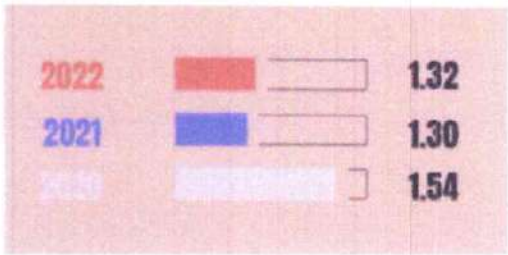
*Moreover, our price per share has also remained constant for the past two years, closing at ₱0.21 on December 31, 2022.*



## Current Ratio



## Asset-to-Equity



Overall, we believe that all things considered—even with the pandemic still ongoing and as economic challenges prevailed last year—your Company was able to maximize opportunities and perform well. Moving forward, here are the updates on your Company’s projects.

Our most promising project yet is on the horizon. An ultra-luxury residential property will rise in the Metro’s booming central business district, Bonifacio Global City. This tower will bear PhilRealty’s signature features of space and privacy and will truly be a distinct addition to our portfolio.

## A Luxury Residential Tower in BGC

A prime lot at the hottest CBD in the Metro, to feature a one-of-a-kind selection of units.



Meanwhile, in New Manila’s most elegant address, our One Balete Compound will see the addition of new luxury residential towers, upholding the company’s legacy of providing spacious living in intimate communities for multi-generational families.

## Rise of a New Tower in One Balete

Continuing the legacy of spacious living for generations to come.

---



*And in our landmark project in the Ortigas Central Business District, the Tektite Towers continue to offer leasable inventories to service the office sector, especially with the re-opening of businesses and companies and their return to pre-pandemic ways of working.*

## Expansion of Inventories at Tektite Towers

---



*On the hospitality front, El Retiro is a luxury vacation home in Baguio catering to vacationers in the high-end segment. The mid-century mansion is situated on a 1.6-hectare property surrounded by a lush pine forest with stunning mountain views. El Retiro offers guests privacy and exclusivity and is reserved for a single group.*



## Launch of El Retiro

Hosting bigger, better celebrations and accommodations



*El Retiro also serves as the ideal venue for family reunions, birthdays, weddings, and other grand celebrations.*

*Lastly, the Icon Showroom, also located in BGC, has successfully positioned itself as a premium spot with lessees that mirror our high-end, luxury market positioning. The commercial establishment includes high-end restaurants such as Indus and Unwined; Real Food, a go-to grocery for the health-conscious; and CATS Motors, the authorized dealer of luxury vehicles in the Philippines.*

## Established Lessees at our BGC Commercial Space



*These developments by your Company promise a bright future ahead. Despite current global events slowing down the economic recovery process, experts believe that many industrial sectors can look forward to more positive circumstances in the near future, including and especially the real estate sector, where we belong.*

*According to reports and studies, the real estate industry in particular should look forward to a steady recovery in 2023 and much better progress in the years to come. This*

year, the Philippines is again expected to grow by 6.3%, one of the highest growth rates in the region. With this fearless forecast, you can trust that your Company will take advantage of this upward trend.

## Steady Recovery for Years to Come

MANILA BULLETIN

### Bull run expected for the real estate industry in 2023



**Philippine real estate forecasted to weather the storm in 2023**

Investment remains optimistic, confident that the market will defy the odds and rise up



REAL ESTATE

**Leechiu: Apartments for ultra-rich in Philippines coming soon**

Philstar.com  
April 19, 2023 | 2:28pm

*The real estate market is dynamic and ever-evolving, but our ability to adapt, embrace change, and seize opportunities has been key to our resilience. Together, we have navigated uncertainties and emerged stronger, reaffirming our position in the luxury segment.*

The real estate market is ever-evolving, but Philippine Realty & Holdings Corporation is committed to adapting while staying true to our core values and mission-vision.

*Looking ahead, we are excited about the possibilities that lie before us. Our strategic roadmap is designed to further expand our market presence, leverage emerging technologies, and deliver unparalleled experiences to our valued clients. We remain steadfast in our commitment to innovation, sustainability, and delivering exceptional value to our shareholders.*



# PhilRealty will continue to deliver exceptional value to shareholders



*In closing, I would like to express my sincere gratitude to our stockholders for your unwavering support and trust in your Company. We are privileged to have such a remarkable community of investors who share our passion and believe in our vision. Together, we will continue to shape the future of the real estate industry and create lasting value for everyone. Thank you and have a good day!*

The Chairman thanked Mr. Medrano for his report and entertained the following motion from Ms. Carla Mae Almerol (“MS. ALMEROL”), a proxy holder:

*“Mr. Chairman, I move that the Annual Report and the Audited Financial Statements for the year ended 2022 be approved, ratified and confirmed.”*

The motion was seconded by Mr. Gerald Catacutan (“MR. CATA CUTAN”), a proxy holder.

At the request of the Chairman and there being no objection, the Corporate Secretary presented the voting results for this item. Below is the tabulation of votes:

Vote	Number of Votes	Percentage of Shares Represented
In Favor	8,015,449,696	100%
Against	0	0
Abstain	0	0
Total	8,015,449,696	100%

With the above votes in favor of approval, the Chairman declared the motion carried and the agenda item approved.

## VI. Election of Board of Directors



The Chairman then proceeded to the election of members of the Board of Directors of the Company. He inquired from the Corporate Secretary the names of the qualified nominees for election as members of the Board of Directors for 2023-2024 term.

The Corporate Secretary reported that after proper screening and approval by the Corporate Governance and Nomination Committee the following persons were determined to be qualified for nomination as members of the Board of Directors of the Company:

Mr. Gerardo O. Lanuza, Jr.  
Mr. Antonio O. Olbes  
Mr. Gerardo Domenico Antonio V. Lanuza  
Mr. Edmundo C. Medrano  
Mr. Gregory G. Yang  
Mr. Andrew Ng  
Mr. Amador C. Bacani  
Ms. Chiara Rosario Julia V. Lanuza-Paredes

For Independent Director:

Mr. Renato G. Nuñez  
Mr. Jomark O. Arollado  
Mr. Alfonso Martin E. Eizmendi

The Corporate Secretary advised the stockholders that the profiles of the nominees for the Board of Directors were part of the Definitive Information Statement submitted by the Company to the SEC.

Thereafter, the Chairman entertained the following motion from MR. ABUYAN:

*“Mr. Chairman, I respectfully move that all the nominees for the members of the Board of Directors be declared as duly elected directors of the Corporation to serve as such for one (1) year, beginning today, until their successors are duly elected and qualified.”*

The motion was seconded by MS. DELFIN.

Considering that there were only eleven (11) persons nominated to, and qualified for, the eleven (11) seats in the Board, the Corporate Secretary was directed to apply all the votes received in favor of those nominated.

Below is the tabulation of votes:

Nominee	Vote	Number of Votes	Percentage of Shares Represented
Gerardo Domenico Antonio V. Lanuza	In Favor	8,015,449,696	100%
	Against	0	0
	Abstain	0	0
	Total	8,015,449,696	100%
	In Favor	8,015,449,696	100%

Gerardo O. Lanuza, Jr.	Against	0	0
	Abstain	0	0
	<b>Total</b>	<b>8,015,449,696</b>	<b>100%</b>
Antonio O. Olbes	In Favor	<b>8,015,449,696</b>	<b>100%</b>
	Against	0	0
	Abstain	0	0
Edmundo C. Medrano	<b>Total</b>	<b>8,015,449,696</b>	<b>100%</b>
	In Favor	<b>8,015,449,696</b>	<b>100%</b>
	Against	0	0
Gregory G. Yang	Abstain	0	0
	<b>Total</b>	<b>8,015,449,696</b>	<b>100%</b>
	In Favor	<b>8,015,449,696</b>	<b>100%</b>
Andrew C. Ng	Against	0	0
	Abstain	0	0
	<b>Total</b>	<b>8,015,449,696</b>	<b>100%</b>
Amador C. Bacani	In Favor	<b>8,015,449,696</b>	<b>100%</b>
	Against	0	0
	Abstain	0	0
Chiara Rosario Julia V. Lanuza-Paredes	<b>Total</b>	<b>8,015,449,696</b>	<b>100%</b>
	In Favor	<b>8,015,449,696</b>	<b>100%</b>
	Against	0	0
Renato G. Nuñez (Independent Director)	Abstain	0	0
	<b>Total</b>	<b>8,015,449,696</b>	<b>100%</b>
	In Favor	<b>8,015,449,696</b>	<b>100%</b>
Jomark O. Arollado (Independent Director)	Against	0	0
	Abstain	0	0
	<b>Total</b>	<b>8,015,449,696</b>	<b>100%</b>
Alfonso Martin E. Eizmendi (Independent Director)	In Favor	<b>8,015,449,696</b>	<b>100%</b>
	Against	0	0
	Abstain	0	0
	<b>Total</b>	<b>8,015,449,696</b>	<b>100%</b>

With the above votes, and there being no objection, the Chairman declared the following persons as duly elected members of the Board of Directors of the Company to serve for one (1) year, beginning June 30, 2023, until their successors are duly elected and qualified.

Mr. Gerardo O. Lanuza, Jr.  
Mr. Antonio O. Olbes  
Mr. Gerardo Domenico Antonio V. Lanuza  
Mr. Edmundo C. Medrano  
Mr. Gregory G. Yang  
Mr. Andrew C. Ng  
Mr. Amador C. Bacani  
Ms. Chiara Rosario Julia V. Lanuza-Paredes

And Independent Directors, namely:

Mr. Renato G. Nuñez

Mr. Jomark O. Arollado

Mr. Alfonso Martin E. Eizmendi

On behalf of the newly elected directors the Chairman expressed his thanks and appreciation to the stockholders for their trust and continued support.

**VI. Ratification of corporate acts, resolutions and proceedings of the Board of Directors, Board Committees and Corporate Officers since the last Annual Stockholders' Meeting**

---

The Chairman then proceeded to the next item in the agenda which was the ratification of corporate acts, resolutions and proceedings of the Board of Directors, Board Committees, and officers of the Company since the last annual stockholders' meeting.

MR. CATACUTAN made the following motion:

*"Mr. Chairman, I move that all acts, resolutions, contracts, deeds and proceedings of the Board of Directors, Board committees and officers of the Corporation since the last Annual Stockholders' Meeting held on June 30, 2022 and up to today's meeting, as set forth or reported in the Minutes of the meetings of the Board of Directors and its Committees and in the reports submitted by the Corporation to the SEC, PSE and other regulatory bodies, and all acts and proceedings performed or taken pursuant thereto, be approved, ratified and confirmed."*

MS. ALMEROL seconded the motion.

At the request of the Chairman and there being no objection, the Corporate Secretary presented the voting results for this item. Below is the tabulation of votes:

Vote	Number of Votes	Percentage of Shares Represented
In Favor	8,015,449,696	100%
Against	0	0
Abstain	0	0
<b>Total</b>	<b>8,015,449,696</b>	<b>100%</b>

With the above votes in favor of approval, the Chairman declared the motion carried and the agenda item approved.

**VIII. Approval of the Amendments to Section 3 of Article III of the By-Laws of the Corporation**

---



The Chairman proceeded to the next item in the agenda which was the Approval of the Amendments to Section 3 of Article III of the By-Laws of the Corporation. He requested the Corporate Secretary to explain the proposed amendments to the stockholders.

The Corporate Secretary stated that the amendments to the By-Laws pertains to Section 3, Article III, removing the position of Chief Executive Officer and defining the role of the President. The amendments were discussed and unanimously approved by the Board of Directors during its regular meeting held on February 21, 2023 and the same were included in the Definitive Information Statement and the Notice of Meeting approved by the SEC and distributed to the shareholders.

The Chairman thanked the Corporate Secretary and entertained the following motion from MR. ABUYAN:

*“Mr. Chairman, I move that the amendment to Section 3 of Article III of the By-Laws of the Corporation, as recorded in the Minutes of the Board Meeting held on February 21, 2023, and all resolutions, actions or proceedings taken by the Board of Directors or officers of the Corporation pursuant thereto, be approved, ratified and confirmed.”*

The motion was seconded by MS. DELFIN.

At the request of the Chairman and there being no objection, the Corporate Secretary presented the voting results for this item. Below is the tabulation of votes:

AMENDMENT TO SECTION 3, ARTICLE III OF THE BY-LAWS

Vote	Number of Votes	Percentage of Shares Represented
In Favor	8,015,449,696	100%
Against	0	0
Abstain	0	0
Total	8,015,449,696	100%

With the above votes in favor of approval, the Chairman declared the motion carried and the amendments to Section 3 of Article III of the By-Laws, as reported by the Company to the SEC, duly approved and ratified.

**IX. Appointment of Independent Auditor**

The Chairman proceeded to the next item in the agenda which was the Appointment of Independent Auditor for the ensuing year.

MS. ALMEROL made the following motion:

*“Mr. Chairman, I respectfully move that MACEDA VALENCIA & CO. be appointed as the external auditor of the Corporation for the ensuing year, subject to such terms and*

*conditions as may be imposed subsequently by the Board of Directors."*

MR. CATACUTAN seconded the motion.

At the request of the Chairman and there being no objection, the Corporate Secretary presented the voting results for this item. Below is the tabulation of votes:

Vote	Number of Votes	Percentage of Shares Represented
In Favor	8,015,449,696	100%
Against		0
Abstain		0
Total	8,015,449,696	100%

With the above votes in favor, the Chairman declared the motion carried and the agenda item approved.

#### **X. Other Matter**

---

At the request of the Chairman, the Corporate Secretary reported that there were no other matters that require consideration by the stockholders.

#### **XI. Question and Answer**

---

The Chairman then proceeded to the question and answer portion of the Meeting. He requested Mr. Rozano L. Santos ("MR. SANTOS"), the Company's Senior Manager and Business Development Officer, to read the questions, comments and clarifications submitted by the stockholders. Below are the questions asked and the responses given:

**"MR. SANTOS:** *Mr. Chairman, we have a question from Mr. Jose Ma. Francisco's proxy. The question reads: What is the Company's strategy for sustaining growth in the luxury real estate market, considering the current economic and regulatory requirement?"*

**"CHAIRMAN:** *May I request Mr. Medrano to respond to the question."*

**"MR. MEDRANO:** *The key to our Company's success has always been its commitment to stay true to our DNA, as a boutique, luxury and premium real estate developer. We have always put priority in complementing the lifestyle of our distinctive clients, and offering them unparalleled living experience. With this, our strategy can be summed up in 3 points: 1) Continue to target affluent local and international buyers, ensuring that our marketing and sales efforts are tailor fit for them; 2) Continue to offer unique and exclusive amenities, as well as architectural and design excellence in*

*our developments; and 3) Continue to provide exceptional service."*

*"MR. SANTOS: Thank you, Mr. Medrano, for bringing light to the matter. Mr. Chairman we have no more questions."*

There being no other questions from stockholders, the Chairman thanked MR. SANTOS and entertained a motion for adjournment from MS. DELFIN. The motion was seconded by MR. ABUYAN. There being no objection, the Chairman declared the motion carried and the Meeting adjourned.

The Chairman expressed his thanks to all the stockholders who joined the Meeting and invited them to raise any issues, clarifications and concerns regarding the Meeting by sending an email to the Office of the Corporate Secretary at [corporatesecretary@philrealty.com.ph](mailto:corporatesecretary@philrealty.com.ph).

CERTIFIED CORRECT:



ATTY. REX P. BONIFACIO  
Corporate Secretary

ATTESTED BY:



GERARDO DOMENICO ANTONIO V. LANUZA  
Chairman of the Board and President



# BusinessMirror

*A broader look at today's business*

ANNEX "A"

REPUBLIC OF THE PHILIPPINES)  
MAKATI ) S.S.

## AFFIDAVIT OF PUBLICATION

I, **LEONIDA G. GARCIA**, of legal age, Filipino and residing at c/o **PHILIPPINE BUSINESS DAILY MIRROR PUBLISHING, INC.** 3/F Dominga Bldg. III Annex, 2113 Chino Roces corner Dela Rosa Streets, Makati City, Philippines, after having been duly sworn to in accordance with the law, hereby declare and testify:

That I am the Credit & Collection Staff of **BUSINESS MIRROR**, a newspaper published in English, edited and printed in Metro Manila, and circulated nationwide daily from Monday to Sunday with editorial and business address at 3/F Dominga Bldg. III Annex, 2113 Chino Roces cor. Dela Rosa Street, Makati City.

That the  
**PLACE AD**

APPLICANT/PETITIONER

### **PHILIPPINE REALTY & HOLDINGS CORPORATION**

Notice and Agenda of Annual Stockholders'  
Meeting

text of which could be read/deed as follows:

#### **AS PER ATTACHED**

has been published in **BusinessMirror** in its issue/s June 8 and 9, 2023.

**AFFIANT FURTHER SAYETH NAUGHT**  
Manila, Philippines

  
**LEONIDA G. GARCIA**  
Affiant

**SUBSCRIBED and SWORN** to before-me this  
**JUN 09 2023** day of \_\_\_\_\_, 2023 at Makati City, Metro  
Manila, Philippines.

Affiant exhibited to me his TIN ID No. 214-787-675-000  
& SSS ID No. 33-6140749-9 with picture.

Doc. No. 135  
Page No. 28  
Book No. 119  
Series of 2023.

BM-6974

  
**ATTY. JOSHUA P. LAPUZ**

Notary Public Makati City  
Until Dec. 31, 2023

Appointment No. M-019-(2022-2023)  
PTR No. 9563523 Jan. 3, 2023 / Makati City  
IBP Lifetime No. 04897 Roll No. 45790  
MCLE Compliance No. VI-0016565  
G/F Fedman Bldg., 199 Salcedo St.  
Legaspi Village, Makati City





Philippine Realty &  
Holdings Corporation

## NOTICE AND AGENDA OF ANNUAL STOCKHOLDERS' MEETING

Notice is hereby given that the Annual Stockholders Meeting ("ASM" or "Meeting") of PHILIPPINE REALTY AND HOLDINGS CORPORATION (the "Company") will be held on Friday, June 30, 2023, at 3:00 p.m. The Meeting will be conducted virtually and there will no longer be a physical venue for the ASM.

The Agenda of the Meeting is as follows:

1. Call to Order;
2. Certification of Notice of Meeting and Determination of Quorum;
3. Approval of the Minutes of the Previous ASM held on June 30, 2022;
4. Report of the President and approval of the 2022 Annual Report and the 2022 Audited Financial Statements;
5. Election of the Members of the Board of Directors for the ensuing year;
6. Approval and Ratification of all Acts, Contracts, and Deeds of the Board of Directors, Board Committees, Management and Officers during their terms of office;
7. Amendments to the By-Laws

7.1 Article Three Section three will be amended to read as follows:

"The President, who shall be a director, shall exercise general supervision of the business, affairs, and properties of the Corporation. In addition to such duties as maybe delegated to him by the Board of Directors, he shall preside at all meetings of the directors and the stockholders of the corporation in case of the absence of the Chairman and the Vice-Chairman. He shall have general supervision over its several officers and employees. He shall initiate and develop corporate objectives and policies and formulate long-range projects, plans, and programs for the approval of the Board of Directors. He shall ensure that the administrative and operational policies of the corporation are carried out under his supervision and control. He shall execute all resolutions of the Board. The President shall submit to the Board as soon as possible after the close of its fiscal year, and to the stockholders at each annual meeting, a complete report of operations of the corporation for the preceding year, and the state of its affairs, and he shall, from time to time, report to the Board, all matters within his knowledge which the interests of the corporation may require to be brought to its notice. He shall do and perform such other duties as from time to time may be assigned to him by the Board of Directors."

8. Appointment of External Auditor.
9. Other business that may properly be brought before the Meeting; and
10. Adjournment

Only stockholders of record as of March 31, 2023 are entitled to notice of, and to vote at, the said meeting.

Considering the COVID-19 global pandemic, stockholders may only attend the meeting by remote communication, by voting *in absentia*, or through proxy. The conduct of the annual stockholders meeting will be streamed live, and stockholders may attend the Meeting by registering on or before 5:00 PM on June 16, 2023.

Stockholders who intend to participate in the virtual ASM may register by sending an email to [asmregistration@philirealty.com.ph](mailto:asmregistration@philirealty.com.ph) of their intention to participate on or before 5:00 PM of June 16, 2023, together with the requirements set forth in the Information Statement and published at the Company's website at [www.philirealty.com.ph](http://www.philirealty.com.ph).

Upon successful registration and validation of the documents submitted through email above, the stockholder will receive an email confirmation containing the Zoom link and the code to log in and view the 2023 ASM.

Electronic copy of the Information Statement and the Management Report, and SEC Form 17-A and other relevant documents in relation to the annual stockholders meeting may also be accessed through the aforementioned website [www.philirealty.com.ph/investor-relations](http://www.philirealty.com.ph/investor-relations) and through the PSE EDGE portal.

Pasig, Metro Manila, June 02, 2023.

  
ATTY. REX P. BONIFACIO  
Corporate Security





## NOTICE AND AGENDA OF ANNUAL STOCKHOLDERS' MEETING

Notice is hereby given that the Annual Stockholders Meeting ("ASM" or "Meeting") of PHILIPPINE REALTY AND HOLDINGS CORPORATION (the "Company") will be held on Friday, June 30, 2023, at 3:00 p.m. The Meeting will be conducted virtually and there will no longer be a physical venue for the ASM.

**The Agenda of the Meeting is as follows:**

1. Call to Order;
2. Certification of Notice of Meeting and Determination of Quorum;
3. Approval of the Minutes of the Previous ASM held on June 30, 2022;
4. Report of the President and approval of the 2022 Annual Report and the 2022 Audited Financial Statements;
5. Election of the Members of the Board of Directors for the ensuing year;
6. Approval and Ratification of all Acts, Contracts, and Deeds of the Board of Directors, Board Committees, Management and Officers during their terms of office;
7. Amendments to the By-Laws

7.1 Article Three Section three will be amended to read as follows:

"The President, who shall be a director, shall exercise general supervision of the business, affairs, and properties of the Corporation. In addition to such duties as maybe delegated to him by the Board of Directors, he shall preside at all meetings of the directors and the stockholders of the corporation in case of the absence of the Chairman and the Vice-Chairman. He shall have general supervision over its several officers and employees. He shall initiate and develop corporate objectives and policies and formulate long-range projects, plans, and programs for the approval of the Board of Directors. He shall ensure that the administrative and operational policies of the corporation are carried out under his supervision and control. He shall execute all resolutions of the Board. The President shall submit to the Board as soon as possible after the close of its fiscal year, and to the stockholders at each annual meeting, a complete report of operations of the corporation for the preceding year, and the state of its affairs, and he shall, from time to time, report to the Board, all matters within his knowledge which the interests of the corporation may require to be brought to its notice. He shall do and perform such other duties as from time to time may be assigned to him by the Board of Directors."

8. Appointment of External Auditor.
9. Other business that may properly be brought before the Meeting; and
10. Adjournment

Only stockholders of record as of March 31, 2023 are entitled to notice of, and to vote at, the said meeting.

Considering the COVID-19 global pandemic, stockholders may only attend the meeting by remote communication, by voting *in absentia*, or through proxy. The conduct of the annual stockholders meeting will be streamed live, and stockholders may attend the Meeting by registering on or before 5:00 PM on June 16, 2023.

Stockholders who intend to participate in the virtual ASM may register by sending an email to [asmregistration@philrealty.com.ph](mailto:asmregistration@philrealty.com.ph) of their intention to participate on or before 5:00 PM of June 16, 2023, together with the requirements set forth in the Information Statement and published at the Company's website at [www.philrealty.com.ph](http://www.philrealty.com.ph).

Upon successful registration and validation of the documents submitted through email above, the stockholder will receive an email confirmation containing the Zoom link and the code to log in and view the 2023 ASM.

Electronic copy of the Information Statement and the Management Report, and SEC Form 17-A and other relevant documents in relation to the annual stockholders meeting may also be accessed through the aforementioned website [www.philrealty.com.ph/investor-relations](http://www.philrealty.com.ph/investor-relations) and through the PSE EDGE portal.

Pasig, Metro Manila, June 02, 2023.

  
ATTY. REX P. BONIFACIO  
Corporate Security



REPUBLIC OF THE PHILIPPINES )  
 ) S.S  
 Quezon City, Metro Manila )

**AFFIDAVIT OF PUBLICATION**

I, **BERNARD E. ENOLVA**, Filipino, of legal age, being first duly sworn  
 according to law, declare and testify :

That I am the **Billing & Collection Manager** of BUSINESSWORLD, a newspaper of  
 general circulation in the Philippines, with editorial and business offices at  
 #95 Balete Drive Extension, New Manila, Quezon City.

That the order of the PHILIPPINE REALTY & HOLDINGS CORPORATION

entitled NOTICE AND AGENDA OF ANNUAL STOCKHOLDERS' MEETING

(PUBLISHED IN BOTH PRINT & ONLINE FORMAT)

Text of which could be described as follows:

as per attached clipping.

has been published in the BUSINESSWORLD in its issue(s) of JUNE 8 & 9, 2023

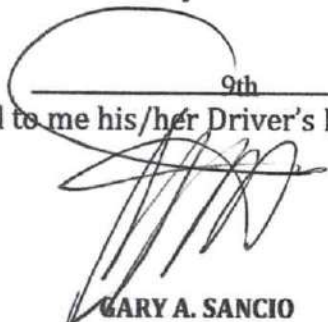
FURTHER AFFIANT SAYETH NOT.

Quezon City, Metro Manila

  
**BERNARD E. ENOLVA**  
 Affiant

SUBSCRIBED AND SWORN to before me this 9th  
 day of June 2023 affiant having exhibited to me his/her Driver's License  
 ID with No. N02-17-016165.

Doc. No. 118  
 Page No. 25  
 Book No. IV  
 Series of 2023

  
**GARY A. SANCIO**  
 Notary Public  
 Until December 31, 2024  
 Adm. Matter No. 177  
 Roll No. 44261  
 IBP No. 1082447 (LIFETIME)/06-30-17/Q.C.  
 PTR No. 4029362/01-06-2023/Q.C  
 MCLE Compliance No. VII-0011638/03-01-22



Philippine Realty &  
Holdings Corporation**NOTICE AND AGENDA OF  
ANNUAL STOCKHOLDERS' MEETING**

Notice is hereby given that the Annual Stockholders Meeting ("ASM" or "Meeting") of PHILIPPINE REALTY AND HOLDINGS CORPORATION (the "Company") will be held on Friday, June 30, 2023, at 3:00 p.m. The Meeting will be conducted virtually and there will no longer be a physical venue for the ASM.

The Agenda of the Meeting is as follows:

1. Call to Order;
2. Certification of Notice of Meeting and Determination of Quorum;
3. Approval of the Minutes of the Previous ASM held on June 30, 2022;
4. Report of the President and approval of the 2022 Annual Report and the 2022 Audited Financial Statements;
5. Election of the Members of the Board of Directors for the ensuing year;
6. Approval and Ratification of all Acts, Contracts, and Deeds of the Board of Directors, Board Committees, Management and Officers during their terms of office;
7. Amendments to the By-Laws

7.1 Article Three Section three will be amended to read as follows:

"The President, who shall be a director, shall exercise general supervision of the business, affairs, and properties of the Corporation. In addition to such duties as maybe delegated to him by the Board of Directors, he shall preside at all meetings of the directors and the stockholders of the corporation in case of the absence of the Chairman and the Vice-Chairman. He shall have general supervision over its several officers and employees. He shall initiate and develop corporate objectives and policies and formulate long-range projects, plans, and programs for the approval of the Board of Directors. He shall ensure that the administrative and operational policies of the corporation are carried out under his supervision and control. He shall execute all resolutions of the Board. The President shall submit to the Board as soon as possible after the close of its fiscal year, and to the stockholders at each annual meeting, a complete report of operations of the corporation for the preceding year, and the state of its affairs, and he shall, from time to time, report to the Board, all matters within his knowledge which the interests of the corporation may require to be brought to its notice. He shall do and perform such other duties as from time to time may be assigned to him by the Board of Directors."

8. Appointment of External Auditor.
9. Other business that may properly be brought before the Meeting; and
10. Adjournment

Only stockholders of record as of March 31, 2023 are entitled to notice of, and to vote at, the said meeting.

Considering the COVID-19 global pandemic, stockholders may only attend the meeting by remote communication, by voting *in absentia*, or through proxy. The conduct of the annual stockholders meeting will be streamed live, and stockholders may attend the Meeting by registering on or before 5:00 PM on June 16, 2023.

Stockholders who intend to participate in the virtual ASM may register by sending an email to [asmregistration@philrealty.com.ph](mailto:asmregistration@philrealty.com.ph) of their intention to participate on or before 5:00 PM of June 16, 2023, together with the requirements set forth in the Information Statement and published at the Company's website at [www.philrealty.com.ph](http://www.philrealty.com.ph).

Upon successful registration and validation of the documents submitted through email above, the stockholder will receive an email confirmation containing the Zoom link and the code to log in and view the 2023 ASM.

Electronic copy of the Information Statement and the Management Report, and SEC Form 17-A and other relevant documents in relation to the annual stockholders meeting may also be accessed through the aforementioned website [www.philrealty.com.ph/investor-relations](http://www.philrealty.com.ph/investor-relations) and through the PSE EDGE portal.

Pasig, Metro Manila, June 02, 2023.

ATTY. REX P. BONIFACIO  
Corporate Secretary





Philippine Realty &  
Holdings Corporation

## NOTICE AND AGENDA OF ANNUAL STOCKHOLDERS' MEETING

Notice is hereby given that the Annual Stockholders Meeting ("ASM" or "Meeting") of PHILIPPINE REALTY AND HOLDINGS CORPORATION (the "Company") will be held on Friday, June 30, 2023, at 3:00 p.m. The Meeting will be conducted virtually and there will no longer be a physical venue for the ASM.

The Agenda of the Meeting is as follows:

1. Call to Order;
2. Certification of Notice of Meeting and Determination of Quorum;
3. Approval of the Minutes of the Previous ASM held on June 30, 2022;
4. Report of the President and approval of the 2022 Annual Report and the 2022 Audited Financial Statements;
5. Election of the Members of the Board of Directors for the ensuing year;
6. Approval and Ratification of all Acts, Contracts, and Deeds of the Board of Directors, Board Committees, Management and Officers during their terms of office;
7. Amendments to the By-Laws

7.1 Article Three Section three will be amended to read as follows:

"The President, who shall be a director, shall exercise general supervision of the business, affairs, and properties of the Corporation. In addition to such duties as maybe delegated to him by the Board of Directors, he shall preside at all meetings of the directors and the stockholders of the corporation in case of the absence of the Chairman and the Vice-Chairman. He shall have general supervision over its several officers and employees. He shall initiate and develop corporate objectives and policies and formulate long-range projects, plans, and programs for the approval of the Board of Directors. He shall ensure that the administrative and operational policies of the corporation are carried out under his supervision and control. He shall execute all resolutions of the Board. The President shall submit to the Board as soon as possible after the close of its fiscal year, and to the stockholders at each annual meeting, a complete report of operations of the corporation for the preceding year, and the state of its affairs, and he shall, from time to time, report to the Board, all matters within his knowledge which the interests of the corporation may require to be brought to its notice. He shall do and perform such other duties as from time to time may be assigned to him by the Board of Directors."

8. Appointment of External Auditor.
9. Other business that may properly be brought before the Meeting; and
10. Adjournment

Only stockholders of record as of March 31, 2023 are entitled to notice of, and to vote at, the said meeting.

Considering the COVID-19 global pandemic, stockholders may only attend the meeting by remote communication, by voting *in absentia*, or through proxy. The conduct of the annual stockholders meeting will be streamed live, and stockholders may attend the Meeting by registering on or before 5:00 PM on June 16, 2023.

Stockholders who intend to participate in the virtual ASM may register by sending an email to [asmregistration@philirealty.com.ph](mailto:asmregistration@philirealty.com.ph) of their intention to participate on or before 5:00 PM of June 16, 2023, together with the requirements set forth in the Information Statement and published at the Company's website at [www.philirealty.com.ph](http://www.philirealty.com.ph).

Upon successful registration and validation of the documents submitted through email above, the stockholder will receive an email confirmation containing the Zoom link and the code to log in and view the 2023 ASM.

Electronic copy of the Information Statement and the Management Report, and SEC Form 17-A and other relevant documents in relation to the annual stockholders meeting may also be accessed through the aforementioned website [www.philirealty.com.ph/investor-relations](http://www.philirealty.com.ph/investor-relations) and through the PSE EDGE portal.

Pasig, Metro Manila, June 02, 2023.

  
ATTY. REX P. BONIFACIO  
Corporate Security

# Philippine Realty and Holdings Corporation

Annual Stockholders' Meeting

30 June 2023 at 3:00 P.M.

Via Virtual Livestream

## ATTENDANCE REPORT

	<u>No. of Shares</u>	<u>Percentage</u>
PROXIES (Tabulated by CORSEC)	7,793,995,938	85.66%
ATTENDANCE	221,453,758	2.43%
TOTAL PROXIES AND ATTENDANCE	8,015,449,696	88.09%

TOTAL ISSUED & OUTSTANDING SHARES : 9,100,102,685  
(Net of Treasury Shares of 81,256,100) =====

Certified by:

STOCK TRANSFER SERVICE, INC.

  
ANTONIO M. LAVIÑA  
President

Stock Transfer Service, Inc.

34-D Rufino Pacific Tower, 6784 Ayala Avenue, Makati City

Telephone Nos.: 8403-2410 / 8403-2412

Fax No.: 8403-2414