110292014000208

SECURITIES AND EXCHANGE COMMISSION

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Company Information

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Company Name	PHIL. REALTY & HOLDINGS CORP.
Industry Classification	
Company Type	Stock Corporation

Document Information

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S.E.C. Registration Number

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

C O R P O R A T I O N

(Company's Full Name)

A N D R E A   N O R T H   C O M P L E X   B A L E T E

D R I V E   C O R   N   D O M I N G O   N E W   M A N I L A

Q U E Z O N   C I T Y

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

MR. MARK ANTHONY M. RAMOS

Contact Person

636-1170

Company Telephone Number

0 9 | 3 0

Month | Day

1 7 Q

FORM TYPE

Month | Day

Annual Meeting

N/A

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended September 30, 2014

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

Andrea North Complex, 1 Balete Drive cor. N. Domingo, New Manila, Quezon City
Satellite Office: E-512/513 East Tower, PSE Center, Exchange Rd., Ortigas Center, Pasig

8. Issuer's telephone number, including area code

(632) 636-1170/631-3179

9. The Registrant has not changed its corporate name and fiscal year. Prior to its transfer to the above address the registrant held its office at 3rd Floor Magnitude Bldg., 186 E. Rodriguez, Jr. Avenue, Quezon 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	4,922,324,908 shares

11. Are any or all of the securities listed on a Stock Exchange?

Yes [X] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [X] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [X] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

A copy of the comparative statements as of and for the quarters ended September 30 , 2014 and 2013, 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, 2013.

Changes affecting balance sheet and income statement items are further disclosed in the Management Discussion and Analysis. There are no material events subsequent to 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 Nine months 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.

Andrew D. Alcid	Vincent Fischer
President / Chief Executive Officer	Chief Financial Officer
October 28, 2014	October 28, 2014

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited September 30 2014	Audited December 31 2013
ASSETS		
Cash and cash equivalents	**220,909,634**	342,855,616
Trading investments	**10,601,312**	10,601,312
Available-for-sale investments (AFS)	**136,985,431**	104,575,381
Trade and other receivables - net	**385,834,875**	632,659,174
Prepayments and other assets - net	**268,110,354**	203,597,038
Real estate inventories	**954,229,788**	947,315,957
Real estate held for development and sale - net	**899,518,696**	899,518,696
Investments in and advances to associates - net	**89,985,075**	45,658,755
Investment in joint venture	**61,968,728**	60,212,943
Property and equipment - net	**112,391,898**	94,492,163
Investment properties - net	**352,140,909**	275,937,639
Deferred tax assets	**17,469,392**	17,469,392
	3,510,146,092	3,634,894,066
LIABILITIES AND EQUITY		
Trade and other payables	**65,816,529**	116,659,776
Unearned income	**44,269,050**	74,475,021
Funds held in trust	**653,087,170**	653,087,170
Retirement benefit obligation	**42,072,207**	68,360,848
	805,244,956	912,582,815
Equity		
Capital stock	**4,499,786,206**	4,493,969,989
Reserves	**198,394,043**	159,860,056
Deficit	**(1,825,026,141)**	(1,763,488,497)
	2,873,154,108	2,890,341,548
Treasury stock	**(163,383,895)**	(163,383,895)
Equity attributable to equity holders of the parent	**2,709,770,213**	2,726,957,653
Minority interest	**(4,869,078)**	(4,646,402)
	2,704,901,135	2,722,311,251
	3,510,146,092	3,634,894,066

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Nine Months Ended September 30	
	2014	2013
INCOME		
Sales of real estate	96,960,299	153,120,385
Rent	18,506,369	19,030,208
Management fees	19,156,932	18,719,437
Interest income	11,425,076	11,382,438
Net underwriting income	-	22,607,388
Commission	5,161,922	4,295,960
Equity in net earnings of associate	821,308	-
Other income	1,535,008	2,067,600
	153,566,914	231,223,415
COSTS AND EXPENSES		
Cost of real estate sold	88,545,383	143,560,439
General and administrative	121,502,369	117,025,312
Other Expenses	4,228,973	-
	214,276,725	260,585,751
FINANCE COSTS	-	-
LOSS BEFORE INCOME TAX	(60,709,811)	(29,362,336)
INCOME TAX EXPENSE (BENEFIT)	993,173	921,225
NET LOSS	(61,702,984)	(30,283,561)
ATTRIBUTABLE TO:		
Equity holders of the parent	(61,537,643)	(31,017,201)
Minority interest	(165,341)	733,640
	(61,702,984)	(30,283,561)
OTHER COMPREHENSIVE INCOME:		
Unrealized holding gain (loss) on AFS investments	34,640,200	(165,276,403)
TOTAL COMPREHENSIVE LOSS	(27,062,784)	(195,559,964)
Income per share		
Basic	(0.012616)	(0.006359)
Diluted	(0.012616)	(0.006359)
Number of shares outstanding		
Basic (net of treasury stock 125,644,005)	4,877,907,002	4,877,907,002
Diluted (net of treasury stock 125,644,005)	4,877,907,002	4,877,907,002

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Third Quarter Ended September 30	
	2014	2013
INCOME		
Sales of real estate	**37,383,152**	32,577,954
Rent	**6,276,001**	6,301,105
Management fees	**6,603,994**	6,362,139
Interest income	**4,826,718**	3,936,130
Net underwriting income	-	5,481,936
Commission	**2,249,391**	1,052,082
Equity in net earnings of associate	**(282,897)**	-
Other income	**362,509**	(42,939)
	57,418,869	55,668,407
COSTS AND EXPENSES		
Cost of real estate sold	**33,440,445**	37,171,878
General and administrative	**34,962,177**	38,513,790
Other Expenses	**(8,448)**	
	68,394,174	75,685,668
FINANCE COSTS	-	-
LOSS BEFORE INCOME TAX	**(10,975,306)**	(20,017,261)
INCOME TAX EXPENSE (BENEFIT)	**427,839**	312,654
NET INCOME (LOSS)	**(11,403,144)**	(20,329,915)
ATTRIBUTABLE TO:		
Equity holders of the parent	**(11,337,783)**	(20,136,404)
Minority interest	**(65,361)**	(193,511)
	(11,403,144)	(20,329,915)
OTHER COMPREHENSIVE INCOME:		
Unrealized holding gain (loss) on AFS investments	**2,474,300**	(152,416,880)
TOTAL COMPREHENSIVE INCOME (LOSS)	**(8,928,844)**	(172,746,795)
Income per share		
Basic	**(0.002324)**	(0.004128)
Diluted	**(0.002324)**	(0.004128)
Number of shares outstanding		
Basic (net of treasury stock 125,644,005)	**4,877,907,002**	4,877,907,002
Diluted (net of treasury stock 125,644,005)	**4,877,907,002**	4,877,907,002

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	For the Nine Months Ended September 30	
	2014	2013
Capital Stock		
Authorized 8,000,000,000 common shares		
Issued and outstanding 3,688,808,944 shares in 2014;		
3,688,679,636 shares in 2013		
Capital stock	**3,688,808,944**	3,688,679,636
Issuance of capital stock	**-**	-
	3,688,808,944	3,688,679,636
Subscribed capital stock 1,314,772,063 shares in 2014;		
1,314,901,371 shares in 2013	**1,314,772,063**	1,314,901,371
Less: Subscription receivable	**503,909,552**	509,780,492
	810,862,511	805,120,879
Additional paid-in capital	**114,751**	114,751
Capital stock	**4,499,786,206**	4,493,915,266
Reserves		
Appropriated retained earnings for		
Treasury stock acquisition	**250,000,000**	250,000,000
Catastrophe loss		660,988
	250,000,000	250,660,988
Unrealized holding gain (loss) on avilable-for-sale investments		
Balance, beginning	**(79,209,635)**	119,770,865
Unrealized holding gain (loss)	**34,640,200**	(158,826,175)
Balance, end	**(44,569,435)**	(39,055,310)
Accumulated Remeasurement Gains/Losses	**(15,441,829)**	-
Reserve for fluctuation in market value of stocks	**6,025,595**	
Revaluation of property and equipment		
Balance,beginning	**2,379,712**	15,116,523
Transfers to retained earnings from depreciation valuation reserves	**-**	-
Balance,end	**2,379,712**	15,116,523
	198,394,044	226,722,202
Deficit		
Balance, beginning	**(1,763,488,497)**	(1,817,642,318)
Net income (loss)	**(61,537,643)**	(31,017,201)
Balance, end	**(1,825,026,140)**	(1,848,659,519)
	2,873,154,110	2,871,977,949
Treasury Stock	**(163,383,895)**	(163,383,895)
	2,709,770,215	2,708,594,054
Minority Interest		
Balance, beginning	**(4,646,402)**	23,307,367
Additional investment	**-**	4,665,800
Share in net income	**(165,341)**	733,640
Share in fluctuation of market value of investments in shares of stocks	**(57,334)**	
	(4,869,077)	28,706,807
	P2,704,901,135	P2,737,300,861

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Nine Months Ended September 30	
	2014	2013
Cash flows from Operating Activities		
Net Loss	(61,537,643)	(31,017,201)
Adjustments for:		
Depreciation and amortization	14,087,379	7,790,135
Minority Interest	(165,341)	733,640
Loss from operations before working capital changes	(47,615,605)	(22,493,426)
Decrease (Increase) in:		
Real estate inventories	(6,913,831)	(128,135,945)
Trade and other receivables - net	246,824,299	166,311,608
Prepayments and other assets - net	(64,513,316)	(45,594,196)
Increase (Decrease) in:		
Trade and other payables	(50,843,247)	(63,449,392)
Funds Held in Trust	-	(1,756,150)
Unearned premiums	-	(3,705,651)
Deferred tax liabilities	-	
Retirement Benefit Obligation	(26,288,641)	5,145,079
Unearned Income	(30,205,971)	(27,798,250)
Net cash provided by (used in) operating activities	20,443,688	(121,476,323)
Cash Flows from Investing Activities		
Decrease (Increase) in:		
Deferred Tax Assets	-	
Investments in joint venture	(1,755,785)	(935,796)
Held to maturity investments		(15,533,726)
Investments in and advances to associates - net	(44,326,320)	-
Trading Investments	-	(5,199,898)
Available-for-sale investments (AFS)	(32,410,050)	165,437,566
Investment Properties	(76,203,270)	(2,773,727)
Additions to property and equipment	(31,987,114)	(6,427,491)
Net cash provided by (used in) investing activities	(186,682,539)	134,566,928
Cash Flows from Financing Activities		
Unrealized holding gain (loss) on available-for-sale investment	35,953,414	1,621
Reserve for fluctuation in market value of stocks	6,017,077	-
Reserve for fluctuation in MV of investment in stocks	2,379,712	(158,824,809)
Increase(decrease) in minority interest	(57,334)	4,665,801
Net cash provided by (used in) financing activities	44,292,869	(154,157,387)
Net Decrease in Cash and Cash Equivalents	(121,945,982)	(141,066,782)
Cash and Cash Equivalents, Beginning	342,855,616	569,014,062
Cash and Cash Equivalents, End	220,909,634	427,947,280

PHILIPPINE REALTY AND HOLDINGS CORPORATION
AGING OF ACCOUNTS RECEIVABLE-TRADE
AS OF SEPTEMBER 30, 2014

PARTICULARS	CURRENT	OVER DUE 31-60 DAYS	61-90 DAYS	OVER 91 DAYS	TOTAL
PRHC	230,333,964	1,251,512	1,092,137	48,835,525	281,513,138
PPMI	1,178,296	1,659,043	463,681	2,675,702	5,976,722
TIBI			6,121,390		6,121,390
UTC	431,203				431,203
GRAND TOTAL	231,943,463	2,910,556	7,677,209	51,511,227	294,042,454

Accounts Receivable - Trade	294,042,454
Accounts Receivable - Others	91,792,421
Total	385,834,875

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE (9) MONTHS OF 2014

During the first nine months of 2014, the Company launched Sky-Villas, its latest project in its Andrea North complex at New Manila, Quezon City. This new launch initiates a series of projects that form part of the Company's plan for the succeeding years. Although it has not yet contributed to the Company's revenues as it is still getting traction, Sky-Villas is expected to contribute to the total revenues within the year.

Without much inventory on hand, coupled with the deconsolidation of Meridian Assurance Corporation (MAC), the Company posted total revenues of P153.6 million for the nine months, down 34% from P231.2 million posted during the same period last year. Albeit this resulted to a net loss of P61.7 million, the Company posted a holding gain from its Available-for-sale investments of P34.6 million but was not enough to offset the loss; thus, resulting in a total comprehensive loss of P27 million. It is a major improvement of the Company's 2013 total comprehensive loss of P195.6 million. The Company remains confident it will post positive results throughout the year.

Sale of condominium units amounted to P96.9 million in 2014 from P153.1 million in 2013 due to lower recognized sales for Skyline and Icon Plaza towers during the period on account of decreasing inventory on hand. Rent income decreased by 2.75% from P19 million in 2013 to P18.5 million in 2014 due to delayed renewal of some lease contracts. This was positively offset by the increase in Management fees by subsidiary PRHC Property Managers, Inc. (PPMI) of 2.34% brought about by escalation in fees and additional properties under management. Commission income increased from P4.3 million in 2013 to P5.2 million in 2014 due to higher volume of premiums written. Net underwriting income was no longer reflected in 2014 on account of MAC's deconsolidation. In lieu of this, the Equity in net earnings of associate was recognized as the Company's share in MAC's net earnings before tax. Other income, on the other hand, decreased to P1.5 million in 2014 from P2.1 million in 2013 due to lower penalties earned brought about by improved collection efficiency.

General and administrative expense rose from P117 million in 2013 to P121.5 million in 2014 due to expenses incurred for additional manpower necessary for the launch of Sky-Villas and additional provision for retirement for both the Parent Company and subsidiary, Tektite Insurance Brokers, Inc. (TIBI).

The table below shows the material change from period to period in the Statement of Comprehensive Income. Material shall refer to changes or items amounting to five percent (5%) of the relevant accounts.

	Vertical Analysis		Inc./ (Dec.) 2014 vs. 2013	Horizontal Analysis
	2014	2013		2014
Sale of condominium units	63.14%	66.22%	(56,160,086)	(36.68%)
Commission income	3.36%	1.86%	865,962	20.16%
Net Underwriting Income	0.00%	9.78%	(22,607,388)	(100.00%)
Interest income	7.44%	4.92%	42,638	(15.86%)
Other income	1.00%	0.89%	(532,592)	(25.76%)
Cost of condominium unit sold	57.66%	62.09%	(55,015,056)	(38.32%)
General and administrative expense	79.12%	50.61%	4,477,057	3.83%
Unrealized holding gain on AFS	23.00%	71.00%	199,916,603	120.96%

As for the Company's financial position, Available-for-sale investments increased by 30.99% due to higher market prices of investments as of September 30, 2014.

Prepayments and other current assets increased by 31.69% due mainly to the creditable tax remittance for Skyline and Icon Plaza units as well as input taxes from purchase of goods and services from various contractors for the Sky-Villas project of the Parent Company.

Increase in investment in and advances to associate was due to additional investment in Meridian Assurance Corporation (MAC).

Increase in property and equipment was due to additional cost incurred for the Showroom of the Parent Company.

Unearned income dropped by 40.56% since additional sold units for Icon Plaza Towers were recognized as revenues based on the percentage of completion as of September 2014.

The table below shows the material change from period to period in the Statement of Financial Position. Material shall refer to changes or items amounting to five percent (5%) of the relevant accounts.

	Vertical Analysis		Inc./ (Dec.) 2014 vs. 2013	Horizontal Analysis
	2014	2013		2014
Cash and cash equivalents	6.29%	9.43%	(121,945,982)	(35.57%)
Available for sale investments	3.90%	2.88%	32,410,050	30.99%
Prepayments and other current assets	7.64%	5.60%	64,513,316	31.69%
Investments in and advances to associates	2.56%	1.26%	44,326,320	97.08%
Property and Equipment	3.20%	2.60%	17,899,735	18.94%
Trade and other payables	1.88%	3.21%	(50,843,247)	(43.58%)
Unearned Income	1.26%	2.05%	(30,205,971)	(40.56%)

The consolidated stockholders' equity as of end September 2014 stood at P2.7 billion.

Top Five Performance Indicators	2014	2013
Gross Revenue	P 139,785,522	P 217,773,378
Current Ratio = Current Assets / Current Liabilities	1,976,671,394 / 763,172,749.97 = 2.59	2,478,359,727 / 1,108,365,992 = 2.24
Debt-to-Equity Ratio= Liabilities / Equity	0.00	0.00
Book value per share=SHE + Subs. Rec. / # of shares outstanding	3,213,679,765.15 / 4,877,907,002 =0 .66	3,218,374,545 / 4,877,907,002 =0.66
Earnings Before Interest, Tax, Depreciation and Amortization	(P 58,047,508.17)	(P 32,954,639)

Gross revenue includes sale of real estate, rent, commission, and management fees. The Company's current ratio is at 2.59 and 2.24 for 2014 and 2013, respectively. As of September, the Company's debt-to-equity ratio remains at zero. Book value per share is at 0.66 both in 2014 and 2013.

There was no issuance, repurchase and repayment of neither debt and equity securities nor dividends paid during the interim period.

Segment revenue and segment result for business segments or geographical segments is presented as Annex IV of this report.

As of December 20, 2013, the Company's liabilities to a contractor, Andrea North Skyline buyers and unsecured creditors were already paid, such that, the Company has filed a motion to terminate the rehabilitation proceedings on account of the successful implementation of the rehabilitation plan. This petition was granted on March 31, 2014.

Planning and design of the architectural finishes of the next tower at Andrea North Towers called "Sky Villas", is in its final stages while construction of the superstructure is ongoing. Construction of the joint venture project, Icon Plaza, in the Bonifacio Global City with Xcell Property Ventures, commenced mid 2010 and is still ongoing.

Company with unconsolidated entities or other persons created during this period.

The Group'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:

FINANCIAL RISK MANAGEMENT

Foreign Exchange Risk

The Company has foreign currency-denominated receivable from its associate, Alexandra, USA amounting to $3.01 million which has already been fully provided for impairment due to uncertainty of collection. The sensitivity rate used in reporting foreign currency risk internally to key management personnel is 10% and it represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign exchange rates.

Credit Risk

The Group's credit risk is primarily attributable to its trade and other receivable and advances to associates. The Group has adopted stringent procedure in extending credit terms to customers and in monitoring its credit risk.

The Group has no significant concentration of credit risk. It has policies in place to ensure that services are rendered to customers with an appropriate credit history. The Group's exposure to credit risk arises from default customer, with a maximum exposure equal to carrying amount of the related receivables particularly those relating to its leasing operations.

Interest Rate Risk

Interest on loans payable were arranged at fixed interest rates as stated in the amended rehabilitation plan, eliminating the possible exposure of the Group to fair value interest rate risk fluctuation. The Group has no outstanding loans

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 obligation, in conformance with the rehabilitation plan.

SEC Memorandum Circular No. 3, Series of 2011

In compliance with the above SEC circular in which the adoption has been deferred by the Financial Reporting Standard Council (FRSC) to January 1, 2015, the Group decided not to early adopt PFRS 9 for their 2014 financial reporting and hereby provides the following information in our interim FS as of September 30, 2014:

i) After consideration of the result of its initial impact evaluation, the Group has decided not to early adopt PFRS 9 for its annual reporting;
ii.) The Group has yet to assess the full impact of PFRS 9 and intends to adopt PFRS 9 beginning January 1, 2015.
iii.) The Group will also consider the impact of the remaining phases of PFRS 9 when issued.

Effective January 1, 2013, the Group adopted the following new and revised standards and amendments to standards:

PAS 1, Financial Statement Presentation - Presentation of Items of Other Comprehensive Income (Amendment). The amendments to PAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified

PAS 19, Employee Benefits (Revised). These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. They would also require recognition of all actuarial gains and losses in other comprehensive income as they occur and of all past service costs in profit or loss. The amendments replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). See Note 40 for the impact of the adoption on the consolidated financial statements.

PFRS 10, Consolidated Financial Statements (effective January 1, 2013). The objective of PFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. It defines the principle of control, and establishes control as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements.

PAS 27 (Revised), Separate Financial Statements (effective January 1, 2013). PAS 27 (Revised) includes the provisions on separate financial statements that are left after the control provisions of PAS 27 have been included in the new PFRS 10.

PAS 28 (Revised), Investments in Associates and Joint Ventures (effective January 1, 2013). PAS 28 (Revised) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of PFRS 11.

PFRS 11, Joint Arrangements (effective January 1, 2013). This new standard focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted.

PFRS 12, Disclosures of Interests in Other Entities (effective January 1, 2013). This new standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.

PFRS 13, Fair Value Measurement. The new standard establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of PFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other PFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in PFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy are currently required for financial instruments only under PFRS 7 Financial Instruments: Disclosures will be extended by PFRS 13 to cover all assets and liabilities within its scope.

Amendments to PFRS 7, Disclosures – Offsetting Financial Assets and Financial Liabilities. The amendments change the required disclosures to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognized financial assets and recognized financial liabilities, on the entity's financial position.

ʼHILIPPINE REALTY AND HOLDINGS CORPORATION **Exhibit II**

꞉INANCIAL SOUNDNESS INDICATORS

			2014		2013
;urrent Ratio: *ndicates ability to cover short term ıbligations*	Current Assets/ Current Liabilities	1,976,671,394 / 763,172,749	2.59	2,478,359,727 / 1,108,365,992	2.24
Jet Profit Margin: *:hows how much profit is made for ·very peso of revenue*	Net Income(Loss)/ Total Revenues	(61,702,984) / 139,785,522	-44.14%	(30,283,561) / 231,223,415	-13.10%
\sset Turnover: *:hows efficiency of asset used in ıperations*	Total Revenues/ Ave. Total Assets	139,785,522 / 3,572,520,079	0.04	231,223,415 / 4,054,291,377	0.06
everage Ratio (D/E Ratio):					
/leasure of how much of a company's ›ssets are funded through borrowing ›nd how much through equity	Liabilites (Loans Payable) Total Equity	0 / 2,709,770,213	0.00	0 / 2,737,300,861	0
ıterest Rate Coverage Ratio: *)etermine how easily a company an pay interest on outstanding debt*	EBIT/ Interest Expense	(60,709,811) / -	0	21,572,201 / -	0

HILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

Exhibit III

USINESS SEGMENTS
S OF SEPTEMBER 30, 2014

	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Travel Services	Other Income	Elimination	Consolidated
evenue	114,363,205	19,156,932	3,977,587	567,977	3,263,347		141,329,048
egment Result	(74,358,235)	1,478,577	(2,325,710)	(1,014,174)	3,263,347	-	(72,956,195)
iterest expense/Bank charges	-						-
iterest income	11,413,351	1,058	10,254	413			11,425,076
ividend income							-
quity in net income of							-
associate	821,308					-	821,308
come taxes	-	-	-				(993,173)
come before minority interest							(61,702,984)
linority interest							(165,341)
et Income							(61,537,643)
ther Information							
egment assets	3,338,461,482	35,485,011	19,232,205	26,807,380		(17,294,453)	3,402,691,625
ivestment at equity method	129,690,153					(39,705,077)	89,985,075
nallocated corporate assets	16,191,638	3,015,145					19,206,783
onsolidated Total Assets	3,484,343,273	38,500,156	19,232,205	26,807,380	-	(56,999,530)	3,511,883,484
egment liabilities	776,911,505	18,947,244	6,964,672	53,169,468		(50,747,931)	805,244,957
nallocated corporate liabilities	717,514	-	1,019,876	-			1,737,390
onsolidated Total Liabilities	777,629,019	18,947,244	7,984,548	53,169,468		(50,747,931)	806,982,348
apital expenditure	31,914,658	-	72,456	-			31,987,114
epreciation	11,725,099	962,016	1,300,219	100,045			14,087,379
on-cash expenses other than depreciation	(9,120)						(9,120)