Golden Bria Holdings

ENTERPRISE RISK MANAGEMENT

Risk Management is an imperative part of Golden Bria Holdings, Inc.'s ("the Company") overall business strategy and corporate governance. The Company adopts a risk philosophy intended at making the most of the business opportunities and reducing adverse results thus enhancing shareholders value by effectively and efficiently balancing risks and rewards.

Management is responsible for the preparation of consolidated financial statements in accordance with Philippine Financial Reporting Standards, 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.

Risk Exposure	Risk Management Policy	Objective
Financial Risk	The BOD reviews and approves with policies for managing each of these risks. The Group monitors market price risk arising from all financial instruments and regularly report financial management activities and the results of these activities to the BOD.	To mitigate or eliminate the risk
Cash flow interest rate risk	The Company's policy is to manage its interest cost by entering into fixed rate debts. The Group also regularly enters into short-term loans as it relates to its sold installment contracts receivables in order to cushion the impact of potential increase in loan interest rates	To mitigate or eliminate the risk
Credit risk	The Company transacts only with recognized and creditworthy third parties. The Group's receivables are monitored on an ongoing basis resulting to manageable exposure to bad debts. Real estate buyers are subject to standard credit check procedures, which are calibrated based on the payment scheme offered. The Group's respective credit management units conduct a comprehensive credit investigation and evaluation of each buyer to establish creditworthiness.	To mitigate or eliminate the risk
Liquidity Risk	The Company monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk. The Company maintains a level of cash deemed sufficient to finance its cash requirements. Operating expenses and working capital requirements are sufficiently funded through cash collections. The Company's loan maturity profile is regularly reviewed to ensure availability of funding through adequate credit facilities with banks and other financial institutions.	To mitigate or eliminate the risk
Foreign exchange risk	The Company's foreign exchange risk results primarily from movements of the Philippine peso against the United States Dollar (USD). The Group performs analyses on the Company's sensitivity to a reasonably possible change in the US dollar exchange rate until its next annual reporting date, with all other variables held constant,	To mitigate or eliminate the risk
Risks relating to competition	To mitigate this risk, Golden Haven conducts regular market study and business intelligence updates in order to understand industry and market dynamics.	To mitigate or eliminate the risk

Risks relating to land acquisition and landbank management	The Company mitigates this risk by having an in-house group composed of senior managers whose primary responsibility is to search (for suitable properties), negotiate (including joint-venture options), acquire and manage its strategic land bank. The land bank management group is comprised of technical, finance and legal experts, and is aided by the Company's network of brokers. The Company also maintains goodwill amongst the owners of major tracts of land in the Philippines. Through the foregoing, the Company continually identifies attractive locations for future projects, prospective partners and negotiates joint venture arrangements to ensure a long-term pipeline of developmental projects.	To mitigate or eliminate the risk
Risk relating to joint venture agreements and transactions	To mitigate this risk, the Company as a standard policy ensures that a binding agreement/contract with any joint-venture partner is made at the start of any partnership. Further, a constant open communication is maintained with all business partners.	To mitigate or eliminate the risk
Risk relating to property development and construction management	To mitigate this risk, the Company continuously seeks to improve its internal control procedures and internal accounting and to enhance project management and planning. Further, the Company substantially finances its development projects through pre-sales and internally generated funds, which allows it to maintain some flexibility in timing the progress of its projects to match market conditions.	To mitigate or eliminate the risk
Risks relating to specific target markets	To mitigate the possible impact of a sudden downturn in the OFW market, it is Vista Land's business strategy to diversify its product offerings to serve as wide a market as possible. Any adverse developments in any one property sector may be offset or mitigated by more positive developments in other sectors. The Company also closely monitors the factors that may affect the OFW market so that Vista Land can take the necessary corrective measures.	To mitigate or eliminate the risk
Risks relating to external marketing groups	The Company mitigates this risk by establishing its own in-house sales force, who are tasked to market and sell only Company products. The Company also provides its brokers and sales agents with competitive commission schemes and other incentives. Beyond this, the Company gives its sales force skills-build-up programs as a way of planning and managing their career growth with the Company. A parallel effort is the continuous recruitment of competent brokers and sales agents.	To mitigate or eliminate the risk
Risks relating to project and end-buyer financing a) Fluctuations in interest rates, changes in Government borrowing patterns and Government regulations could have a material adverse effect on Golden Haven's and its customers' ability to obtain financing.	In order to mitigate these risks, Golden Haven substantially finances its development projects through pre-sales and internally generated funds. In this way, Vista Land maintains some flexibility in timing the progress of its development projects to match market conditions. Vista Land attempts to keep its costs down and selling price stable by lowering material costs through purchasing in bulk.	To mitigate or eliminate the risk

Risks relating to project and end-buyer financing b) Golden Haven is exposed to risks associated with its in-house financing activities, including the risk of customer default, and it may not be able to sustain its in-house financing program.	To mitigate these risks, the Company attempts to decrease the occurrence of financial defaults and sales cancellations due to the inability to pay by enforcing strict credit investigation policies and procedures. For ongoing in-house loans, the Company monitors each and every account to assist buyers and to provide immediate remedial measures in problem cases. The Company also spreads the financing risk by encouraging buyers to avail of commercial bank retail financing facilities.	To mitigate or eliminate the risk
Risks relating to project and end-buyer financing c) The Company's business and financial performance could be adversely affected by a material number of sales cancellations.	To mitigate this risk, the Company has a structured and standardized credit approval process, which includes conducting background and credit checks on prospective buyers using national credit databases and, where feasible, conducting physical verification of claims regarding residences and properties owned. From time to time, the Company utilizes its receivables rediscounting lines with banks and other financial institutions and sells installment contract receivables. The Company ensures that all buyers are made aware of their responsibilities and obligations, and the resulting penalties for non-compliance. Each and every account is monitored to assist buyers and to provide immediate remedial measures in problem cases.	To mitigate or eliminate the risk
Risk relating to management of growth	To mitigate this risk, the Company substantially finances its development projects through pre-sales and internally generated funds. In this way, the Company maintains some flexibility in timing the progress of its development projects to match market conditions. To mitigate this risk, Golden Haven conducts regular meetings and requires briefing from key departments.	To mitigate or eliminate the risk
Risks relating to natural catastrophes	Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital invested in a property, as well as the anticipated future turnover from such property, while remaining liable for any project construction costs or other financial obligations related to the property. Any material uninsured loss could adversely affect the Company's business, financial condition and results of operations.	To mitigate or eliminate the risk
Risks relating to over-reliance on some key Company personnel	To mitigate this risk, the Company provides its technical personnel with competitive compensation and incentive programs.	To mitigate or eliminate the risk
Risks relating to the Company's reputation	The Company, through its corporate communications team maintains a clear, accurate brand and company image and perception in the market to mitigate this risk. The legal team also monitors all intellectual ownership issues of the Company.	To mitigate or eliminate the risk