ANNUAL REPORT

2019



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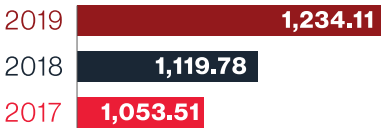
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OUR BRANDS



WATERFRONT CEBU CITY HOTEL & CASINO

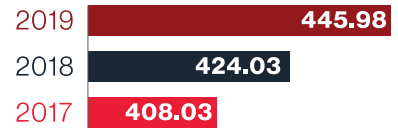
Grand and stately, our flagship hotel is a Philippine landmark. It has 561 guest rooms, 10 food and beverage outlets, an international standard convention facility and a 6-storey entertainment/casino block.





WATERFRONT AIRPORT HOTEL & CASINO

Conveniently located right across the Mactan-Cebu International Airport, this hotel provides unparalleled accessibility and ease for business and leisure travelers. It has 166 rooms, 5 food and beverage outlets and a Casino Filipino facility.



OUR BRANDS



WATERFRONT INSULAR HOTEL DAVAO

Cradled in a grove along the Davao Gulf, this resort hotel is matchless in its capacity to serve large business meetings and conferences with its convention facilities, 159 rooms, and 6 food and beverage outlets.



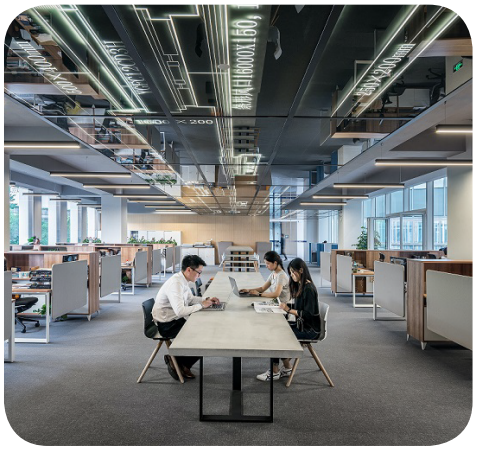


WATERFRONT MANILA HOTEL & CASINO

An establishment rich in history, the Waterfront Manila Hotel & Casino is a world-class hotel located in the busy Manila Bay area. Watch the warmth of Filipino hospitality come to life in this distinguished and modern city structure.



SUBSIDIARIES



WATERFRONT HORIZON CORPORATION

This subsidiary manages the country's first ever integrated hotel reservations and booking system featuring a full-service, round-the-clock, seven days a week Central Reservation Office.



WATERFRONT WELLNESS GROUP

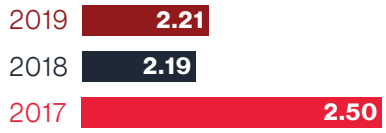
Our subsidiary in wellness aims to promote overall health, relaxation and well-being among our guests, adding value to their stay. The Wellness Group is responsible for establishing and operating state-of-the-art sporting, fitness, and recreational facilities.



WATERFRONT FOOD CONCEPTS, INC.

Driven by passion and creativity to deliver the best dining experiences, Waterfront Food Concepts manages our lifestyle restaurants and supplies the finest bread, pastries, and desserts for our Cebu establishments and local institutional clientele.





SUBSIDIARIES



WATERFRONT HOTEL MANAGEMENT CORP.

Our hotel management subsidiary ensures that the Waterfront tradition of service excellence and its solid experience is conveyed in all new acquisitions and management ventures.



MAYO BONANZA, INC.

This amusement and recreation subsidiary oversees the operations of VIP slot machine arcades in partnership with the Philippine Amusement and Gaming Corporation's (PAGCOR's) Slot Machine Arcade Project. The company actualized its operations on February 12, 2008.



WATERFRONT PROMOTIONS LIMITED AND CLUB WATERFRONT INTERNATIONAL LIMITED

Our wholly-owned subsidiaries were set up to promote and organize groups of foreign casino players to be part of PAGCOR's Foreign High-Roller Marketing Program. At present, the Group has temporarily suspended operations. However, the Management of WPI has given directive to provide necessary support to resume operations in the future.

WPI CHAIRMAN'S MESSAGE

Rising to the Challenge

"We continue to fight the challenges as best we can, get involved and invest in strengthening our brand. We continue to change, pivot and innovate. As we pursue our mission, we will eventually get stronger. Inevitably, because we have chosen to adapt rather than recede, we will transform into something greater."

Fellow Shareholders,

Annual reports are an occasion to chronicle, review and celebrate the achievements of the year prior. That would have been the case in every other scenario; however, as of this writing, our company, our industry, our country and the world are dealing with an exceptional circumstance that must not escape mention.

This report is being published in the midst of a pandemic—a once-in-a-generation and rare-in-a-century event. This event has had a massive and wide-ranging impact on all types of businesses and industries, and ours certainly has not been spared. In fact, one could say that it was the first to be heavily hit.

The COVID-19 pandemic's disruption of the travel and tourism industry has been nothing short of unprecedented. International and domestic travel has ground to an abrupt halt, carrying with it all industries dependent on the free and open movement of people across borders.

As a player in the hospitality industry, we are reliant on the entire network of travel and tourism players, as well as government support, for our business to continue to thrive. Domestic travelers—our top market based on geographic origin (48% of revenue in 2019), have been unable to pursue their plans due to the risks. International travelers from countries such as Korea, Japan, the US and China, our top international markets, have been largely unable to visit the country for what is now over half a year, dealing with outbreaks and upheavals in their own territory. Ergo, in this time of unpredictable change, there are many

factors beyond our control.

Our organization, while resilient in dealing with many business challenges through the years, has never faced one as massive as this. This makes for crucial context as we relay the information in this publication.

That being said, and context having been applied, I am no less delighted and proud to relay the news of a good performance in 2019. Consolidated figures are as follows:

Gross revenue for the group in 2019 is PHP 1.94 billion. This is an increase of 5% from the previous year's PHP 1.85 billion. Rooms revenue is PHP 726.77 million, up 3% from PHP 704.25 million in 2018. F&B revenue is PHP 666.39 million, up 6% from PHP 630.70 million in the previous year. Rent and related income has also increased by 7%, from PHP 476.33 million in 2018 to PHP 510.65 million currently. Other income is at PHP 35.97 million.

Costs and expenses for the group have been reduced by 1.01%, from PHP 1.39 billion in 2018 to PHP 1.38 billion in 2019. GOP is up double digits by 23%, from PHP 459.44 million the previous year to PHP 563.37 billion currently. Net income is at PHP 434.40 million in 2019, bouncing back 488% from a net loss of PHP -111.93 million in the past year.

Our flagship property **Waterfront Cebu City Hotel and Casino (WCCHC)**, remains a leader in revenue and growth. For the third straight year, gross annual revenue has passed the PHP 1 billion mark. From PHP 1.12 billion in 2018, WCCH gross revenue has surged to PHP 1.23 billion in 2019—a 10% growth rate, increasing revenue by PHP 114.33 million in a single year. This double-digit growth surpasses the previous year's growth rate of 6.29%.

Rooms revenue at the hotel has also experienced a remarkable increase of 7%. From the previous year's PHP 400.61 million, the hotel has generated PHP 430.14 million. F&B income this year is PHP 448.90 million, an increase of 12% compared to the previous year's PHP 400.19 million. Rent and related income has also experienced a double-digit increase, from PHP 313.10 million in 2018 to PHP 348.29 million in 2019—a growth of 11%. Other income has increased by 15%, from PHP 5.89 million in 2018 to PHP 6.77 million currently. GOP has gone up from PHP 420.29 million the previous year to PHP 450.02 million this year—a jump of 7%. Cost and expenses are at PHP 784.09 million. Net income is PHP 229.77 million.

Our strategically located property **Waterfront Airport Hotel and Casino (WAHC)** continues to deliver positive growth this year, with its gross revenue amounting to PHP 445.98 million—a 5% increase from the previous year's PHP 424.03 million. Rooms revenue is up by 8%, from PHP 170.73 million in 2018 to PHP 183.87 million in 2019. F&B revenue increased from PHP 80.44 million in 2018 to PHP 82.04 million in 2019—a rise of 2%. Rent and related income is at PHP 165.12 million this year, increasing by 5% in comparison to the previous year's PHP 157.58 million. Other income is at PHP 14.94 million.

The property's cost and expenses is at PHP 228.04 million, which means the company has managed to keep a level expense amount (0% growth rate in costs) compared to the previous year's PHP 228.89 million. GOP is PHP 217.93 million, an increase of 12% from PHP 195.15 million in 2018. Net income in 2019 is PHP 140.79 million, an unprecedented double-digit growth of 40% versus the previous year's PHP 100.61 million.

The property remains one of our most strategic assets, positioned adjacent to a major international airport and travel hub.

Waterfront Insular Hotel Davao (WIHD), our prime property in Davao City, continues to perform well. In 2019, gross revenue is at PHP 253.81 million, a 5% growth from 2018's PHP 240.88 million. Rooms revenue has also increased at PHP 112.76 million—up 10% this year from PHP 102.18 million the previous

year. F&B revenue has increased from PHP 132.70 million in 2018 to PHP 133.23 million in 2019--representing a level growth rate (0%) but with an actual figure increase of PHP 0.53 million. Other income is at PHP 7.82 million—a significant increase of 30% from PHP 6 million in 2018.

Cost and expenses for the property is PHP 220.30 million. GOP for 2019 is PHP 33.51 million. NOP is PHP 19.73 million—a double-digit increase of 14% versus last year's PHP 17.33 million.

The **Manila Pavilion Hotel (MPH)** is on track with its reconstruction, in keeping with our plans to bring our market an all-new and more captivating Waterfront experience. While 2018's business interruption due to the unforeseen fire incident early that year stalled our initial plans for a full reopening, we have pivoted and decided to move forward full steam with fully revamped concept—a redesigned and revitalized hotel that exceeds all standards in its class and is unlike any other hotel experience in Manila.

The rebuilding of MPH proceeds to transform it into a modernized and updated hotel while preserving its prestige as a historic landmark. It will have ultramodern room facilities, new dining experiences, luxurious common spaces and dynamic possibilities. This vision for MPH is a path towards the company's future, and paves the way for an expanded clientele, assuring new revenue streams for business through its one-of-a-kind offerings.

These are the positive developments among our properties, a product of the hard work and dedication of our management and staff to keep Waterfront a prosperous and enduring brand throughout the times.

Overlapping with this success is the current pandemic, which brings us to a fork in the road. Uncertainty looms. It is incumbent upon us to make the necessary leadership decisions to make sure that we come out of this crisis better and stronger.

The most important considerations in our strategy are as follows: first, that the company and organization survive intact; second, that we protect shareholder value as we navigate the uncertainties in the coming months; third, we adhere to a concrete, synchronized plan of action across our properties—that detailed and concrete steps be outlined and undertaken in the most timely and coordinated manner.

After assessing the various disruptions that the pandemic has done to our operations, we had to make the difficult decision to cut costs in our labor force. This we did, while doing our best to make sure that we preserve as much of our manpower as possible and help people stay employed as we all navigate the difficult life changes that lie ahead.

We unfortunately needed to let go of our seasonal workers. The total number of displaced seasonal employees across our entire business is six hundred and forty three (643) or approximately 84.72%. It was not an easy thing to do. We reached out to them months later, and provided assistance in the form of food staples with a long storage life that would help sustain them in the crucial times ahead. We look forward to re-engaging them when times are better.

Other labor cost-cutting efforts involved having to make certain adjustments in the compensation among our Peers. I must emphasize the fact that we made sure we exhausted all means to preserve our people's employment. In accordance with the Department of Labor and Employment (DOLE) guidelines and regulations, we implemented forced leave and work days reduction in order to cut costs. We implemented the compressed work week or flexible work arrangement option not just to save on costs but also to minimize contact rate, thus reducing the probability of virus transmission. We also set the guideline on no overtime or excess hours. One of our initial fiscal remedies was to make adjustments to the cost of living allowance, which we later on needed to suspend altogether in order to stay within budget. We also applied pay reduction and provided the option of a special retirement package for those employees who qualified or were interested. To protect our employees and also to abide by the community quarantine requirements per local government unit (LGU) where each property is located, we provided temporary accommodations and shuttle service. We also provided financial assistance for our displaced regular employees.

These measures were all decided while ensuring that the entire team was on board, and in agreement that it was the best and most sustainable way to move forward.

Power is one of our largest cost centers, so to manage, this we reduced operations and temporarily closed down some outlets and room floors to minimize utilization. The work week reductions we implemented helped reduce office electricity consumption in all our properties as well.

Dealing with the pandemic has also involved a lot of creativity and agility. We have to ensure that we utilize all possible revenue streams and be creative in our approach in attracting new markets. Waterfront has adapted to accommodate all new business in relation to the unique circumstances that COVID has brought. Among these are the quarantine or isolation requirements being imposed on newly arrived travelers, those on layover, or special types of industries like Business Process Outsourcing (BPOs). In the latest travel industry reports, long stays are becoming the new norm, and hotels need to be open to adjusting their operations to seeing that there is an emerging market for such needs. Waterfront has created special rates and packages for such long stays.

We have also complied with all the necessary Department of Health (DOH) standards to ensure proper biosafety protocols in our establishments. The health and safety of our guests and Peers are paramount to us. We are proud to say that Waterfront has passed all safety standards and is committed in doing business in accordance with the new health standards set for our industry.

Another revenue-generating trend that has been strengthened due to the pandemic is online food delivery or food pickup. Back in the day, it would have been unlikely for hotels to get into the delivery service market, but these days things have obviously changed. Each of our F&B outlets has adapted to cater to a growing market of online customers. We have put together attractive packages for our market, with each product ensured to be meticulously branded as distinguishably Waterfront, and not compromising on prestige, brand image and quality. As there has been a shift in spending habits, with people preferring to stay at home and order in, Waterfront brings its brand and its restaurants to their homes. With ears close to the ground, we are adapting to these new trends and making sure that we maximize each new opportunity.

We have begun to resume "new normal" operations by slowly rolling out our F&B outlets in accordance with the guidelines of the DOH and other government agencies. We are also coming up with enticing packages for our guests to re-acquaint themselves with our hotel experience, whether it's recreation, dining or city staycations. It is an ongoing and constant adjustment, but we are determined to go through this and succeed.

Since March of 2020, our company has rolled out CSR programs to help our communities survive. We have made our medical institutions and our front-liners as priorities. In March 2020, we distributed food packs and children's healthcare packs for the front-liners and children's ward of both public and private hospitals in Cebu. We also donated personal protective equipment (PPE) to the front-liners of several designated local government units (LGUs) and anesthesia departments of private hospitals, which were particularly in need of protective gear due to the high risks of the specialization. We continued with distribution of food packs to nine (9) fire stations in Cebu City. In April, we distributed more food packs to the fire stations, private and public hospitals, and checkpoint front-liners, including allocations for the Cebu Provincial Government to distribute to provincial hospitals. The Department of Social Welfare and Development (DSWD) Cebu was also given food packs to support its volunteers who were assisting in assistance programs for indigents, homeless people and displaced workers.

More such efforts continued in May to help quarantined barangays who were unable to fully support their residents. In May 11, 2020 our major shareholders representing WPI donated medical supplies to the Province of Cebu—a total of over a thousand pieces of PPEs, five thousand (5,000) pieces of medical gloves, and more items like disposable masks, KN95 masks and goggles. (Please see CSR section of this report for full details.)

Through this pandemic, we have discovered new strengths and a renewed sense of purpose. The COVID-19 pandemic has shifted our mission to dedicating ourselves as a company to our social responsibilities. As a business organization, our solution to this crisis has not been to withdraw into our shell and wait for it to be over; it has been to extend ourselves in service to the community, and to ensure that we do our best to take care of our people. Through our ongoing CSR efforts, Waterfront is taking a leadership position as a member of our industry and of our community. Through showing leadership in crisis, we build value. We strengthen relationships. We retain crucial ties in solidarity with our community.

Brand-building is not just about advertising, public relations and other paid content strategies to get one's name out there; it is about getting involved in the very lives of the community that sustains you, and is at the heart of your business—our community comprises our patrons, and thus is the same network that drives our business; in return, we have a duty towards our patrons to communicate and serve in times of need. At Waterfront, we do not just associate our brand with advertising, sales and guest satisfaction when they experience our product. It is all about total community perception. It is about service, and rising to the occasion.

The value we create these days, by paying it forward during the times when such acts of care are needed most, playing an active role in society building and community assistance, will stay with our brand. Our actions during this time display our values, and define us as an organization, and they will be remembered.

I am proud of how our entire organization has managed to respond to this unique crisis. Actions transcend proclamations, and what we say in our mission statements, are being demonstrated today. Through our actions, we inadvertently build our brand of service as one that is outward-looking, involved, concerned and committed to our patrons.

We continue to share what we have, to care for others, fight the challenges as best we can, get involved and invest in strengthening our brand through these uncertain times. We continue to change, pivot and innovate. As we pursue our mission, we will eventually get stronger. Inevitably, because we have chosen to adapt rather than recede, we will transform into something greater.

APHC CHAIRMAN'S MESSAGE

Staying the Course

"The year 2019 has been one of continued building-of both our property assets and our brand. Acesite, for the entire year, has been focused on the transformation of Manila Pavilion Hotel into one of the Philippines' best, most innovative and most exciting hotels. We are building a new future for the Manila Pavilion Hotel-officialy renamed as Waterfront Manila Hotel & Casino-and are reinventing it into something grander to signal a new era for the Waterfront brand."

When difficulties hit, it is important for businesses to go back to their core values in order to find their compass—in order to chart their course, and pivot, if necessary. While this is the Annual Report of 2019, the actual year of publication, 2020, and the exceptional circumstances we find ourselves in today requires that we take into consideration the events that are taking place as this report is published.

We are in the middle of a pandemic caused by COVID-19, a truly difficult and unprecedented global issue that is causing massive upheaval and is affecting our industry in particular. Hence, we find it important, as management, to note both the milestones of the past year, and the unique exigencies of the current one.

I believe that in crises, clear information and open communication in business are paramount. Therefore, for the first time, this message will encompass two years at once—the one immediately past, and the one as of this writing.

The year 2019 has been one of continued building—of both our property assets and our brand. We are proudly on track with our plans to create a new level of comfort and luxury for our patrons and guests. Acesite, for the entire year, has been focused on the transformation of Manila Pavilion Hotel into one of the Philippines' best, most innovative and most exciting hotels.

We are building a new future for the Manila Pavilion Hotel—officially renamed as Waterfront Manila Hotel & Casino—and are reinventing it into something grander to signal a new era for the Waterfront brand. As it turns out, 2019 has been the perfect time to undergo such a transformation,

continuing construction work well into 2020, in the context of slowing demand as a result of the pandemic. Crisis is an opportunity to build and reinvest—two things that make up the hallmark of resilience.

The soon-to-rise **Waterfront Manila Hotel & Casino** depicts our aspirations, and our evolution with the times. Having been an important part of Manila's historic district skyline for so long, one cannot deny that the hotel needs a refresh, to chart its path for the coming era. It is more than just a revered landmark and representative of culture and history. It embodies dynamic drive, prosperity, prestige and change. Our new property carries both the historic beauty of the past and the promise of the future. This current period is our transition point.

The move to rebuild represents Acesite's commitment to delivering an ever-evolving experience for our guests and patrons. We are not a monolithic culture; we innovate and adapt. This rebuilding phase provides us with new opportunities to access future markets, and address the ever-changing needs of our existing ones. It is a fresh start; a clean slate. With this new image comes many opportunities. We are priming ourselves for a dynamic post-pandemic future.

Through this redesign and reconstruction effort, we reinforce our commitment to adding value to an already strong portfolio. To update you with the latest developments, I am happy to inform you that the construction work on our property has largely accomplished our intended targets. As of the end of 2019, most of the construction work is at forty percent (40%) completion or over. The itemized status is as follows: elevators (90%); escalators (80%); fire protection system tower from the seventh to twenty-third floor (40%); fire protection system podium from the basement to the sixth floor (40%); high voltage transformers (90%); medium voltage switchgear (80%); mechanical risers (80%); hot water system (80%); cooling tower (90%). The generator set, chiller equipment, air handling equipment, ventilating equipment, heating equipment, portable water pumps and fire pumps have all been delivered and are set for installation.

All remaining civil works have already been started. Some of these include: additional slab extension, the new all-day dining area, the additional function rooms at the sixth floor and the new swimming pool. So far, we have already created and recovered approximately an additional 5,000 square meters of commercial area with these works. Casino fit-out works have also been started. The exterior architecture is also being continuously worked on, and should see significant progress in the months ahead.

All of this is continuing into 2020 even with the pandemic. We intend to achieve the timeline and targets as close as possible to our original plans, even as the pandemic poses challenges to logistics, transport, labor and materials availability.

We recognize that this is a truly challenging time for our economy, yet we remain positive in our future outlook, looking forward to a better tourism climate next year. Scientific development of possible treatments and vaccines is going on at a pace that has not been matched in history, and we are optimistic that once viable medical solutions are found, demand will approach previous numbers.

For the entire group, key figures in 2019 are up. The group's consolidated gross revenue has reached PHP 1.94 billion, up 5% in comparison with PHP 1.85 billion in 2018. Consolidated rooms revenue has increased by 3%, from PHP 704.25 million in 2018 to PHP 726.77 million in 2019. Consolidated F&B revenue this year reached PHP 666.39 million, a 6% rise from the past year's PHP 630.70 million. Rent and related income is at PHP 510.65 million—an increase of 7% versus PHP 476.33 million in 2018. Other income is PHP 35.97 million. Consolidated costs and expenses went down from PHP 1.39 billion in 2018 to PHP 1.38 billion in 2019—a reduction of 1.01%. Group GOP has increased

by double digits, up 23%, from PHP 459.44 million in 2018 to PHP 563.37 million in the current year. Net income is reported at PHP 434.40 million in 2019. This means that the group has recovered from a net loss of PHP -111.93 million in the past year by 488%.

Our Manila property is expected to bolster the stellar performance of our provincial properties as we ease out of a global crisis and take advantage of the opportunities related to tourism recovery.
We at Acesite believe in always being one step ahead, and there is no better strategy to anticipate the future than to create it through asset-building. When we talk about building assets, we not only mean physical assets but also the company's intangible assets—meaning its goodwill and brand.

Through our efforts during the COVID-19 pandemic, thankfully, we are able to do both. Our CSR efforts in contributing to the community are worth mentioning. Despite the fact that we have had to lay off a significant portion of our seasonal labor force, we have ensured that they would be sent off with essentials to ease the transition. Each person received support in the form of a food or necessities package. Our properties have contributed to their respective communities and to the medical front-liners in this pandemic by donating food, essentials and protective equipment.

Waterfront has been actively involved in community efforts and corporate social responsibility (CSR) projects since March of 2020. The beneficiaries or recipients of such efforts include public and private medical institutions in Cebu, the front-liners of some localities and hospitals, fire stations, locked down barangays and checkpoint front-liners. We have also allocated donations for distribution under the Department of Social Welfare and Development (DSWD) and the Provincial Government of Cebu. Efforts continued in May 2020 where WPI donated PPE and medical supplies to the Province of Cebu. (Refer CSR section of this report for details.)

Internally, we have done our best to support and sustain our Peers during these times. We have implemented cost-cutting measures to help retain employees and bridge the gap until operations have normalized. Examples of such measures are: pay cuts, trimming of allowances, utilization of sick leave, early retirement options and other cost-cutting packages that will help our company sustain our workforce, and thus continue to assist them as we navigate the uncertain climate.

We believe that by taking care of our assets and our people, we are well-positioned to survive this crisis. Our actions during these times uphold our reputation as an industry leader and add enduring value to our brand. Instead of closing ourselves off, we have decided to open up to our community in solidarity. Brand-building is equal to social responsibility, in that we acknowledge that the same community we help and support is that which consists of our patrons, the lifeblood of our company. Thus the survival of our community—and of our country—is very much tied to the future of Waterfront. It is all one ecosystem that needs to bond together in times of crisis. Today, Waterfront's brand equates to more than just a great product, but to decisive, socially responsible and compassionate leadership.

It is important never to lose sight of the big picture. We do not just look ahead, but beyond. We believe in an industry rebound, that this challenge is surmountable, and that there are many lessons to be learned from this temporary downturn. Change is painful, but with it comes wisdom, strength and resilience. This is why we continue to invest in your company's future.

WHO WE ARE

Throughout its 23 years of existence, Waterfront Philippines, Inc. has kept a steady vision and an unwavering set of values. Our core beliefs provide the tenets for our continued growth and success

OUR VISION

To be the leader in the tourism industry committed to provide gracious Filipino hospitality towards total customer satisfaction.

Our Corporate Motto

Excellent service begins with me

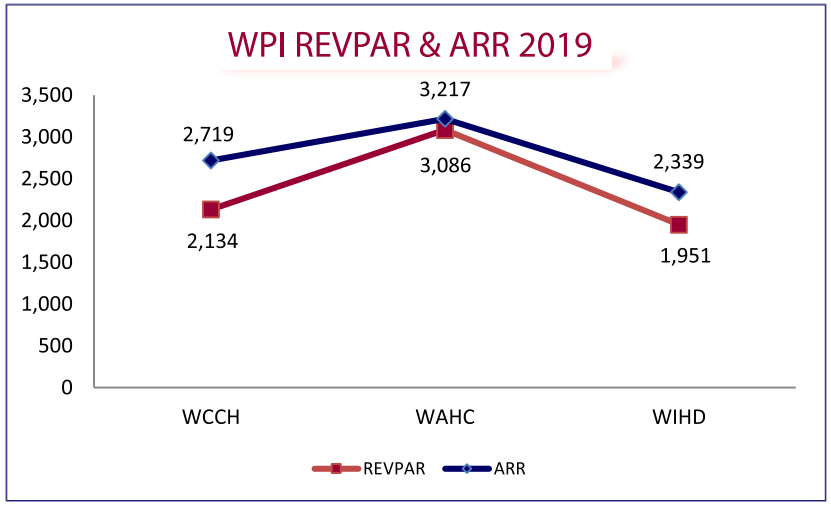
Our Core Values

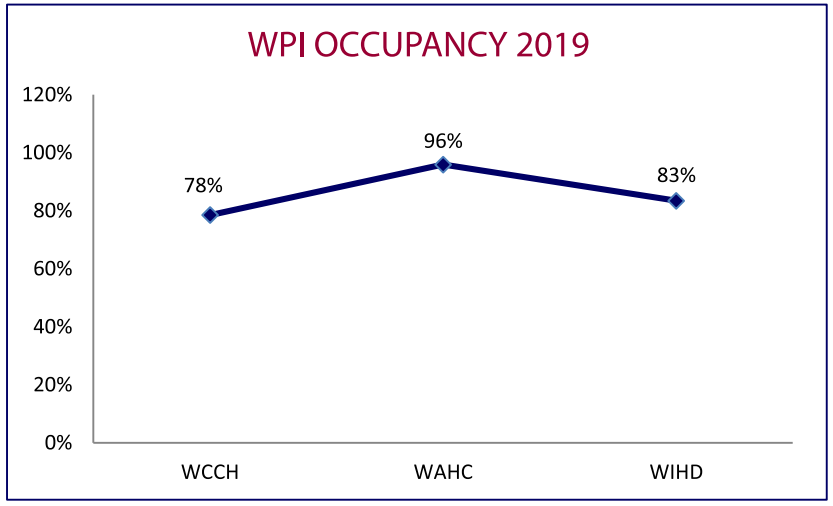
- Increase Revenue
- Cost Effectiveness
- Improve Guest Satisfaction Index
- Peer Development

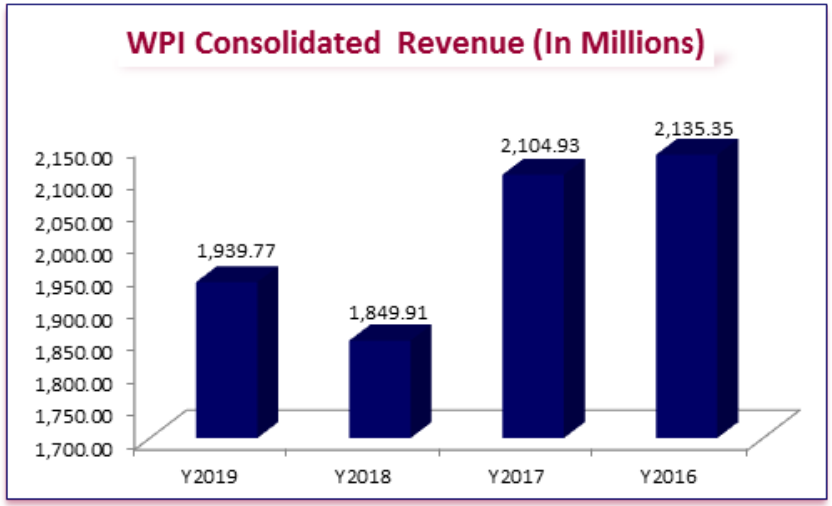
We are the Leading Filipino Hotel Chain Owner and Operator Dominating the Market with a Premium Product

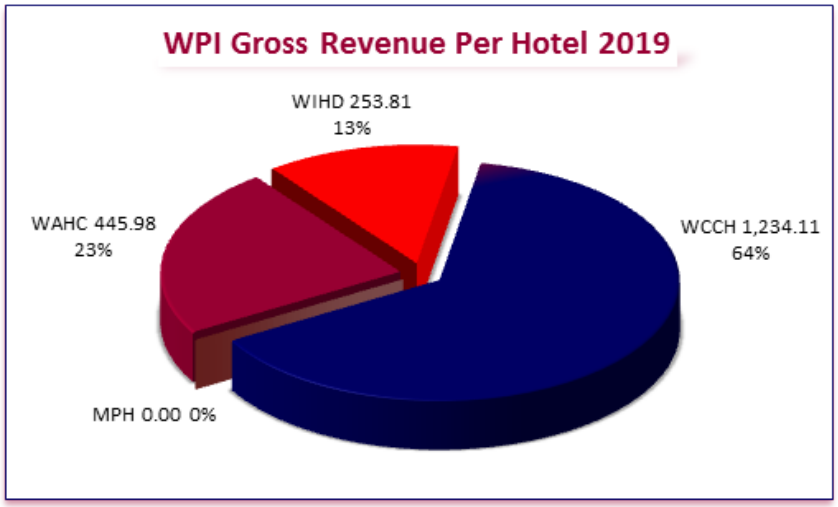
Owned and managed by Waterfront Philippines, Inc., Waterfront Hotels & Casinos is one of the largest Filipino-owned Hotel chains in the Philippines. It holds the distinction of being the only hotel group in the country with properties located in the key cities of Luzon, Visayas and Mindanao: in Cebu, we have Waterfront Cebu City Hotel & Casino and Waterfront Airport Hotel & Casino; in Davao, Waterfront Insular Hotel Davao; and in Manila, Waterfront Manila Hotel & Casino. Overall, Waterfront offers and operates 886 guest rooms and suites, employs 1,101 personnel, and has over 25,279.70 square meters of convention and gaming space.

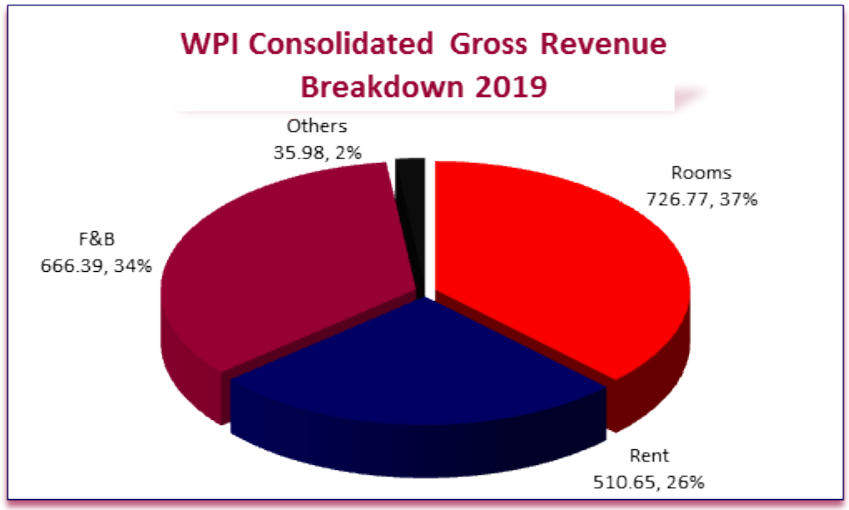
WATERFRONT PHILIPPINES INC. & SUBSIDIARIES

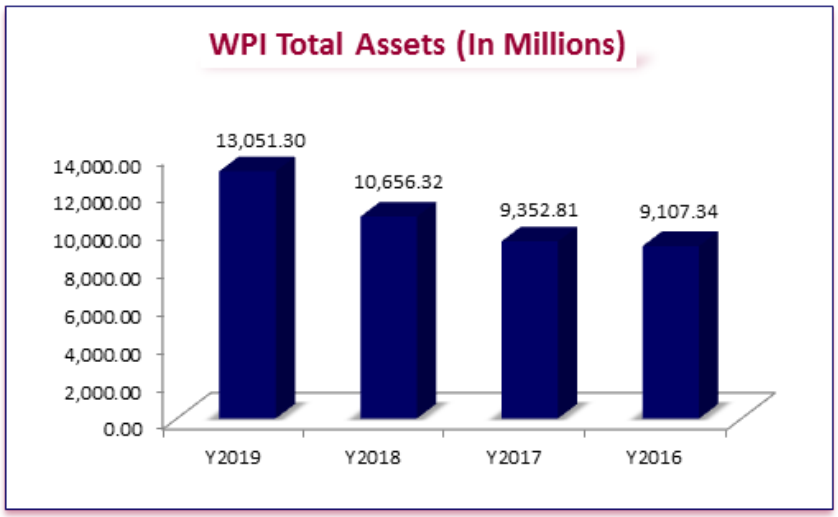






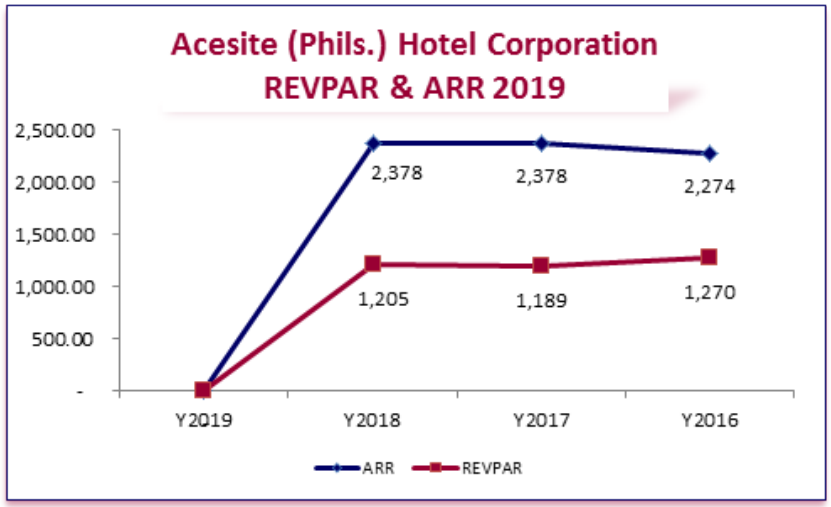

WPI Gross Revenue Per Hotel 2019
WIHD 253.81
13%
WAHC 445.98
23%
WCCH 1,234.11
64%
MPH 0.00 0%

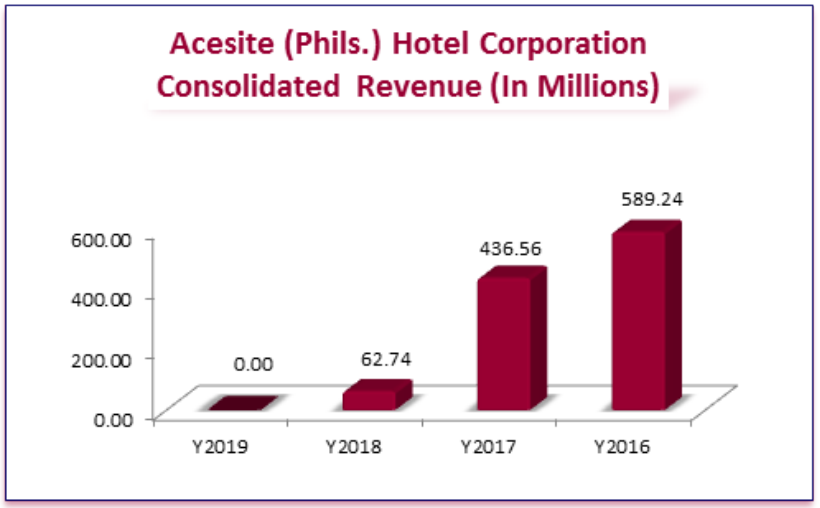

WPI Consolidated Gross Revenue Breakdown 2019
Others
35.98, 2%
Rooms
726.77, 37%
F&B
666.39, 34%
Rent
510.65, 26%

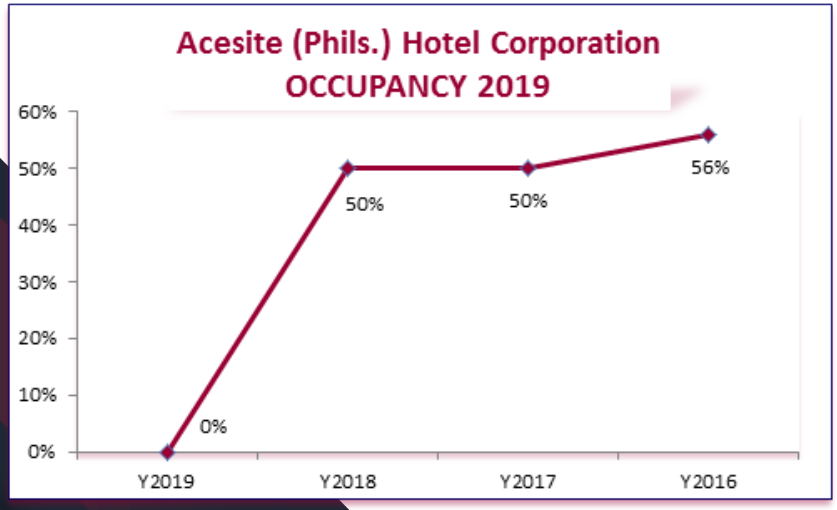

WPI Total Assets (In Millions)
13,051.30
10,656.32
9,352.81
9,107.34
14,000.00
12,000.00
10,000.00
8,000.00
6,000.00
4,000.00
2,000.00
0.00
Y2019
Y2018
Y2017
Y2016

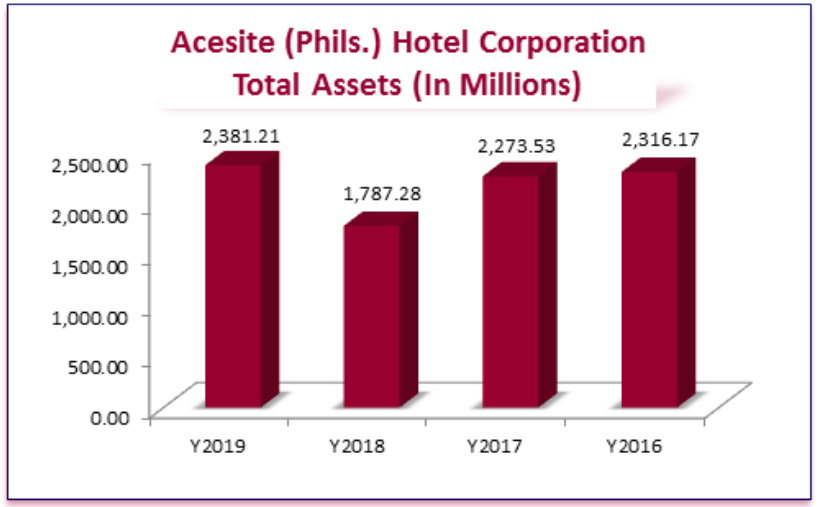

WPI Revenue Stream 2019
Others
1%
Hotel
99%

ACESITE (Phils.) HOTEL CORPORATION









INDUSTRY OVERVIEW

Given the extraordinary circumstances we find ourselves in as of the time of publication of this annual report, this year's industry overview will encompass reviews and projections for the years 2019 and 2020 for reference made in any part of this Annual Report.

The dramatic change in the course of international travel as a result of the COVID-19 pandemic—and all that it implies—compels us to examine the record of the past, review our expectations as brought by those times, and see how those expectations have been upended, in order to give way to a new, and perhaps more somber truth. Even then, we also consider this as a time to find opportunities and pivot strategies that will lead to future improvements and pave a new chapter for business in the post-pandemic world.

Prior to the pandemic, 2019 tourism projections were rosy, as the entire travel and tourism industry enjoyed a rate of growth that exceeded those of many other global industries. Travel and tourism contributes massively to global GDP. Its direct contributions (meaning "internal" spending or within-industry spending) accounted for 3.3% of the total GDP worldwide as of 2019, a 0.1% increase over 2018. Its indirect contribution, however, provides a total contribution of 10.4% of global GDP as of 2019, reflecting how truly massive and important the sector is to the global economy today. This indirect figure is also the industry's the highest percentage of total contribution to GDP in nearly two decades.[1]

According to UNWTO, 1.5 billion international tourist arrivals were recorded in 2019. The industry grew by

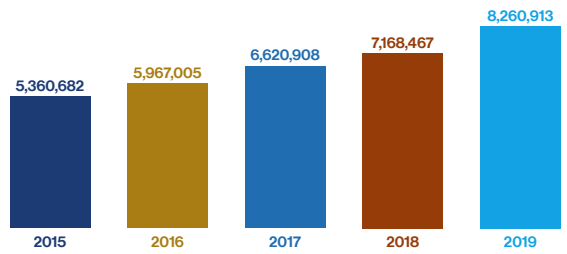
4% in comparison to 2018, and was supposedly geared for a similar growth rate in 2020. Tourism's resilience compared to other industries has been reflected by this continuous growth and by its higher growth rates over the past years.[2]

International arrivals increased in all regions as of 2019. There was a relative slowdown in some regions due to the Brexit uncertainty in the EU, and geopolitical and social tensions, which resulted in relatively slower growth among advanced economies in the EU and Asia-Pacific compared to 2017 and 2018. Four percent is still a robust figure, however, and the latest UNWTO Confidence Index reflected cautious optimism, as 47% of participants believed that tourism was going to perform better, and 43% were of the belief that its immediate future would at least be at par with 2019.

Philippines Outlook 2019

Locally, the sector was also thriving. Philippine tourism reached another milestone in 2019 when it breached the 8 million mark in foreign tourist arrivals. The Department of Tourism (DOT)'s 2019 target was 8.2 million foreign arrivals. We exceeded it with 8,260,913 foreign tourists arriving in the country.[3]

The figure is 15.24% more than the 7,158,467 foreign tourists who visited the Philippines in 2018. South Korea remains the Philippines' number one source market with almost one out of four tourists or 24.08% of all the foreign guests coming from that country. We welcomed 1,989,322 Koreans in 2019 showing a 22.48% growth rate compared to the previous year. Similarly, China retained its position as the second largest market, with 1,743,309 arrivals. China had the largest growth rate at 38.58% compared to the 1,257,962 in 2018. Completing the top 10 market are as follows the United States (1,064,440 tourist arrivals, 2.9% growth rate, 14.43% market share), Japan (682,788 arrivals, 8.07% growth rate, 8.27% share), Taiwan (327,273 arrivals, 35.01% growth rate, 3.96% share), Australia (286,170 arrivals, 2.27% growth rate, 3.46% share), Canada (238,850 arrivals, 5.48% growth rate, 2.89% share), United Kingdom (209,206 arrivals, 4.06% growth rate, 1.92% share), Singapore (158,595 arrivals, -7.68% growth rate, 1.92% share), and Malaysia (139,882 arrivals, -3.69% growth rate, 1.69% share).



Graph 1. Foreign Arrivals in the Philippines, 2015-2019. Source: DOT

Tourism is a major contributor to the Philippine economy. In 2019, 12.7% of our GDP was attributed to the tourism sector. Tourism direct gross value added (TDGVA) was at PHP 2.48 trillion, 10.8% higher than the PHP 2.24 trillion TDGVA in 2018. Foreign tourists and Filipinos who are permanent residents of other countries poured in USD 9.31 billion or PHP 482.15 billion in visitor receipts, 20.81% higher than the 2018 figure of USD 7.71 billion. Not to be outdone, domestic tourism expenditures also saw a double-digit growth, climbing by 10.4% to Php 3.14 trillion from Php 2.85 trillion in 2018. Last year, over 120 million domestic tourists were recorded. Improved connectivity between islands and year-round promo fares have attracted the growing middle class with expendable income to travel. Twenty-two percent (22%) of the Filipino household final consumption expenditure was allocated for domestic tourism.

The Philippines received several international awards and recognition in 2019 such as the World's Leading Dive Destination at the 2019 World Travel Awards, Asia's Leading Tourism Board at the 2019 World Travel Awards and Excellent Partner Award (for Sustainable Efforts in Boracay, among others).

In 2019, DOT launched its refreshed branding campaign. It

sustained the "It's More Fun in the Philippines" slogan but re-purposed it to advocate for sustainable tourism. To complement the new direction towards sustainable tourism, the DOT launched a movement called "Save Our Spots" to call for each individual to be a responsible tourist and encourage the same behavior towards others to preserve the country's natural and man-made wonders. The DOT's vision is to include sustainability in its drive for competitiveness; secondarily, tourism is to be a vehicle for employment generation and equitable distribution of income.[4]

Cebu and Mactan

Cebu and Mactan are of special interest to Waterfront as two of our major properties are situated in these islands. In 2019, Cebu was the number 2 foreign tourists' destination of choice in the Philippines. A total 3,373, 979 foreign guests visited the province last year. This is 21.44% more than the 2,778,407 foreign tourists in 2018. Over forty-three percent (43.07%) of these or 1,191,136 tourists were from Korea; 15.1% or 509,322 came from Japan, and 11.51% or 310,930 came from China.

The Mactan Cebu International Airport (MCIA), dubbed as the only "Resort Airport in Asia", recorded 12,662,055 passenger movements in 2019. A total of 8.37 million were domestic and 4.29 million are foreign passengers. It hosted 36 domestic and 37 international routes from 29 local and foreign airlines.

Cebu City hosted three major international tourism-related conventions in 2019. First and the biggest was the 17th edition of Routes Asia with over 800 delegates including 100 airline executives, 20 airports representatives, and 30 tourism authorities. This was hosted in Waterfront Cebu City Hotel and Casino (WCCHC).

In 2019, the length of stay among tourists has also increased to a minimum of three days due to expanded tourism packages, which includes visiting destinations in far flung towns, and even neighboring provinces.

To support the growth in tourist arrivals, MCIA is constructing a second parallel runway, expected to be completed in early 2022. This will increase the efficiency of the airport and ensure that the airport operations will not come to a stop even if an unfortunate incident may happen in the other runway. Over 5,000 brand new hotel rooms are also expected to open in the next few years. At least 2,000 of these rooms will be located in Mactan.

Table 1. Top Visitor Arrivals in Cebu based on Country of Origin. VISITOR ARRIVALS IN CEBU (Data from DOT Final Report 2019)

	%	2018	2019	GROWTH
COUNTRY	SHARE	VOLUME	VOLUME	RATE
KOREA	43.07%	1,191,136	1,453,081	21.99%
JAPAN	15.10%	446,580	509,322	14.05%
CHINA	11.51%	310,930	388,478	24.94%
USA	6.72%	181,164	226,615	25.09%
TAIWAN	3.04%	49,786	102,542	105.96%
AUSTRALIA	1.94%	60,919	65,464	7.46%
UNITED KINGDOM	1.45%	40,013	49,061	22.61%
GERMANY	1.15%	32,050	38,707	20.77%
CANADA	1.10%	31,324	37,065	18.33%
FRANCE	0.97%	25,668	32,731	27.52%
OTHERS	13.96%	408,837	470,915	15.18%
T O T A L	100.00%	2,778,407	3,373,979	21.44%

Davao

Waterfront's prime property, Waterfront Insular Hotel Davao, is a leading hotel at the heart of this Southern city, which has positioned itself to be a leading MICE destination. The city, being the hometown of the current Philippine President, has become a top convention destination and has welcomed several national conventions in 2019. In 11 months of 2019, tourist receipts in the city amounted to PHP 51 billion, generated from some 2.34 million arrivals. This almost doubled in just four years, from PHP 26.2 billion in 2015. The bulk of this income came from the MICE segment. Foreign tourists visiting Davao City are mainly from the United States, with 12,035 tourists, China (9,366), Japan (6,647), Korea (4,601), and United Kingdom (4,566). Emerging foreign markets in the region include Australia, India, United Arab Emirates, Singapore, and Canada.

Aside from Tourism, Davao is actively promoting the city as a safe investment destination for businesses. In June, they held the 5th Davao Investment

Conference (Davao Icon) promoting investment opportunities in Tourism, Infrastructure and Real Estate, Information and Communication Technology, and Halal Trade and Tourism.

The Davao City Investment Promotion Center (DCIPC) has organized foreign trade missions to China, Japan, Malaysia, Singapore, South Korea, and Taiwan primarily introduce Davao City as both an investment and tourism destination. Travel and trade missions to Qatar and Taiwan were also planned.

In 2019, Davao City had five international direct air links—Singapore, Hong Kong, Quanzhou, China, Qatar and Manado, Indonesia. These routes are currently being served by six airlines, namely, Cebu Pacific, SilkAir, XiamenAir, Qatar Airways, Cathay Dragon, and Garuda Indonesia.

Table 2. Davao's Tourist Arrivals January 2019-January 2020. Source: Data banking Section, Davao City Tourism Operations Office.

	2019				2020				
	DOMESTIC	FOREIGNERS	OVERSEAS FILIPINOS	TOTAL ARRIVALS FOR THE MONTH	DOMESTIC	FOREIGNERS	OVERSEAS FILIPINOS	TOTAL ARRIVALS FOR THE MONTH	COMPARATIVE MONTH TO MONTH INCREASE (%)
JANUARY	169,434	13,123	4,645	187,202	183,888	13,458	2,299	199,645	6.65%
FEBRUARY	161,461	14,177	4,685	180,323	173,306	8,837	2,084	184,227	2.17%
MARCH	174,596	17,742	4,174	196,512	29,021	2,325	585	31,931	-83.75%
APRIL	214,672	16,080	3,337	234,089	29,595	332	154	30,081	-87.15%
MAY	218,931	17,132	3,603	239,666	16,230	222	131	16,583	-93.08%
JUNE	210,458	16,683	2,866	230,007	14,146	43	-	14,189	-93.83%
TOTAL	720,163	61,122	16,841	798,126	446,186	446,186	5,253	897,625	-40.28%

Source: Databanking Section - City Tourism Operations Office

New Outlook

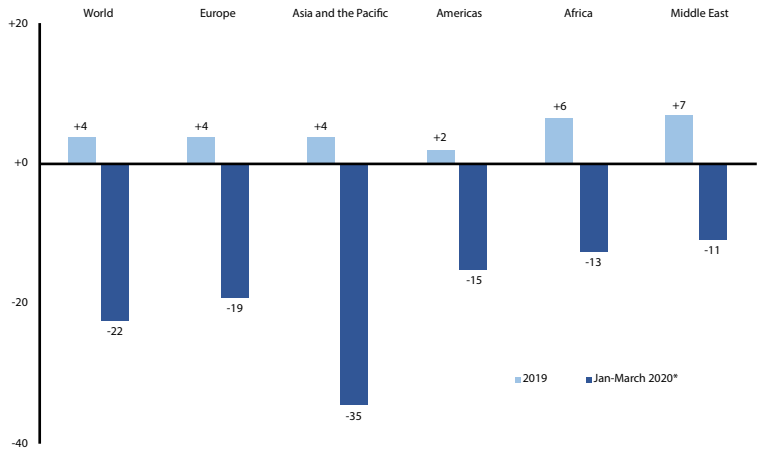
All promising local and international projections have taken a different turn because of the pandemic. None of the UNWTO predictions would come true past February of 2020, as the world was beginning to wake up to a new reality.

In the course of a few months, never has the modern world seen such a dramatic turnaround of events, where a pandemic brought travel and tourism to a sudden halt. A new report from the UNWTO, published in May 7, 2020, stated a very different picture, where 2020 Q1 statistics showed a 22% drop in international tourist arrivals as a result of the COVID-19 pandemic.5

Furthermore, UNWTO stated that the pandemic could cause a 60 to 80% decline over the entire year in comparison to 2019 figures. This means that millions of livelihoods are at risk, and that the industry's SDGs (Sustainable Development Goals) are likely to suffer.

The UNWTO reports that Asia and the Pacific has shown the highest level of impact in relative and absolute terms[5], at about -33 million arrivals. However, Europe, despite its lower percentage, is also quite high in volume at -22 million.

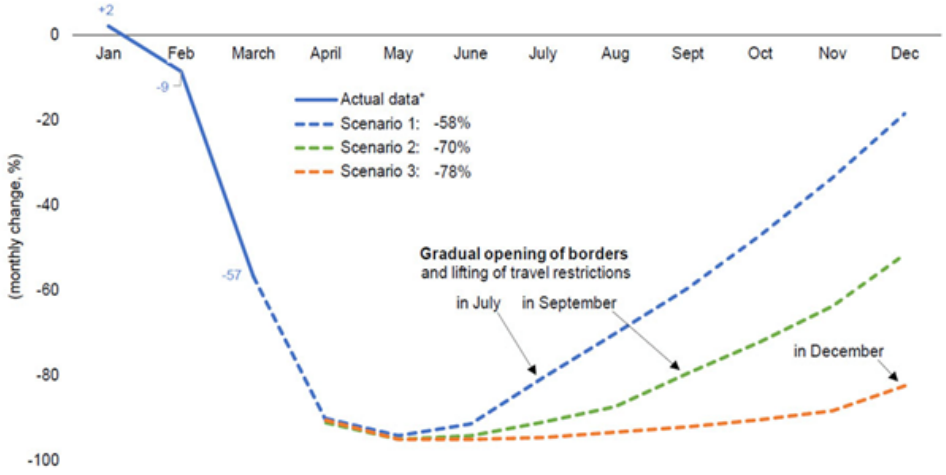
Graph 3. International Tourist Arrivals in 2019 vs Q1 2020 (% change) Source: UNWTO



Scenarios

It is difficult to predict where the tourism sector will go from this point, due to the high uncertainty surrounding key developments in the pandemic. The UNWTO has created several projections based on the timeline of gradual reopening or easing of travel restrictions; one based on a highly optimistic scenario with reopening in July, spelling a -58% downgrade; another based on a September easing, with a -70% decline in arrivals; and a third based on an early December easing of restrictions, with a -78% decline.

Graph 3. International Tourist Arrivals in 2020: Three Scenarios (YoY monthly change, %)
Source: UNWTO



According to the report, "the impact of the loss of demand in international travel could translate into: Loss of 850 million to 1.1 billion international tourists; loss of US$910 billion to US$1.2 trillion in export revenues from tourism; 100 to 120 million direct tourism jobs at risk."[5]

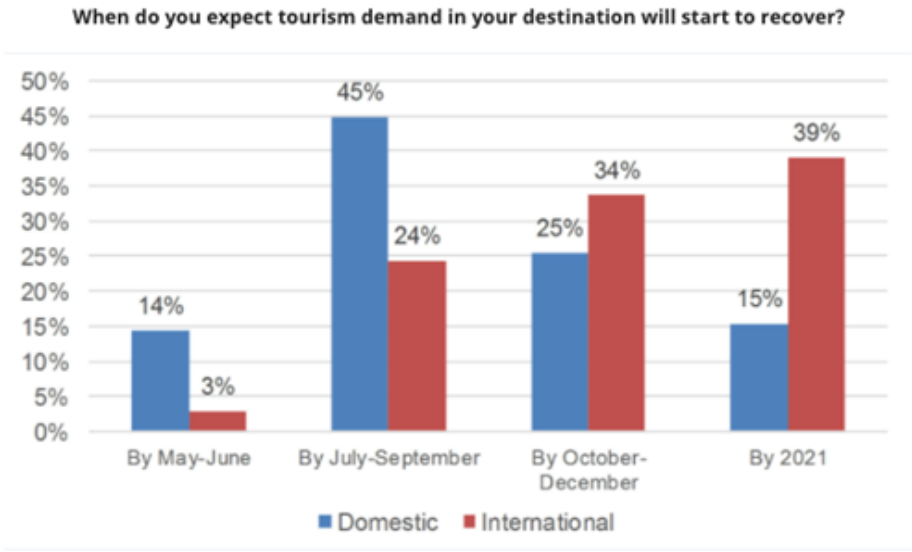
There is no doubt about the severity of this crisis, and the UNWTO states that "its impact will be felt to varying degrees in the different global regions and at overlapping times, with Asia and the Pacific expected to rebound first."[5]

A Recovery Seen in 2021

The UNWTO Panel of Experts survey projects domestic demand to return much faster than international demand. This is to be expected given that gradual easing tends to happen within national borders before it reaches international borders, with travel bubbles easier to implement within a country.

Leisure travel is also expected to recover more quickly over business travel. The outlook for Europe and Asia is mixed, but more optimistic than that of the Americas. [5]

Graph 4. Survey on Tourism Demand Recovery, Domestic and International
Source: UNWTO



Graph 5. Survey on Tourism Demand Recovery per Region
Source: UNWTO



1 Statista https://www.statista.com/statistics/1099933/travel-and-tourism-share-of-gdp/

2 UNWTO https://www.unwto.org/international-tourism-growth-continues-to-outpace-the-economy

3 Philippinjes figures DOT http://tourism.gov.ph/#

4 Vision of DOT http://tourism.gov.ph/NTDP.aspx

5 UNTWO 2020 predictions https://www.unwto.org/news/covid-19-international-tourist-numbers-could-fall-60-80-in-2020

THE YEAR IN REVIEW

OUR COMPANY IN 2019

Waterfront has achieved many significant targets in 2019. Our company has strived to improve and optimize performance, having spent the last couple of years realigning operations so as to capitalize on the strengths of our provincial properties—essential as we await the re-launch of our new Manila property, which is still under construction. The realignment is deemed quite successful, because our provincial properties have been able to maintain impressive consolidated numbers, despite the temporarily reduced number of operating facilities.

This achievement is proof of our organization's resilience, persistence, determination and ability to pivot in such a short period. We have moved forward from a time of unique challenges and unforeseen business interruptions to reclaim growth for the second year in a row, hitting our growth objectives in nearly all key metrics. We have steered our company into a quick rebound, optimizing our assets on all fronts. Our key strategy was to go back to our core strengths and rely on those as a strong foundation to propel us forward and overcome obstacles.

Our future Manila property will be renamed the Waterfront Manila Hotel and Casino. It will be a standing symbol of our relentless innovation and our strength. While respectful of the property's history and significance to Old Manila, we move forward to showcase a rejuvenated brand that will be our cornerstone for the future. . It will be a building with all-new comforts and amenities, ultramodern technology, exciting new experiences, a bold

facade, and will embody a vivid transformation that will delight any guest that walks through its doors. As travelers and guests constantly seek new thrills and adventures, our property will become their exciting haven in the Philippine capital, offering a stay that's well beyond the ordinary.

Consolidated group figures in 2019 are optimistic and demonstrate our well-performing provincial properties as the present anchors of our company. The group's 2019 gross revenue is PHP 1.94 billion. This figure signifies a jump of 5% in comparison to 2018's PHP 1.85 billion. Our total Rooms revenue this year is PHP 726.77 million, an increase of 3% versus PHP 704.25 million in 2018. Current revenue in F&B is PHP 666.39 million. This is a 6% improvement over 2018's PHP 630.70 million. There has also been an increase of 7% in Rent and related income—from PHP 476.33 million the previous year to PHP 510.65 million this year. The group's other income for 2019 is PHP 35.97 million.

While we continue to improve our revenue, costs and expenses are another important consideration. The group's cost & expenses have been reduced this year by 1.01%, improving from a total group figure of PHP 1.39 billion in 2018 to PHP 1.38 billion in 2019. Group GOP has markedly improved by double digits—up 23%. GOP rose from PHP 459.44 million in 2018 to PHP 563.37 million this year. This year's net income is PHP 434.40 million, a 488% recovery from a net loss of PHP -111.93 million in 2018.

The unwavering dedication of our teams in each of our provincial properties, each having its own strengths and competitive advantage, is reflected in the figures of each hotel.

Waterfront Cebu City Hotel and Casino (WCCHC) has succeeded in delivering revenues past a billion pesos for the third straight year, and has managed to improve significantly on its previous performance.

The property's gross annual revenue grew from PHP 1.12 billion in 2018 to PHP 1.23 billion in 2019—an increase of 10% or PHP 114.33 million. The hotel's Rooms revenue is PHP 430.14 million—a growth of 7% versus the previous year's PHP 400.61 million. F&B revenue also grew by 12% to PHP 448.90 million versus last year's PHP 400.19 million. Rent and related income rose from PHP 313.10 million in 2018 to PHP 348.29 million in 2019—a remarkable 11% increase. The hotel's other income is also up by 15%, increasing from PHP 5.89 million in 2018 to PHP 6.77 million in 2019. GOP is up 7% from PHP 420.29 million in 2018 to PHP 450.02 million in the current year. Cost and expenses is PHP 784.09 million. Net income for the property is PHP 229.77 million. (For further information, see details per hotel under "Our Brands".)

Waterfront Airport Hotel and Casino (WAHC), a consistently well-performing property, exhibits another growth streak this year. Gross revenue is PHP 445.98 million in 2019 versus PHP 424.03 million in 2018–a 5% increase. The hotel's Rooms revenue increased from PHP 170.73 million the previous year to PHP 183.87 million in 2019—an 8% rise. Its F&B revenue also demonstrated growth, increasing from PHP 80.44 million the previous year to PHP 82.04 million in 2019—a 2% growth rate. Rent and related income is PHP 165.12 million, a growth of 5% versus PHP 157.58 million in 2018. The property's other income is PHP 14.94 million. Cost and expenses added up to PHP 228.04 million, reflecting a 0% growth rate versus the past year's PHP 228.89 million, which means the property has managed to control its costs effectively. This year's GOP is PHP 217.93 million, rising by 12% from PHP 195.15 million the previous year. Net income in 2019 is PHP 140.79 million, a remarkable double-digit increase of 40% in comparison to PHP 100.61 million generated the previous year. (For further information, see details per hotel under "Our Brands".)

Our pride in Davao City, **Waterfront Insular Hotel Davao (WIHD)**, generated gross revenue of PHP 253.81 million. This means a growth rate of 5% versus PHP 240.88 million in 2018.

. The hotel has also bolstered its Rooms revenue by 10%, from PHP 102.18 million in 2018 to PHP 112.76 million this year. F&B revenue grew from PHP 132.70 million the previous year to PHP 133.23 million this year—an increase of PHP 0.53 million, even though the growth rate has been computed at a 0% or level figure. The property's other income grew by double digits at 30%, from PHP 6 million in 2018 to is at PHP 7.82 million in the current reported year. Its cost and expenses is at PHP 220.30 million. GOP is PHP 33.51 million. NOP increased by 14% at PHP 19.73 million in comparison to PHP 17.33 million recorded in 2018. (For further information, see details per hotel under "Our Brands".)

The **Manila Pavilion Hotel (MPH)**, already renamed as **Waterfront Manila Hotel & Casino**, is, as mentioned, currently being rebuilt, in keeping with our plans to bring our market an all-new and more captivating Waterfront experience. While last year's business interruption due to the unforeseen fire incident stalled our initial plans for a full reopening, we have pivoted and decided to move forward full steam with an entirely new concept—a redesigned and revitalized hotel that exceeds all standards in its class.

The construction of the hotel proceeds to transform it into a modernized and updated historic landmark with ultramodern facilities, new dining experiences, luxurious stays and dynamic possibilities. This vision for our Manila property paves the way for an expanded clientele, assuring new revenue streams for business through its exciting offerings being an all-new asset.

The Waterfront group remains committed, across all its properties, to its signature Filipino brand of service. We are proud of our globally-oriented and world-class Filipino image, adding this unique touch to all of our hotels. We have the ability to convey the local hospitality that is ingrained in Filipino culture. At the same time, we balance it with our international flair—the ability to look outward, and be at par with the very best global standards. Through this, we have earned a loyal following of both local and international guests.

Each property is situated in a prime area and is dedicated to delivering the best value to our guests, location-wise, price-wise and amenities-wise. This dedication to an elevated standard with all the conveniences in place ensures that our total product and service value offering is unmatched, priming each property to be among the best in its class.

We remain confident in our ability to lead through all challenges and adversity, and are ever more assured in our capability to turn around any scenario into an opportunity. Through the years, we have proven that our organization has the leadership skills to stay strong and deliver on commitments, as well as to thrive even as we navigate different industry climates.

Marketing and communications is another strong point of our organization. Our marketing campaigns in 2019 echoed the optimistic spirit that our hotels have brought this year. WCCHC, for instance, started strong in January with the Philippine South's grandest festival celebration, the Sinulog, by preparing a month-long series of exciting and fun-filled promotional activities. For the season, the hotel introduced traditional Sinulog dancing at its hobby as a cultural highlight, offered sumptuous event-aligned dining promos, and an amazing Cebuano-themed feast at UNO. This continued auspiciously, as the hotel greeted Chinese New Year with exciting presentations and festivities, whose photos landed on the front page of the top local newspapers. Throughout the year, our flagship property featured fashion events, awards nights and other relevant themed activities that created interest and publicity. Our other provincial properties, WAHC and WIHD, were similarly on track for the entire year's seasonal marketing and promotions goals as well as CSR-related or community initiatives which have become the signature of our hotels. (For more details per hotel, please see the section on Marketing Highlights.)

Our brand messaging stays on track—conveying that Waterfront Hotels are "at the center of it all", whether it's about luxurious stays at the heart of the Philippines' urban and resort capitals, major corporate events, entertainment, conventions, personal celebrations and more.

Our on-the-ground events and marketing campaigns go hand in hand with online strategies, as we recognize the ever-increasing value of online content and presence. Through the synergy of new experiences linking campaigns and events with our online marketing efforts, we ensure that we expand our reach and address our market effectively.

The group's online channels are a vital part of our infrastructure and distribution. Online engagement is the next frontier in terms of consumer access—crucial in both marketing and expansion. Guest preferences are ever increasingly shifting towards online-driven information gathering and bookings. Our company makes sure to capitalize on this trend by investing resources and diverting operations to cater to the new web-based influx of

inquiries and booking demand.

Our online performance reflects our company's effectiveness in tapping such platforms and programs to bring in more revenue channels. Our website is one of our primary touch points for the consumer and it is also one of our largest growth engines. It is an efficient tool for providing easy information and for consumer activation, or receiving bookings. Our mobile app and various other online distribution channels are other avenues for our guests to reach us. Each platform contributes to our ever-expanding online presence. (See Expanding Distribution for more data on online performance in 2019.)

Through recent years, technology-enabled booking facilities have proven their value in strengthening our company. They are showing the way with regards to innovation as a strategy for solidifying one's leadership position. We remain dedicated to enhancing our technology-driven strategies to ensure that we continue to harness the power of online platforms to widen our consumer base and bring more people closer to the Waterfront brand.

In 2019 we continue to demonstrate our resilience and ability to bounce back from adversity. In the past year, we were able to leverage our talented pool of people, our expertise—having over twenty (20) years' experience in the industry and being highly adept in addressing the local market. We also leveraged our vast network of online and offline partners—a foundation of strong relationships.

We continue to be mindful of the opportunities provided by the robust and growing global tourism industry, which continues to expand year on year, and is still growing as of 2019 figures.

Tourism interest continues to be high in Waterfront's provincial hubs. Improvements in airport infrastructure, aggressive international marketing via various independent agencies, a political climate that favors provincial growth and increased tourist engagement in these destinations contribute to the success of these properties.

The re-selling and cross-selling strategies implemented among our properties are reliable engines for growth as well. They are tested approaches that contribute to and maximize sales opportunities. We have created an integrated marketing system among our properties. This is designed to provide more options for the guest, making travel more convenient in multiple cities or locations, and it benefits Waterfront with more opportunity for revenue. Our re-selling and cross-selling integrates the best of a seamless experience for the customer, while ensuring that we adequately leverage all opportunities brought about by operating a nationwide hotel chain. This strategy also enhances customer loyalty and increases their brand engagement.

In order to constantly enhance product quality, we consider the training of our people—whom we call our Peers—a high priority. This is vital to maintaining our service above industry standard. We consistently exceed annual required training hours for nearly all key positions. The Waterfront brand value endures through our people. Our service is the ultimate touch point to convey our Filipino heritage, alongside a global sensibility that encompasses the experience of convenience, practicality, tech-savviness and luxurious modernity.

In order to maintain our company's health, cost control is another vital priority, reflected in our decisions and operations. We particularly focus on energy, sales and manning costs.

Our energy-saving measures consists of our optimal thermostat setting, effective preventive maintenance, proper handling of equipment at function rooms, monitoring of electricity use and avoidance of wasteful practices. The consistent implementation of these measures add up to significant energy cost savings.

For manning cost control, Waterfront's Early Retirement Program continues to be implemented. Peers are given the

option to take advantage of an attractive package that enables them to retire earlier. This is meant to be a win-win situation and a way of harmoniously streamlining our workforce.

In order to reduce cost of sales, we leverage our suppliers, employ integrated bulk buying strategies, effectively negotiate long-term supply agreements, strictly limit spoilage and wastage in all departments, conserve all aspects of our resources and engage in effective large-scale planning and resource management.

Cost center management is high priority in our operations. Considering our rate of growth, multi-city properties and scale of operations, our costs have been consistently well-managed. As previously mentioned, consolidated costs and expenses of our hotels is PHP 1.38 billion, a reduction of 1% versus the previous year's PHP 1.39 billion. This year's total costs and expenses for our subsidiaries is PHP 22.94 million. This is a 2.1% decrease from the previous year's PHP 23.42 million.

Overall energy costs for the group in 2019 is PHP 272.63 million, a double-digit decrease of 11% from PHP 306.05 million in 2018, indicating efficient management. Personnel costs decreased from PHP 299.57 million in 2018 to PHP 280.99 million in 2019, a drop of 6%.

F&B costs for the year is at PHP 228.80 million, compared to PHP 231.06 million in 2018, a reduction of 1%. Repairs and maintenance cost is at PHP 76.39 million. Other costs are at PHP 443.01 million, an increase of 7% vs. 2018 PHP 415.54 million. Consolidated rent costs are at PHP 33.65 million, a decrease of 23% versus PHP 43.68 million in 2018—a 23% reduction. Rooms costs for the group this year is at PHP 40.95 million.

We balance our cost control objectives with marketing and efforts to enhance our product quality, both software and hardware. While we understand the importance of cost control, we also see to it that we invest sufficiently on product improvements. For each property, we have ensured that all infrastructure is sufficiently maintained, connectivity (WiFi and bandwidth), operational and call systems and other technologically-based systems are up-to-date and well maintained.

Our well-known hotels are located in the Philippines' principal hubs for tourism and economic expansion. We strategically leverage our location advantage in order to increase customer loyalty and market share. We continue to envision expansion by reviewing opportunities and strategies to harness the true value of our facilities and real estate assets. On-going efforts to improve our sites is still part of our priority as a group and organization.

Waterfront is a proud world-class hotel brand based in the Philippines, and we lead the way in providing an integrated experience of beautiful accommodations, entertainment, convention facilities, wellness, dining and business convenience. As a strong Filipino hotel chain and trusted brand, we contribute to the country's economic growth by providing a unique Filipino-inspired experience category for local and international guests.

The Waterfront experience is something that is unique and a powerfully presence country-wide. We are able to provide our guests with a greater number of services and options, all with the assurance of Waterfront's signature quality. Waterfront is, as our slogan states, the center of it all: a business hub, an accessible meeting point, a recreation center, an entertainment destination, a MICE-friendly institution and a wellness and dining destination in one, offering the best possible range of options for all types of guests.

Hotel Performance

Our industry leadership and decades of experience in the hospitality sector contributes to our hotel chain's resilience and ability to overcome challenges. We consistently implement industry best practices, as embodied in our efficiency in resource management, aggressive and innovative online expansion, targeted and creative marketing, and strategic cost control measures without sacrificing quality and dedication to keeping the excellence of our product at all touch points. All this, and our ability to convey the signature Filipino warmth and hospitality in every product we offer, have all contributed to our success in 2019.

We have been keen to leverage our strong organization and talented people, and our foothold in key cities to cushion the impact of the interruptions that our business has faced. Our hotels have done this successfully, and even managed to demonstrate unprecedented performance records in important areas. We ended the year with impressive growth in many key indicators. thanks to our provincial properties.

In 2019, Waterfront posts remarkable growth and commendable overall performance. The general growth trend of the previous year's continues to reflect in the highlight results of our provincial hotels. We credit this to the cumulative advantages rendered by the long-term expertise in the field, proper management of our resources, and the optimization of our strengths and talents. These have enabled us to quickly bridge gaps brought by unexpected events and allow a path to a stronger organization with our talented Peers leading the way.

As a constantly evolving organization, we place a high priority on driving a culture of innovation. We constantly seek to provide fresh experiences and interesting new options that drive interest and loyalty in our market. Every innovation effort is an opportunity to re-energize our brand.

The soon-to-rise Waterfront Manila Hotel & Casino, while still undergoing its transformation, will pave the way for something better and grander. It will be a model for Waterfront's continued evolution and innovation—its infrastructure a testament to our brand's constant revival and renewal.

We innovate not just through rebuilding structures, but also by integrating new technology-driven channels to drive productivity. Our management's strong commitment to building an ever-increasingly efficient organization is an important component Waterfront's strength and enduring brand value. We are bridging traditional channels with new, exponentially growing technological avenues, ensuring the extension of our brand into the online space, and the careful curation of our brand as we explore digital platforms and assets.

Our culture of resilience amid change is refleced in our growing consolidated gross revenue for our properties which at PHP 1.94 billion, a rise of 5% versus PHP 1.85 billion in 2018. Our subsidiaries, Waterfront Wellness, Waterfront Food Concepts and Mayo Bonanza, Inc. generated a total gross revenue of PHP 15.51 million in 2019. Group GOP is at PHP 563.37 million, a significant increase of 23% compared to PHP 459.44 million the previous year. Consolidated net income is PHP 434.40 million.

Waterfront Cebu City Hotel and Casino (WCCHC) accounts for 64% of total hotel revenue this year. This reflects the strength and dominance of our flagship property. It has since crossed the billion-peso mark and continues to build on its success. Gross revenue is at PHP 1.23 billion, up 10% from PHP 1.12 billion in 2018.

Market share growth rate this year against direct competition is 12.93%.

Manila Pavilion Hotel—now Waterfront Manila Hotel and Casino, temporarily suspended operations in early March of 2018. Today, the hotel is currently undergoing reconstruction with a completely new design and vision to take it forward. (See details under Our Brands.)

Waterfront Airport Hotel and Casino (WAHC) contributes the second highest share among our properties. This year the hotel was responsible for 23% of hotel-generated revenue. Consistent on its impressive growth trajectory, WAHC generated PHP 445.98 million in 2019, a growth of rate of 5% over PHP 424.03 million in 2018.

The hotel's growth in market share this year is 46.04%. Its occupancy rate of 95.92% is the highest among its direct competition.

Waterfront Insular Hotel Davao (WIHD) has contributed 13% of total hotel revenue. Gross revenue in 2019 is at PHP 253.81 million, versus PHP 240.88 million in 2018—up by 5%.

WIHD's market share growth rate against its direct competition is currently at 9.85%. Its occupancy rate is at 83.42%, the

highest in its class.

All our provincial properties have increased their revenue compared to the past year. (See further details per property.)

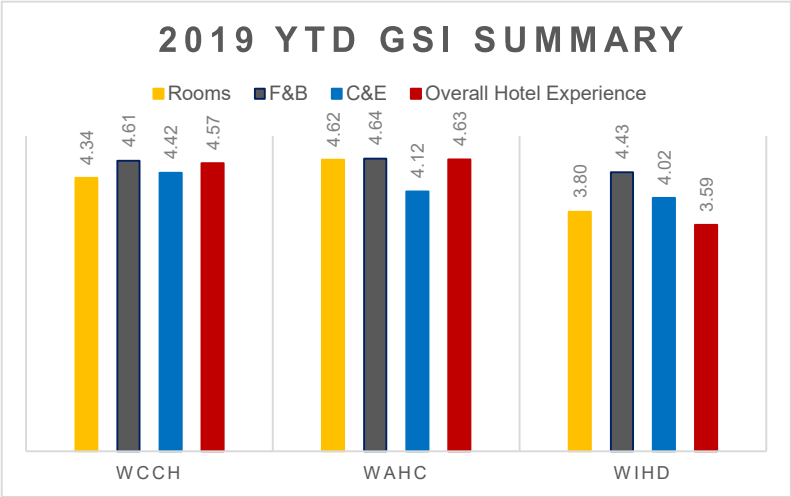
Guest Satisfaction

The Guest Satisfaction Index (GSI) in 2019 shows an overall satisfactory performance for each of our hotels. The system sets 4.00 as the passing mark, with 5.00 as the highest possible rating.

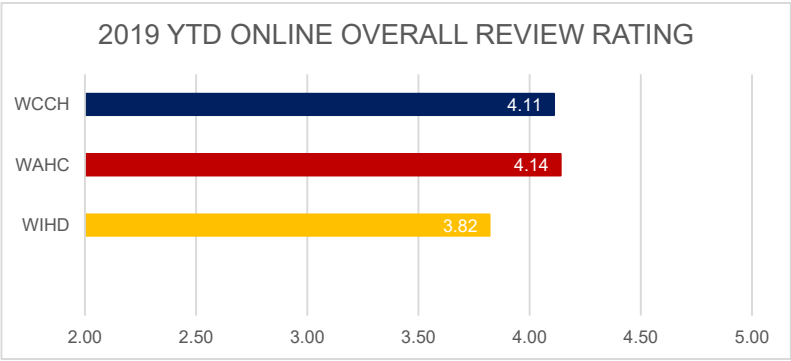
WCCHC earned an average annual/YTD GSI of 4.60 for its overall hotel experience—well above the standard passing scores and an improvement of 6.24% in comparison to 4.33 in 2018. Under the Rooms dimension, the hotel was rated a 4.41 YTD average score for Efficiency of Service—an increase of 10.92% compared to the past year's rating of 3.98. Staff Friendliness is at 4.43—an increase of 11.38% compared to 3.98 in 2018. Under the guest rooms rating, the hotel scored 4.17. C&E is at 4.44—an improvement of 0.74% compared to the previous rating of 4.41. F&B earned a 4.61 rating—improving by 0.24% compared to 4.60 in 2018.

WAHC also performs well with ratings above the standard passing level. Under the Rooms dimension the hotel was rated by guests favorably. It garnered 4.71 for Efficiency of Service, a remarkable increase of 12.30% over the past year's score of 4.19. Under Friendliness of Staff, it earned a high rating of 4.74–an increase of 11.38% over last year's score of 4.26. Guest Rooms rating also increased from 4.16 in the previous year to 4.42 in 2019—a 6.21% rating improvement. F&B GSI for this hotel remains is the highest in the group for a third year in a row at 4.64, slightly higher by 0.31% versus the past year's 4.63. C&E is at 4.15. Overall hotel experience rating for 2019 is 4.66—a jump of 11.91% in guest satisfaction versus last year's rating of 4.16.

WIHD reports improved ratings under the Rooms dimension. GSI is at 3.90 for Efficiency of Service—an improvement of 22.41% versus 3.19 in 2018. Under Friendliness of Staff, the hotel's rating is 3.98—increasing by 22.30% compared to 3.25 the previous year. Guest room ratings also improved by 19.73%, garnering 3.52 YTD average compared to 2.94 in the previous year. F&B rating is at 4.43. C&E is at 4.12. Overall hotel experience is rated at 3.68, increasing by 22.43% compared to 3.01 in 2018.



Under Revinate's Online Reputation System, the properties' GSI scores are as follows: Overall rating YTD in 2019 for WCCHC is 4.11. WAHC garnered an overall review score of 4.14. WIHD got an overall review rating of 3.82.



The properties' online GSI summary for 2019 reflected an overall positive result, mirrored by high rankings under Tripadvisor. WCCHC's overall review rating from January to October 2019 is 4.11, among 3,611 respondents/reviewers, with a 72% overall positive feedback. WAHC has garnered 4.14 overall rating from a total of 2,166 reviews, with a 72% overall

positive feedback. WIHD has an average rating of 3.82 from a total of 1,575 reviews with a 60% overall positive feedback. Under Tripadvisor, WCCHC ranks 16th out of 144 properties, WAHC ranks 9th out of 53 comparable properties, and WIHD ranks 13th out of 122 properties.

Rooms

Waterfront's guest rooms combine the best of luxurious comfort and generous space. These, along with beautiful views that best capture the charm of each hotel's locality, excellent amenities that provide every convenience and tasteful touches in craftsmanship, design and materials distinguish our guest rooms as a cut above the rest.

We maintain our excellent standards by constantly updating our amenities and investing in our rooms' upkeep and maintenance, always keeping an eye on global trends in guest comfort.

We constantly look to make room enhancements and maintenance in all our properties, be it extensive or subtle, in order to captivate our market, which should reflect in our guest satisfaction outcomes. Each year, upgrades or subtle refurbishments are distributed across our hotels to maintain a fresh and exciting experience. Our Guest Rooms Assurance Check for Excellence or GRACE Program works as a maintenance program designed to improve product quality and guest satisfaction. Such maintenance program involves an itemized and systematic inspection performed in all the hotels guest rooms and hotel areas including the banquet, dining outlets and public areas. This ensures that all our facilities and guest rooms are well kept and maintained ensuring guest satisfaction not to mention the program is a crucial component to successful hotel operations and greater profitability.

Consolidated Rooms revenue in 2019 is PHP 726.77 million, reflecting a growth rate of 3% in comparison to the previous year's PHP 704.25 million. Rooms have also contributed substantially to gross revenue this year, providing 37% of our consolidated gross income. Group occupancy rate for 2019 is 64%. Group ARR is PHP 2,069. Consolidated Revpar is PHP 1,793.

Beyond convenience in location and ease of modern comfort, Waterfront Hotels & Casinos prides itself in providing a room experience unlike any other. Our spacious suites—consistently larger than those in similar categories among hotels in our class—and modern and well-designed amenities satisfy the taste of the sophisticated leisure and business traveler.

We continue to intensify our marketing efforts drive better rooms sales. We are constantly expanding our marketing channels through online touch points while still exhausting mainstream marketing avenues, in order to convey our message of quality, convenient and comfortable.

Our guest rooms make our guests feel at home, while enjoying a distinctly new level of relaxation. Generating consistent positive feedback, they are praised for their comfort and spaciousness—our notable large floor area offers far more than the usual space for any city hotel. For guests who desire larger floor areas, our rooms provide that added feeling of relaxation, freedom of movement and luxury. Waterfront gives its guests the rare experience of a home away from home, a private urban sanctuary that is generous in square footage.

Our luxury suites stand out for their impeccable interiors. These suites also boast of a large square footage. They exude an air of contemporary opulence. Their luxe contemporary design combines the perks that bring the best of modern relaxation with intricate details, interesting highlights and rich accents that communicate exceptional taste.

Our business floors and well-designed executive spaces offer fast connectivity and convenience for elite business travelers,

giving them a space to conduct work, while creating an environment of cozy luxury. Their exceptional quality and style—a mix of relaxed taste and sophisticated chic—makes for a memorable stay for the seasoned business guest.

Waterfront Hotels & Casinos is also in a position to provide more dedicated room categories that address varied markets and clientele. Our facilities fully maximize their spaces, being some of the largest hotels in the country. Whether it is an Executive suite with access to the exclusive lounge floor with dedicated all-day dining and office features, or a posh room at our entertainment area situated conveniently in proximity to our gaming spaces, or an affordable room category dedicated to our group bookings and MICE-related stays that provide well-appointed rooms at an accessible price point, our flexibility enables us to address the varying needs of our guests.

Food and Beverage

Our Food and Beverage department remains to be one of the more lucrative area where dynamic programs are made combined with a formidable and talented team bringing outstanding service.

We ensure that our dining outlets constantly have something to offer our guests, as food and dining trends change constantly in a fast-paced, globalized and internet-driven world. Our outlets are reinvigorated each year to introduce new and exciting experiences to our clientele. We have recently refreshed our chef's roster to include more Filipino touches while maintaining the global cuisines and feel for our international guests. Menus were likewise upgraded, allowing guests even more diverse and unique options. Each professional chef lends his or her expertise in creating new ways to experience global as well as local cuisine.

We are also dedicated to continue investment in F&B training, which makes for a culture of constant improvement, leading to a dining experience that is dynamic, distinctive and infused with the flavor of different tastes and cultures, yet grounded in Filipino authenticity.

Our restaurant and lobby lounge menus, being responsive to trends and constantly reviewed for quality, pique guest interest as well as improve our F&B revenue. Our Banquet packages, sales and service have been a constant source of pride, satisfying the most precarious of customers, and continually serving them satisfactorily with flying colors. Thus, F&B has become one of the highest contributors to overall revenue, which is a sign that our efforts are paying off.

Our recently on-boarded chefs bring their respective culinary specialties. Their expertise has not only enhanced our offerings but also introduce variety and innovation to our dining experience.

Our F&B, Banquet, and Convention & Events managers and sales deliver international caliber management capabilities to our outlets and banquet function rooms ensuring quality service and guest experience.

To promote our F&B outlets, we use a mix of traditional placements and new media strategies that are becoming the source of increasing engagement and patronage. Waterfront employs influencer marketing by inviting prominent social media ambassadors to spread the word about our themed dining promotions and other activities.

F&B remains an important component of operations and guest satisfaction. It continues to perform well revenue-wise, generating PHP 666.39 million of consolidated gross revenue for all properties. This figure is a 6% increase from the previous F&B gross revenue of PHP 630.70 million in 2018.

F&B this year contributes 34% of the entire group's gross revenue, exactly the same percentage as the previous year. We are committed to maintaining the quality and excellence of our F&B operations as they from an important backbone of our brand and guest experience.

Our Brands

Waterfront Cebu City Hotel and Casino. This stunning, sprawling and grand property stands unrivaled at the heart of Cebu's business hub. WCCHC as our flagship property is a standout choice when searching for the quintessential stay for both business and leisure in the city. Strategically located at the best possible prime area—right across Asiatown IT Park and within minutes of Cebu Business Park—it has an incomparable first-rate location with access to all important city stops. The hotel stands out as an ideal choice for anyone who values the best possible combination of a comfortable and luxurious city stay

coupled with business prestige and convenient access to transport.

The hotel is among the largest in the Philippines, and remains the most extensive facility with the highest number of rooms within the Visayas and Mindanao areas. It offers an unbeatable package of sophisticated business amenities, round-the-clock entertainment facilities and unmatched variety of dining options. WCCHC is also a convention hub, whose convention facilities boast among the country's highest capacities, able to host a wide variety of MICE-related functions.

Rooms' revenue for this property in 2019 is at PHP 430.14 million, a 7% growth from last year's PHP 400.61 million. Occupancy in 2019 for this property is 78%—a 1% growth from the similarly high rate of 77% in 2018. Revpar is currently at PHP 2,134—an increase of 9% in comparison to PHP 1,956 in 2018. ARR likewise demonstrated growth, increasing by 2% from PHP 2,674 in 2018 to PHP 2,719 in 2019.

F&B revenue for 2019 is at PHP 448.90 million, a substantial increase of 12% from PHP 400.19 million in 2018. Rent and related income is PHP 348.29 million, another growth area where income rose by 11% versus PHP 313.10 million in 2018. Gross revenue from other operating departments is at PHP 6.77 million, increasing by 15% from PHP 5.89 million in 2018.

The property's gross revenue in 2019 is at PHP 1.23 billion—a significant 10% leap from PHP 1.12 billion in 2018. The property has generated revenue past the billion peso threshold for the third time—building on its remarkable milestones in previous years.

GOP is PHP 450.02 million, a 7% increase from the previous year's GOP of PHP 420.29 million.

Net income for the year is PHP 229.77 million, increasing by approximately 50% over the previous year's PHP 152.82 million.

Against its competitors, WCCHC Market share has increased in 2019 by 12.93% against its direct competition.

Waterfront Manila Hotel and Casino (formerly Manila Pavilion Hotel and Casino). Approximately two years since the property suffered a huge and unexpected setback as a fire in the property resulted in a suspension of operations, Waterfront pushes on with its reconstruction.

As a resilient organization, we have a strong belief in finding opportunity in adversity, and are determined to turn this around by engineering a resurgence hotel, to rebuild it better than it ever was.

The company has employed the very best teams to ensure that its revival would be nothing less than astounding and world-class. We are on the path towards our vision of transforming it into a new structure befitting of its history and importance in the Waterfront portfolio—a stunning and powerful landmark in Manila's cultural heart.

The property is poised for reinvention in the hands of a global leader. We are working with the world's top hospitality design firm, HBA. A multi-awarded firm, HBA brings its extensive global expertise to the table by redesigning Manila Pavilion Hotel into a building that is distinctive in form and much larger in scale, a structure that is befitting of its importance among its international clientele.

The reimagined Waterfront Manila Hotel and Casino sits on its prime location as a landmark ready to rise again and present its new offerings to the world. It is designed to be the most prominent building and most striking example of modern architecture in Manila's historic district—a bustling area with a rich storyline and tourist activity. This vibrant, eclectic tourism hub is the perfect backdrop to complement its magnificent architectural presence.

Steadfast is our goal for the re-constructed hotel to go beyond what has been achieved before, to rise higher and create a brand new unexpected experience that was not possible with an older property. Guests can expect much more from the hotel's new features, connectivity systems, guest services, ambiance, business centers, recreational areas, F&B, and others.

Now that the property has the chance to truly start fresh, Waterfront is taking advantage of the opportunity to build a new magnum opus for the group—both in architecture and guest experience—a dynamic showcase of its brand, representing the best of Waterfront's founding values, and a source of pride for the Philippines' hospitality industry in the country's busy capital. (See pictures on update of hotel's construction 2019 under "Waterfront Manila Hotel & Casino Construction Update".)

Waterfront Airport Hotel and Casino. WAHC is one of the most strategically located hotel properties in the country. In proximity to the modern Mactan Cebu International Airport (MCIA), it is the perfect complement to this new travel hub, the prime international gateway to the Southern Philippines.

MCIA's massive improvements, expansion and modernization impact the hotel with increased tourist traffic from all over the world. This influx undoubtedly requires the convenience of an airport hotel. The property also has the most number of rooms for a hotel in its class in the area, assuring its ability to cater to larger bookings.

WAHC is consistently one of our best-performing properties. Gross revenue for the year is PHP 445.98 million, reflecting a growth rate of 5% versus the previous year's PHP 424.03 million. GOP in 2019 is PHP 217.93 million. This signifies a double-digit increase of 12% from 2018's PHP 195.15 million. NOP (after tax) is PHP 140.79 million—a remarkable 40% leap from the previous year's PHP 100.61 million.

Revenue from Rooms is at PHP 183.87 million, up 8% from PHP 170.73 million in 2018. F&B income is PHP 82.04 million, reflecting 2% growth from PHP 80.44 million the previous year. Rent and related income rose from PHP 157.58 million in 2018 to PHP 165.12 million in 2019—a 5% increase. Other income for the property in 2019 is at PHP 14.94 million.

The hotel's occupancy rate in 2019 at 96%. ARR increased by 1%, from PHP 3,181 in 2018 to PHP 3,217 in 2019. Revpar is PHP 3,086—a growth of 10% versus the previous year's PHP 2,818.

Cost and expenses this year were effectively managed and amounted to PHP 228.04 million, a level figure or 0% growth in costs in comparison to the previous year's PHP 228.89 million. Personnel costs amounted to PHP 46.65 million. Energy costs 2019 amounted to PHP 54.59 million.

The hotel's growth in market share versus its direct competition is 46.04%. It has also achieved the highest occupancy rate in its class.

Waterfront Insular Hotel Davao. WIHD is a beautiful property with stunning ocean-facing views. It is our pride in Southern Philippines, located in Davao City, an urban and business hub in commerce and resource-rich Mindanao. It is a uniquely designed property that displays the beauty of its natural environment, indulging guests with relaxing landscapes and stunning views, while being an oasis of convenience with all the modern amenities of an urban stay.

The hotel demonstrated growth in several key figures in 2019. Gross revenue for the year is PHP 253.81 million, a 5% increase from PHP 240.88 million in 2018. GOP is at PHP 33.51 million. NOP is at PHP 19.73 million, up 14% from the previous year's PHP 17.33 million.

Rooms revenue in 2019 is at PHP 112.76 million. This reflects a 10% growth from PHP 102.18 million in 2018. F&B revenue this year is at PHP 133.23 million, up by PHP 529,323 albeit with a growth rate of 0% versus the previous year's PHP 132.70 million. Other income for the hotel amounted to PHP 7.82 million in 2019, which means a significant increase of 30% in comparison to PHP 6 million in 2018.

Cost and expenses for 2019 amounted to PHP 220.30 million. Energy costs are at PHP 30.82 million, an efficient reduction of 8% compared to the previous year's energy-related expenses of PHP 33.58 million. Personnel costs for the property are at PHP 40.12 million.

Occupancy rate in 2019 for this property is 83%—signifying a growth of 4% versus 79% in 2018. ARR is at PHP 2,339, an increase of 1% compared to PHP 2,311 in 2018. Revpar increased from PHP 1,761 the previous year to PHP 1,951 this year, reflecting a growth rate of 11%.

WIHD's 2019 market share growth rate in comparison with directly competing hotels is at 9.88%. It also registered the highest occupancy rate among hotels of its class.

Marketing Highlights

Waterfront's overall messaging embodies the company's slogan, "We're at the center of it all." Our strategy aims to channel this message to our market in various innovative ways and through different communications media and touch points. We as a hotel chain strategically communicate to the consumer that we are a one-stop destination for our all guest and patrons' needs. Each property has its own unique way of conveying this message, tailored to its own market and audience.

Our flagship property, **Waterfront Cebu City Hotel and Casino**, stays true to its prominence in the industry by being a creative initiator of events and being a desired venue for many culturally and socially relevant initiatives. It was hailed as Cebu's Best Events Venue of 2019 by the Sun.Star Best of Cebu Awards, an annual list of top places and products as compiled by one of the province's most patronized newspapers and the Philippines' top community paper, Sun.Star Daily.

WCCHC kicked off January with an exciting and fun-filled lineup of month-long promotional activities. This series included presentations like Cebu's internationally famous Sinulog dancing at the hotel lobby—a cultural spectacle that entertained both patrons and guests. It also included unique dining themes promoting local fare, with a well-reviewed Cebuano cuisine feast at UNO as the month's dining feature.

Chinese New Year 2019 was greeted with a grand celebration featuring traditional lion and dragon dances at the hotel's main lobby. The event was graced by Cebu's VIPs as well as by Chinese diplomats. The annual grand fireworks display dubbed "Fire in the Sky" is a much-awaited highlight to the hotel's Chinese New Year festivities, and this year's show did not disappoint. Waterfront is known for throwing one of the grandest Chinese New Year festivals in the city. Each celebration is well-attended and prominently featured in print and online media.

Easter 2019 at Waterfront was all about a transformation of its function rooms into magical worlds for children, filled with lots of treats for all partygoers. The annual Easter egg hunt featured chocolate-filled eggs hidden around the hotel, and an entire afternoon of activities and entertainment options tailored for walk-ins, guests and their families, such as face painting and inflatable rides.

Having served as the preeminent venue of the grandest events in Cebu, such as wedding receptions, debuts, corporate conferences, brand launches, fashion shows, sold-out concerts and other red-letter events, the hotel continues to be the beating heart of its lifestyle. Cebu Style Week 2019 was held in WCCHC. In July, the celebration came with a back-to-back fashion show in celebration of two historic events: Pride Month and American independence. The show featured the show-stopping designs of some of the Philippines' most sought-after and talented designers.

The Cebu Wedding Expo, the city's top bridal event, was taken to grander heights in 2019 when Waterfront again hosted the event for the fifth straight year. Event highlights included exhibits and workshops, capped off by a Filipino-inspired fashion show that featured the country's most acclaimed up-and-coming designers. The wedding expo generates a yearly buzz and markets the wedding packages of the hotel.

WCCHC hosted the Best of Cebu Awards Night. Now on its sixth year, this annual awards event curated and organized by Sun.Star Publishing is one of the biggest gatherings of Cebu's best brands, products and services. Waterfront's Pacific Grand Ballroom was transformed into an exciting expo, creatively

showcasing the creative booths of the nominees and winners. Waterfront was awarded 2019's Best Events Venue as well as the second prize for the Best Booth/Exhibit.

WCCHC's annual support of Pink October has become one of its charitable traditions. The hotel created a campaign with the hashtag #WaterfrontGoesPink, with promotions and packages benefiting breast cancer advocacies. The campaign partnered with local establishments, ICanServe Foundation and Clothes for Life to organize its annual charity ball, the Pink Ball. The gala event featured the creations of renowned Filipino designer Jun Escario, as worn by fashion icons, models and the brave cancer survivors of ICanServe.

As a show of appreciation for the hotel's top partners in the past year, sister properties Waterfront Cebu and Waterfront Mactan organized a lavish party highlighted by a Venetian masquerade theme at WCCHC's Mediterranean Hall. The event paid homage to all partners who make Waterfront's events, marketing and sales programs successful, including top Cebu and Manila-based corporate accounts, travel agencies, event producers, wedding planner and other business or collaborative partners.

On August of 2019, members and friends of the Cebu arm of prestigious international gastronomic society, the Chaine des Rotisseurs, convened at the Pacific Grand Ballroom of WHCCHC for a night of fellowship, music and dining. With the night's theme "Chocolat Decadence", the talented culinary team of Waterfront prepared a menu of exquisite dishes with chocolate as the focal point.

Waterfront Cebu's annual Christmas tree lighting has become a revered holiday tradition in Cebu. It kicks off the December festivities with its one-of-a-kind Christmas tree displays that are always a creative surprise, transforming the hotel into a themed wonderland. The hotel's magnificent settings and decor have become an annual draw for onlookers, patrons and guests, who explore the lobby lounge and dining areas for their ingeniously crafted tableaus and special settings. The 2019 tree lighting ceremony was spearheaded by WCCHC's General Manager, Anders Hallden, several VIP guests and representatives of the hotel's chosen beneficiaries or charities. For entertainment, the hotel brought in Idol Philippines 2019 winner Zephanie and Westlife's former member, international talent Brian McFadden.

Waterfront Airport Hotel and Casino keeps its dynamic atmosphere going by introducing timely events during the year that attract interest and generate engagement. Beginning in January, the hotel staged its own Sinulog presentations by bringing in Sinulog dancers to provide cultural entertainment at the hotel lobby to signal the festival season.

WAHC's Chinese New Year celebration was heralded by inviting local media to witness the preparations and festivities. The hotel also took the opportunity to introduce its latest additions to its team: a new executive chef, F&B manager and a new safety and security manager.

Easter Sunday was a big celebration for the hotel as it hosted a party with games and a grand Easter egg hunt.

One of the unique celebrations of Mactan Island is its famous Kadaugan sa Mactan festival. WAHC supported this community celebration by sponsoring entertainment on one of the festival's nights as well as by being the hotel sponsor of the Kadaugan sa Mactan Golf Tournament.

Waterfront Mactan also celebrated Halloween by putting together a fun Trick or Treat event for over one hundred children beneficiaries from Gloria Maris.

The Christmas celebration at WAHC was memorable and joyful as the hotel unveiled its golden Christmas tree setting to an exclusive group of VIP guests and media. The hotel continued its holiday celebrations by hosting 2019's "Tourism Night" alongside Lapu-Lapu City's local government unit (LGU) and other tourism stakeholders. It was a night of great food and entertainment in praise of Cebu's booming tourism industry. Christmas Day was celebrated at the hotel through its annual Santa gift-giving activities at the hotel lobby held on December 24 and 25. This brought a joyous presence and merry ambiance to the hotel, highlighting giving and generosity—the essence of the season.

Waterfront Insular Hotel Davao showcased its magnificent property and hosting capabilities through the event "Beautiful Beginnings at the Waterfront 2019", a wedding and celebrations fair. From May 30 to June 1, 2019, the fair brought together thirty of Davao City's most sought-after wedding and events suppliers to help couples prepare for their big day.

The admission-free event featured the latest trends in weddings, from bridal floristry to destination wear, banquet themes and concept details. WIHD was

able to share its multifaceted options for wedding events, in collaboration with local events businesses.

WIHD also celebrated the thirty-fourth Kadayawan Festival featuring local cuisine and arts. On August 8, 2019 the hotel officially launched its Visual and Wearable Art Exhibition curated by local visual artists, designers and florists.

WIHD's celebration of Pink October was in partnership with the Municipality of Loreto, Agusan del Sur and Carousel Productions, through which it brought the candidates of the 2019 Miss Earth pageant as the special guests of an exclusive charity gala. The Miss Earth candidates were there to support the charity event and help raise awareness for breast cancer. The event featured a pink-themed art exhibit portraying different images of women created by the BaiHinang group of women artists.

Each property's marketing efforts is tied with extensive public relations strategies through multiple media channels to strengthen and effectively direct their impact to the desired target audiences. Waterfront's marketing programs also highlight its strong community ties and involvement in local culture, and its prominence as a hub and fulcrum of activity, staying true to its mantra of being the destination "at the center of it all".

MARKETING HIGHLIGHTS

Waterfront Cebu City Hotel & Casino





Sinulog 2019

One of the grandest and most awaited festivals in the country- Sinulog 2019 was celebrated by the Hotel with an exciting and fun-filled lineup of promo and activities whole month-long including the traditional Sinulog dancing at the lobby, sumptuous dining promos, and an amazing Cebuano feast at UNO.



Chinese New Year

Waterfront Cebu City Hotel & Casino ushered in the Chinese New Year in style with traditional Lion and Dragon dance held at the hotel's main lobby led by the hotel's general manager Anders Hallden, together with Chinese Deputy Consul General Wu Xiaomin. The celebration was capped with a grand fireworks display at the hotel's main entrance dubbed "Fire in the Sky", which has become one of the city's annually anticipated highlights in celebrating the coming of the New Lunar Year.









Cebu Style Week - Pride and 4th of July Celebration.

July 2019 came with a back-to-tack fashion show extravaganza in celebration of two historic events: Pride Month and American Independence. All roads lead to the two-part fashion as it featured the show-stoppong and over-the-top designs of the best talented designers in Cebu including Rei Escario, Philipp Tampus, Mike Yapching, and many more.





Best of Cebu Awards Night

On its 6th year, SunStar Cebu's annual Best of Cebu party, which is one of the biggest gatherings of Cebu's best brands, products and services, took place in the Pacific Grand Ballroom of Waterfront Cebu. Adorned with highly creative booths of the contest winners including Waterfront Cebu, the Hotel not only bagged the Best Events Venue but won the second prize for the Best Booth/Exhibit as well.







Top Accounts Party

To celebrate, honor and recognize its top partners of the past year, the two sister properties, Waterfront Cebu and Waterfront Mactan, organized a lavish party with a classic Venetian masquerade theme at its Mediterranean Hall.









Chaine Des Rotisseurs

Cebu's gastronomic sociey, the Chaine des Rotisseurs, convened at the Pacific Grand Ballroom of Waterfront Cebu City Hotel & Casino for a night of fellowship, music, and food with the night's theme "Chocolat Decadence", the talented culinary team of the premier city hotel curated a course of exquisite dishes with chocolate as its main ingredient.





Mooncake Festival

In celebration of 2019's Mid-Autumn Festival, Waterfront Cebu offered a wonderful and delectably array of moon cakes that guests may relish.

Traditionally launched with the hotel inviting friends from media for a preview of the mooncakes that come in five different flavors: coffee, red bean, black sesame, green tea and lotus.







Wedding Expo

On its 5th year, the Cebu Wedding Expo has been taken to grander heights than ever before. The 2-day expo featured a more inclusive and interactive line-up of exhibits and workshops that aim to help future brides-to-be and grooms-to-be achieve their dream wedding. The expo capped off with a Filipino-inspired fashion show that featured designs of the country's up-and-coming designers such as Mak Tumang, Cheetah Rivera, and many more.

Pink October

The premier city hotel, Waterfront Cebu City Hotel & Casino, kicked off its month-long #WaterfrontGoesPink campaign with its annual charity ball, dubbed as the Pink Ball at the hotel's Pacific Grand Ballroom. The event, which was in partnership with Oro China, I Can Serve Foundation and Clothes for Life Inc., featured the designs of renowned Filipino designer, Jun Escario, and the outstanding women of I Can Serve.









Christmas Tree Lighting

To usher in the Yuletide season, Waterfront Cebu prepared an extravagant tree lighting that unveiled its one-of-a-kind tree display that featured an exceptional 22-Christmas tree display where guests surely enjoyed making their way through the hotel's magical forest.

The annual tree lighting ceremony was headed by Waterfront Cebu General Manager Anders Hallden and celebrated with distinguished guests and top class entertainers.



New Year's Eve Party

The Hotel kicked off the New Year festivities with a lavish and epic countdown party that got everyone dancing the whole night long. With a 70's-inspired party, dubbed as "Blast from the Past", the party-goers surely had the time of their lives as they enjoyed the night's free-flowing cocktails, fun-filled activities, and show-stopping performances.



MARKETING HIGHLIGHTS

Waterfront Airport Hotel & Casino





Sinulog Celebration 2019

Waterfront Mactan celebrated Sinulog weekend by bringing in Sinulog dancers at the Waterfront Mactan lobby.



Chinese New Year

Waterfront Mactan celebrated Chinese New Year (Year of the Earth Pig) with media friends. Waterfront Mactan has also introduced the new additions to WAHC family: Executive Chef Tristan Encarnacion, Food & Beverage Manager April Pinay, and Safety and Security Manager Pancho Ramirez.











Earth Hour

Lights were turned off in support of the world's biggest climate change campaign.





Easter Egg Hunt

A special day for the kids for Easter Sunday! Waterfront Mactan hosted a special Easter Sunday party, complete with games and Easter Egg Hunt!








Kadaugan sa Mactan

Celebrating the Victory of Mactan with Kadaugan sa Mactan Golf Tournament.





Top Accounts Party

Waterfront Mactan and Waterfront Cebu in a joint party, celebrated the Top Accounts.









Halloween Party

Waterfront Mactan hosted a Halloween party! Trick-or-treat, costumes and games were organized for more than 100 kids at Gloria Maris.











Christmas Tree Lighting



Waterfront Mactan unveiled the glorious golden Christmas Tree to the exclusive guests and media. A night of good food, entertainment and laughter were shared by Waterfront Heads and guests.



Tourism Night

Waterfront Mactan celebrated with Lapu-Lapu City in a night of celebration. Together with LLC LGU and other LLC Tourism stakeholders, Waterfront Mactan celebrated a night of food and laughter in celebration of the City's booming Tourism industry.











Christmas Nightly Entertainment

Annual Santa gift-giving at the Hotel lobby on December 24-25, 2019.







New Year's Eve Countdown Party

Guests flocked the Hotel lobby for the Annual NYE Countdown Party attended by influencers, Hotels' Department Heads, peers, and guests.

MARKETING HIGHLIGHTS

Waterfront Insular Hotel Davao





Kadayawan Fete

Waterfront Insular Hotel Davao celebrated the 34th Kadayawan Festival with a tribal fusion of local cuisine and an appreciation of the local arts officially launching its Visual and Wearable Art Exhibition curated by visual artist Elenita Dumlao, accessory designer Kathryn Fanlo and florist Jade Polizon.



Beautiful Beginnings at the Waterfront 2019

The Hotel hosted its wedding and celebrations fair from bringing together 30 of Davao City's most sought after wedding and event providers to help couples prepare for their big day featuring latest trends in the wedding and events scene from bridal floristry to destination wear, banquet themes and concept details. It also gave away exclusive hotel perks for the whole duration of the fair.







Our Subsidiaries

Waterfront's subsidiary companies form a veritable support network and complement to its hotels by providing essential services and products that enhance our main brand offerings. They are independent brands in themselves too on the consumer-facing side, and are sources of important streams of brand value and revenue.

These companies make the Waterfront organization much more dynamic and agile, able to innovate and unlock more business opportunities. Total revenue from our subsidiaries in 2019 is PHP 15.51 million, up 13.96% from PHP 13.61 million in 2018.

Waterfront Wellness Group, Inc. (WWGI) offers a sports and recreation facility in our Cebu City property with top-of-the-line equipment and 24-hour fitness with in-house spa and wellness services. In 2019, Citigym achieved a gross revenue of PHP 13.30 million, up 16% from PHP 11.42 million in 2018. GOP is PHP -0.86 million. NOP is PHP -1.08 million. Costs and expenses are at PHP 14.16 million, a reduction of 25% from the previous year's PHP 18.90 million.

Gym membership revenue is at PHP 10.06 million, an increase of 24% versus 2018's PHP 8.11 million. Our wellness facility generated revenue of PHP 1.87 million. Pool revenue is at PHP 0.87 million, growing by 11% compared to the previous year's PHP 0.78 million. Other income generated by WWGI is PHP 0.51 million.

We intend to innovate further and create enticing packages for gym memberships, introducing wellness programs that are on-trend and offer great value.

Waterfront Food Concepts, Inc. (WFC) streamlines sourcing and production for our food outlets, creating fresh, scalable, high-quality culinary products and improving the efficiency of our dining options. It is the largest industrial supplier of fine baked goods in Cebu with a loyal base of institutional customers. In 2019, WFC posted gross revenues of PHP 2.21 million, an increase of 1% versus PHP 2.19 million in 2018. GOP is at PHP -3.84 million. Net income is at PHP -3.90 million.

Costs and expenses are at PHP 6.05 million. Total assets under the company are valued at PHP 6.54 million.

Waterfront Hotel Management Corporation was established to oversee the thrust of instituting an all-Filipino chain of hotels in the country and to manage local and independent hotels. The company is currently seeking new investment and expansion opportunities.

Waterfront Horizon Corporation (WHC) successfully established the country's first ever integrated hotel reservations and booking system featuring a full-service, round-the-clock, 7-days-a-week Central Reservations Office. This centralized automated system with full contact center support offers a better way of servicing our wide global clientele, giving them ultra-convenient booking while assuring us of better ability to track our business.

Mayo Bonanza, Inc. In partnership with Philippine Amusement and Gaming Corporation (PAGCOR) aggressively taps into slot machine segment potentials in the gaming market. Under contract with Atlantic Dynamo of the British Virgin Islands, it leases space and VIP slot machine arcades for PAGCOR. It owns a 1,200 square meter VIP arcade housing 240 slot machines in Sta. Cruz, Manila.

Waterfront Promotions LTD and its wholly-owned subsidiary Club Waterfront International Limited, Inc. was founded to focus on the international gaming market, promote Philippine casinos and organize special groups to participate in PAGCOR's Foreign High Roller Marketing Program.

Our Strengths

Waterfront capitalizes on its strengths to create a strong and stable foundation on which to ground its culture and guide its operations, as well as to serve as the driving force to propel the company forward and keep it a notch above the competition. The Waterfront brand offers a unique value proposition: the integrated experience of luxury, leisure, comfort, convenience, service excellence and an unsurpassed national presence.

Leading operator of first class Filipino hotels in the country.

We are the largest Filipino-owned group of top-rated hotels and convention facilities in the Philippines. We provide the biggest gaming space to PAGCOR

in our country's prime locations. Our positions in key cities in the Philippines give us leverage to market our brand locally and internationally, plus cross-sell our hotel services to travelers in the local market.

Unfaltering hotel performance.

Our consistent operating record and integrity speaks for our brand. We make sure that all our profitability markers are at par with our targets. We aim to serve our shareholders with conscientious effort to maintain top value through top performance, navigating industry and economic factors. Our growth is evidenced by profitable figures and the upkeep of our reputable brand image.

Proven and experienced management team.

Our top management is passionate and highly driven. We have an experienced and qualified team with successful track records, spread across our different departments. This team has successfully developed and enriched our business through consistent performance, innovation and the establishment of strategic alliances that enable us to weather difficult times in the industry.

We continually improve our capacities by participating in international trainings and seminars, keeping pace with new trends and applying these locally. Such practices result in a global outlook, which is incorporated in our operations.

Wide customer base.

Our brand appeals to a broad market, whether it is tour groups or premium leisure travelers. This is because we are able to integrate many types of experiences into our hotels. We are flexible and convenient, while at the same time a benchmark of value and quality.

We cater to both local and international guests, providing the best hotel experience to our various markets and maintaining internationally competitive rates. We value and nurture our Filipino customer base as well. Locals are our top market, contributing 56% of our total patronage. This means a consolidated 149,133 room nights in 2019 for all Waterfront properties. PHP 371.60 million out of our total revenue in all our properties is from Filipino guests, with an average room rate of PHP 2,491.77. Per property, Filipinos comprise 48% of our guests at WCCHC, 54% of guests at WAHC, and 85% of WIHD's guests.

Our second biggest market is Japan, contributing 60,299 room nights, PHP 167.90 million in revenue at an average room rate of PHP 2,784.53. Japan makes up 23% of our guest profile based on geographic origin. Korea (12%), USA (5%), China (4%), Australia (1%), Great Britain (1%), Canada (1%), Singapore (<1%) and India (<1%) round up the other nationalities in our top ten patronage based on country of origin.

We also have a solid network base of corporate clients and local and international travel agencies. We strive to achieve continuous growth through nurturing our Manila Sales and Reservations Office teams who sell our Cebu and Davao properties and also facilitate the cross-selling of services between hotels.

To further grow our customer base, we have entered into profitable agreements with domestic corporate clients to provide rooms for their employees at customized rates during special booking periods. Through our ability to provide flexible terms, we intend to develop brand loyalty and create a strong referral network.

Our company continues to optimize technology as a means to reach a wider range of customers. We set up an e-commerce system that allows us to develop and reach out to new market segments and makes bookings and payment fast, convenient

and easy. In addition, we are in partnership with several alternative distribution systems and a global distribution system to expand our marketing reach.

Responsive to dynamic market change.

Our competitive position is strengthened by our dynamic organizational philosophy, as well as our ownership structure. We are flexible and highly responsive to market factors, able to make critical decisions and interventions at a quicker pace. Our facilities and wide range of services as well as the independence of our subsidiaries provide us with many tools for adjustment of the guest experience, which aids in customization and responsiveness to our market's needs.

Opportunity to benefit from economies of scale.

Our size and market leadership allows us to benefit from economies of scale. Through the use of our bulk purchasing policy, we are able to secure contracts and services, and procure supplies on favorable terms and prices. This helps us efficiently manage our operating costs in relation to linen products and consumables, such as paper products, food and beverages. Profitability is maximized.

Competent management and operating systems.

We have streamlined our operations to make it more efficient. Marketing and room reservations are managed through our central reservation system and our real-time reservation system online. We make use of the latest advances in technology to facilitate higher efficiency. We are the first hotel chain in the country to implement a Corporate Fidelio shell and use OPERA for our Property Management System (Front Office) and Marketing (Sales and Catering). Micros Materials Control, Sun System for financial standards and HRTS or Human Resource Total Solution are some systems used throughout the Hotel which provides efficiency in the different departments of the Hotel is caters to.

Through a centralized procurement and bulk purchasing policy, we ensure a consistent quality standard of goods supplied to us. Moreover, standardizing the products used in our hotels provides guests with confidence in the quality of each hotel and helps us efficiently manage our operating costs. Our strong presence in the Philippine hospitality industry has been able to develop procurement channels that allow us to obtain value-for-money goods and services catering to the needs of our hotel operations.

Our systems, procedures, and activities are supported by a complete and comprehensive set of operating manuals that are strictly adhered to by all our companies.

Strategic locations.

Our properties are centrally located in the central business districts of the three prime Philippine regions, namely: Manila, Cebu and Davao.

These are the key cities of the country with the highest tourism traffic. As such, our location gives us access to a greater number of foreign and local travelers as well as enables us to attract ideal markets.

Capable acquisition strategies.

Our management team has substantial management experience in the acquisition of equity interests in hotels in the Philippines. We have enjoyed considerable success in formulating and implementing clear acquisition strategies, and seizing opportunities to explore market potential of the hotel industry.

Our acquisition strategy remains sound as it takes half the time to acquire and renovate properties as it does to conceptualize, construct and pre-open new properties. With our expertise in hotel management, and our partnership with an investment group that is premised on the transfer of clean properties with minimal business risks, we are confident in our ability to improve operations and enhance the value of acquired assets.

Dynamic growth approach.

We see our revenue to grow further from the expanding opportunities in the gaming industry and by consolidating our partnership with the Philippine Amusement and Gaming Corporation. We believe the gaming industry is poised to become a major contributor to the Philippine economy and the growth impetus ascribed to tourism by the national government. We intend to continue looking for opportunities to expand and diversify our business.

ntegrated company support services.

Our company stretches across several subsidiaries that provide important support services for our properties. (See Our Subsidiaries section for details.)

Growth Strategies

Waterfront believes in constant evolution and improvement. We are passionate about developing our people, processes and infrastructure to boost the overall quality of our product. We believe this is essential for continued growth, expansion and sustainability. We focus on strengthening our product to improve guest satisfaction and ensure our profitability and staying power.

The facility upgrades in recent years have served to pique consumer interest in our hotel experience. Our on-going renovation of our Manila property will soon be our most exciting addition to the Waterfront experience, and we expect to emerge even stronger as a group upon its completion.

The year 2019 has been about optimization of our strengths, consolidation of efforts and efficient management of our properties to achieve or exceed our targets. It has been about aiming high and expecting the best performance among our peers, and ensuring that they receive our full support. Because of this, we have maintained our lead as one of the top Filipino-owned hotel chains catering to travelers and guests who wish for the ultimate convenience in the Philippines' key cities.

Apart from property improvements and peer development, we believe that the vital elements to growth reside in strategic acquisition and diversification strategies, and the constant improvement and expansion of our distribution channels.

Facility Upgrades.

Each property has undergone necessary upgrades over the years. Waterfront today conducts its annual facility improvements to assure the quality of its product.

The major update to our portfolio is still undergoing reconstruction from the ground up. The Waterfront Manila Hotel and Casino will soon rise, bringing with it an entirely new experience that will excite and draw guests for years to come.

Our provincial properties, meanwhile, are being maintained to ensure that they deliver only a topnotch guest experience that has come to be expected of our brand. In 2019, the properties have focused on the maintenance and repair of equipments and upgrade of systems, both hardware and software. WCCH has an on-going upgrade of its function room(s) and convention facilities including upgrade of its IT network and solutions. WAHC also made improvements in its room amenities and in the last two years, added more space to accommodate increasing demand for various hotel services. WIHD also makes regular improvements and in the past years has invested consistently in transport, amenities and equipment.

Peer Development.

Waterfront's service and management excellence stems from our ability to continually nurture and maintain high professional standards among our people, whom we call our "peers". We do this through continuous learning and training.

We are mindful of the highly competitive standards within the hospitality industry, and thus focus on imprinting valuable knowledge and new skills that our peers to perform exceptionally, and up to the highest industry standards. This continuous upgrading process in service competency is reinforced by our own local passion to convey the signature warmth of the Filipino hospitality.

In 2019, the group achieved a total Training Index of 110.58 housrs per person, exceeding the target of hours per person by 20%. WAHC secured the highest training index with 163.15 hours, followed by WCCHC with 138.4 hours and WIHD with

125.88 hours.

Operating in a highly competitive industry, the Waterfront group aims to consistently provide a program whereby our peers have the opportunity for continuous education. One of the high-impact programs given to the key performers across our various properties is the American Hotel and Lodging Educational Institute (AHLEI) Certification Course. A new batch of peers from our different properties was enrolled in AHLEI's self-paced Professional Certification Designation.

As part of Waterfront's Leadership Development Program, managers and supervisors from our different properties attended the Level Up Leadership seminar conducted by one of the Philippine's most respected business speakers, Francis Kong. The two-day seminar-workshop is a comprehensive course of leadership training designed to equip high-potential leaders with effective and proven principles, behaviors and applications with the objective to develop the business organization's most important asset—its valued employees.

The Hospitality Supervisory Program is also part of Waterfront's Leadership Development Program, and was completed by WCCHC supervisors in 2019. The five-day certification program provided information and learning activities, training supervisors about best practices in carrying out their responsibilities to both management and to subordinates or fellow employees.

Waterfronts' human resource managers attended the People Management Association of the Philippines' (PMAP's) Annual Conference held in WCCHC. The conference content focused on technological advancements and the most up-to-date HR tools that can be used for faster and leaner operations. The coverage included e-learning platforms for employee training and development, as well as ensuring that despite the new software that is being proffered to HR professionals, the human touch and personalized management remains at the heart of the profession.

The company also conducted safety and security training programs that included ERT training, a disaster risk reduction management seminar and an HIV/AIDS awareness seminar given across all properties. This is to ensure that all peers are equipped with skills and the latest information required to keep a high level of security in Waterfront's premises, ensuring the safety of all guests and employees.

Waterfront believes in employee engagement and involvement in Corporate Social Responsibility (CSR) activities. Through company-wide CSR activities, peers participate in a holistic developmental program. Our company considers its CSR programs as instrumental in helping employees feel more involved and aligned with the company's mission, vision and core values. Engaging peers in the CSR programs is a means towards realizing the hotel's thrust in being a leader and taking part in community-based projects that help in the development of the tourism industry. (See CSR section "Giving Back" for details.)

Peers are embraced as the group's strategic partner throughout our operations. The program is key to the development of effective and result-driven interventions and initiatives aligned with the ongoing transformations that all the hotels are undergoing in order to uphold our competitive and distinctive advantage in the hospitality industry.

Business Diversification. Waterfront continuously looks for opportunities to expand and diversify its business. This business decision has been embarked on in recent years, and is expected to reshape the direction of Waterfront as a group as we decide on more strategic transformations in the future. It will influence our management strategies and guide our decision-making as we strive to ensure our sustainability today and in the future.

Several approaches are being considered, including the determination of best use capacity, setting up of diversified revenue streams, and multiple ways of complementing, enhancing and improving on our core business. This is a necessary undertaking in order to maximize the value of our locations, being situated in prime properties in the key cities in the Philippines.

This is part of our commitment to constantly find ways to enhance shareholder value and to remain dynamic as a company, constantly moving from strength to strength.

Expanding Distribution. In 2019, we have relied on our online channels even more to bring continued growth and expansion to our company. Our profitability is anchored on our innovative and bold efforts in marketing and distribution, ensuring that we reach and joined programs which tremendously elevated our distribution and thereby increased revenue production.

Total online production has successfully remained robust among all our properties—this is an aggregate of production rates from our Global Distribution Service (GDS), Online Travel Agencies (OTA's), website and mobile app.

Online production continues to contribute significantly to total revenue year on year. Online revenue in 2019 remains strong among all our properties. Through combined online channels, the group (WHC) generated a consolidated online gross revenue of PHP 352 million in 2019, which, compared to PHP 303 million in 2018, reflects a 16% growth rate. This figure is computed as a total of GDS, OTA, Website and Mobile App revenue.

Per property data reveals that WCCHC generated PHP 225.86 million in total online segment revenue in 2019—an increase of 21% against PHP 186.70 million in 2018. WAHC total online segment revenue in 2019 is PHP 86.33 million, which means a 5% increase versus PHP 82.36 million in 2018. WIHD reports a total online revenue of PHP 39.81 million, increasing by 18% ahead of last year's PHP 33.72 million. The total online revenue per hotel is also computed as a total of GDS, OTA, Website and Mobile App revenue.

In terms of Rooms revenue contribution, online market revenue contributed 48.43% of total gross Rooms revenue for the entire Waterfront group in 2019. Per property Hotel, online revenue contributed 52.51% of gross Rooms revenue for WCCH, 46.95% for WAHC and 35.31% for WIHD.

Online-generated room nights for the entire Waterfront group in 2019 is at 108,030, increasing by 13% versus 95,605 online-generated room nights the previous year.

Per property, room night's production from online channels remains robust. WCCHC room nights booked online rose from 58,798 in 2018 to 68,271 in 2019—a 16% growth rate. WAHC online-booked room nights in 2019 is at 22,606. WIHD room nights via online channels increased from 13,965 in 2018 to 17,153 in 2019—a growth rate of 23%.

For the entire group, online segment average room rate (ARR) in 2019 is 3,258.41. Data per property shows that WCCHC online segment ARR is at PHP 3,308.31 in 2019—up 4% from PHP 3,175.27 in 2018. WAHC online ARR is PHP 3,819.05. This signifies an increase of 6% versus 2018's rate of PHP 3,605.81. WIHD online ARR in 2019 is PHP 2,320.91.

Online channels have become a strong avenue for growth and continue to gain relevance as customer behaviors and preferences change with popular technology. Their substantial contribution to overall revenue, and their significance to company expansion make them an important segment for continuous enhancement.

The Waterfront website enjoys a continued stream of patronage. The site is well-maintained and constantly updated to improve user experience and ensure current information. We enjoy visits from countries such as the Philippines, USA, Japan, Australia, South Korea, Australia, Singapore, Canada, UK, India and UAE. These are our top countries with the highest sessions and visits with over 185 countries visiting our site.

JANUARY - DECEMBER 2019			
LOCATION - COUTNRY TOP 10			
Country	Users	New Users	Sessions
185 COUNTRIES	158101	154600	204925
Philippines	93644	91359	123366
United States	17808	17477	22346
Japan	13371	13052	16829
South Korea	3816	3758	4669
Australia	3655	3604	4894
Singapore	2725	2662	3573
Canada	2389	2352	3079
United Kingdom	2225	2182	3049
Taiwan	1918	1878	2334
United Arab Emirates	1684	1669	2163
TOP 10 PAGES			
		PAGEVIEWS	UNIQUE PAGEVIEWS
Homepage - Waterfront Hotels & Casino		132701	93830
Waterfront Cebu City Hotel & Casino - Waterfront Hotels & Casino		60969	42336
Waterfront Insular Hotel Davao - Waterfront Hotels & Casino		42842	28021
Waterfront Airport Hotel & Casino - Waterfront Hotels & Casino		25183	17617
Contact - Waterfront Hotels & Casino		18592	13187
Events and Entertainment - Waterfront Hotels & Casino		15062	11206
Superior Room - Waterfront Hotels & Casino		12548	9845
Manila Pavilion Hotel & Casino - Waterfront Hotels & Casino		11840	8467
WIHD - Standard Room - Waterfront Hotels & Casino		7497	5733
Events & Activities - Waterfront Hotels & Casino		6031	3856
TOTAL ALL PAGES		514317	380190

The hotel engaged Compass Edge to develop a simplified site in Chinese to cater to the Mainland market. The page is published under the hotel's sub-domain, www.waterfrontcebucityhotel.com.cn. The site was translated by Mainland Chinese professionals, and used Search Engine Optimization via Baidu, where it was submitted for indexing. The site is mobile-friendly and is responsive in order to cater to various displays on desktop, tablet and mobile. Marketing is also expanded through social media channels, as the site is linked to Chinese social media accounts on Weibo, with promotional posts in Simplified Chinese.

Waterfront continues to generate steady sales volume through its central reservations office, which makes us the only integrated network of hotels in the country with a powerful presence through our 24/7 toll-free number. Anyone can book using a single 1-800 number, 1-800-WFRONT8 (9376688), for all Waterfront Hotels nationwide. This channel caters to guests who prefer booking by phone.

We maintain a partnership with our B2B and B2C Online Travel Agencies (OTA's) across strong markets such as Korea, Japan, China, and Europe/US. The local market, Philippines, still remains to be the strongest among our online geographics. We are currently working with Sabre as our global distribution partner. It is the world's largest online sales, marketing and distribution service for hotel groups. This system provides the best and comprehensive search facilities for agents in the hotel and resort industry, assisting them in making thousands of customized searches and generating instant confirmations. These partnerships support a strong distribution network for the company, ensuring solid growth infrastructure.

GDS data in 2019 proves that it continues to benefit our group. GDS-generated room nights in 2019 for the entire Waterfront group is at 2,485. ARR from GDS production grew from PHP 3,047.56 in 2018 to PHP 3,232.38 in 2019—an annual growth rate of 6%. Total GDS-contributed revenue for the group in 2019 is PHP 8.03 million.

Online travel agencies or OTAs have continued to produce an important source of growth for the group. OTA-generated revenue for the group is PHP 329.20 million in 2019. Compared to PHP 276.31 million in 2018, this signifies a 19% growth in the category. OTAs generated a total of 101,586 room nights for the group in 2019, growing by 15% versus 88,136 the previous year. ARR under OTAs is PHP 3,240.64 in 2019 for the entire group—a 3% increase versus PHP 3,135.06 in 2018.

Our marketing, sales and reservations offices make up an important backbone of our operations and revenue, representing our properties and facilitating cross-selling of our hotels and services. We ensure that our sales service is integrated, flexible, efficient and always accentuated with that Filipino touch of excellence.

In 2019, the number of calls received through our Central Reservations Office (CRO) amounted to 50, 625 calls while emails received was at 449,316.

Overall we continue to expand in innovative ways, using technology and new media to our advantage as a cost-effective way to expand our market share, explore new markets and ensure the strength of our brand presence locally and internationally.

FOCUS ON THE BUSINESS TRAVELER

Waterfront gives a wide range of business-related conveniences to ensure that our guests enjoy a productive stay. Our special attention to detail, well-equipped business centers, accessibility, unrivaled facilities and presence in major cities of the Philippines make us best positioned to cater to the business traveler's needs.

We are located throughout the country's major cities, in proximity to international airports. No other hotel chain in the Philippines has the reach and presence of Waterfront Hotels. Our hotels are located ideally within a short distance from major international airports, the Ninoy Aquino International Airport (NAIA) and the Mactan Cebu International Airport (MCIA). Whether it is in Manila, the country's biggest tourism hub and its political, social and economic center, or in Cebu, considered the gateway of tourism in Southern Philippines and the fastest-growing destination in the country, or Davao, a major city in the Mindanao area and an ideal base for business in the area, Waterfront is able to provide business travelers with first class accommodations and convenience expected of a business-savvy hotel.

Our capability to accommodate large numbers of travelers for all types of business gatherings. We provide the best range of venues for all types of meetings and conventions. No other hotel chain can boast of having the facilities to handle small, medium and large-scale gatherings with ease.

Our unrivaled facilities for MICE. We have the largest international convention center in the Visayas-Mindanao area, unparalleled for its size and available facilities. The convention center readily accommodates over 4,000 people. Throughout our hotels, we maintain a consistent focus on travelers with the MICE objective. We are flexible and efficient, able to provide all technical equipment and assistance necessary for business functions of any scale.

Urban recreational facilities. We have all the facilities that a business traveler requires to relax and unwind. Throughout our hotels, we maintain wellness facilities: gyms, spas, swimming pools and gaming areas that put the business traveler at ease. We know how important it is for guests to find an oasis in the city, and Waterfront, throughout its urban locations, provides sophisticated facilities for wellness, exercise and relaxation.

Connectivity. Waterfront Cebu City Hotel and Casino offers fast and free WiFi in-room and in its public areas. Our widespread connectivity service, whether in our rooms or our public spaces has been praised by many guests as generous and highly efficient. Nothing satisfies a business traveler more than a reliable, readily available Internet connection that enables him to work anytime, anyplace.

Fully equipped business centers. Our business centers are equipped to accommodate the business traveler's needs for Internet access, secretarial functions, copying services and communication. We take pride in being able to provide an "office away from the office", while maintaining that relaxed hotel ambience.

International gaming facilities. We provide gaming options to the international traveler. Our hotels give you the enticing option to discover the unique thrills of gaming while on your business trip.

A wide range of dining options. Being able to cater to a wide range of tastes and food preferences is a source of pride for our hotels. Business travelers who have unique preferences will find themselves at home in our dining outlets which serve international cuisine, from Chinese to Italian to Japanese. Menu customization for those with special dining requirements is done by our highly competent F&B staff. We provide a wide range of

menu options for business functions to suit your preference and budget.

Affordability and competitiveness. We have successfully remained within the business traveler's reach by staying true to our commitment of value for money. We continue to be highly competitive and best in class, giving our guests luxurious stays that are reasonably priced and appealing to our target market. This is especially relevant in today's business climate, where companies are adjusting their budgets and looking to find the best value for business travel.

Online ubiquity. Waterfront Hotels & Casinos boasts of an expanded online presence. We touch base with our clientele through our web and mobile tools that are designed to capture our market through well-strategized user interfaces. Bookings and payments are made secure and easy through constant improvements in our software. Our online booking facility also allows convenient reservations 24/7, enabling the global traveler ease in planning his stays. We are progressively increasing our online presence so we can serve the business traveler better.

Furthermore, we add priceless touches to the business traveler's stay. Our rooms and suites are specially furnished to please the jet set with sophisticated taste. The contemporary design aesthetic is prevalent throughout our hotels, adding an element of freshness, modernity and style that contributes to an unmatched experience.

The Ambassador Lounge is a highlight of our business stay. It offers the privilege of a top-floor location with splendid city views ideal for the corporate guest. Furnished with modern office equipment, state-of-the-art computers, audio polycom service, high-speed WiFi access, exclusive buffet breakfast, light afternoon snacks and full convention & secretariat support, the experience is perfect for on-the-go business executives.

Fresh new touches from our recent renovations convey our commitment to guest satisfaction. Whether it is the stunning, expansive new lobby at our Cebu flagship hotel or the progressive improvements in all of our properties, you are assured of a warm touch that cares for your every whim.

The unique combination of sensible sophistication, convenience, expanded F&B options, integrated gaming, wellness facilities, excellent service & attention to detail all adds to the signature touch that is unmistakably by Waterfront

AWARDS

Nominations, Awards and Citations	Year	Organization	Property
Best Events Venue	2019	Sun.Star Publications	WCCHC
Gold Circle Award Winner	2019	Agoda	WCCHC
Top Taxpayers Award - Top 10 Cebu City Real Property Taxpayers	2019	Cebu City Government	WCCHC
Asia's Best Airport Hotel	2019	Haute Grandeur Global Awards	WAHC
Philippines' Best City Hotel	2019	Haute Grandeur Global Awards	WAHC
Best Business Hotel	2019	Haute Grandeur Global Awards	WAHC
Partner Hotel Award	2019	GMCAC	WAHC
Top 10 Taxpayers Recognition for Company-Realty Category	2019	Lapu-Lapu City LGU	WAHC
1st MICE Venue Standard Award, in a Hotel Category Setting	2018	ASEAN	WCCHC
Best Events Venue	2018	Sun.Star Publications' Best of Cebu Awards	WCCHC
Token of Appreciation	2018	iCanServe Foundation Cebu	WCCHC
Grand Champion	2018	Davao Culinary Cup	WIHD
Loved by Guests	2018	Hotels.com	WIHD
Bronze Award, Gross Sales	2017	Rakuten Travel	WAHC
Bronze Award, Customer Review Scores	2017	Rakuten Travel	WAHC
Best Events Venue	2017	Sun.Star Publications' Best of Cebu Awards	WCCHC
Token of Appreciation for Corporate Social Responsibility	2017	iCanServe Foundation Cebu	WCCHC

AWARDS

Waterfront Cebu City Hotel & Casino

Agoda Gold Circle Award 2019

Waterfront Cebu was named by Agoda as one of the 30 hotels in Cebu awarded the Golden Circle Award in recognition of the hotels' superior service quality, globally recognized by its customers.



SunStar Best of Cebu 2019 - Best Events Venue 2019

For the 3rd year in a row, the City's premier hotel was awarded Cebu's Best Events Venue 2019, making the hotel a grand slam winner in the said category.









Cebu City Top Taxpayer Award 2019

Waterfront Cebu City Hotel & Casino was recognized by the Cebu City Government for being one of the city's Top 10 Real Property Taxpayers in 2019 during the 83rd Cebu City Charter Day Anniversary Testimonial Dinner and Awarding Ceremony.

AWARDS

Waterfront Airport Hotel & Casino







Haute Grandeur Award

Waterfront Cebu awarded as Asia's Best Airport Hotel, Philippines' Best City Hotel and Best Business Hotel by Haute Grandeur Global Awards.











GMCAC Partner Awards

Waterfront Mactan received partner hotel awards from GMCAC.





Taxpayer's Night

Waterfront Mactan is part of the Top 10 Taxpayers for "Company-Realty" category for 2018.

AWARDS

Waterfront Insular Hotel Davao





Agoda Gold Circle Award 2019

Waterfront Davao was awarded with Agoda Gold Cicle Award 2019, honouring Agoda's hotel partners' superior service, high scoring peer-to-peer reviews on Agoda, pricing and availability excellence.

CORPORATE SOCIAL RESPONSIBILITY

Giving Back

Our Corporate Social Responsibility (CSR) program remains an important part of our mission and core values as a company.

We are compelled to give back to our communities, recognizing that it is these same communities that allow our business to thrive and serve our society. As a company, we believe that giving back is not just about developing local business and providing employment, but also getting involved in community improvement and upliftment. Each of our hotels regularly selects relevant causes to include in our CSR agenda—projects that reflect our corporate values and respond to the exigencies of the time. We update our CSR priorities according to the changing needs of the community.

For the first time in our Annual Report, we will be including our 2020 CSR efforts during the pandemic alongside our 2019 updates, as we deem it important to provide relevant information on the company's community work during such an exceptionally arduous time.

Waterfront Cebu City Hotel & Casino (WCCHC). In 2019, our flagship property sponsored various events supporting widely-espoused causes, such as breast cancer awareness, as well as local causes of great relevance to its surrounding community.

The Pink October Ball, in partnership with the ICanServe Foundation, was the grandest October breast cancer benefit in the city, featuring world-class fashion and creativity for a cause. The month-long Pink October awareness and fundraising drive dubbed #WaterfrontGoesPink was kicked off by this charity gala, held in October 12, 2019. The event featured the stunning and elegant designs of renowned Filipino designer, June Escario, worn by the brave and outstanding women cancer survivors of ICanServe. Proceeds of the event benefited iCanServe Foundation.

WCCHC continues to work with Kapwa ko Mahal ko Foundation-Cebu to help develop a healthy community by reaching out and awarding financial assistance to families in need. The hotel presented a certificate of recognition to Kapwa Ko Mahal Ko Foundation, Inc. for its active support of the hotel's activities. The ceremony was attended by foundation representatives and staff, physicians, members of the Arts Council of Cebu, and the children who arecurrently the beneficiaries of the foundation.

As part of its commitment to serve and give back to partner-communities, WCCHC held a CSR activity at Barangay Kang-atis Elementary school. Waterfront helped fund the repainting of the school and WCCHC staff participated in the repainting activity.

Ecological preservation has always been an important priority for the hotel. Every year, the hotel reevaluates its energy efficiency and finds ways to improve its environmental footprint, never ceasing in its effort to cut carbon emissions and reduce energy use. Not only does this make sound business sense—more importantly, it contributes to lesser human impact on the environment.

The hotel continues to use its recently-installed heat pump units were installed to save on fuel cost. The technology uses reverse refrigeration in order to heat water and utilizes an eco-friendly refrigerant known as R-143-A. While it keeps diesel fuel consumption at a minimum, it also reduces carbon emissions year on year. We also installed a 40 BHp Logic Heat Vertical Steam Boiler to further save on fuel consumption and produce zero carbon emissions. The system uses electricity to convert water to steam. These two projects continue to generate substantial savings while they reduce the hotel's carbon footprint.

The hotel leaves subtle "Save the Environment" cards in all rooms. It is both an information drive to raise environmental awareness among guests, encouraging them to reuse towels and linens to limit water consumption and a program to limit the use of detergents that cause water pollution.

The property participates in Earth Hour this year, as it has committed to doing every year, turning off exterior lights and dimming the lights at the Grand Lobby during the designated period. In-house guests were encouraged to participate in energy-saving by switching off lights and other electronic devices in the rooms. Earth Hour's successful adoption lowers energy cost for the establishment and more importantly, through collective participation of commercial establishments and private volunteerism, diminishes energy consumption worldwide. It is also a program that teaches people globally to be aware of energy-saving practices.

The hotel's annual tree lighting ceremony is a much-anticipated event, gathering Waterfront's valued patrons and guests to welcome the holiday season. The 2019 Christmas Tree Lighting Ceremony was held on November 15. This particular event was dedicated to the recognition of the hotel's partners and beneficiaries, among them the ICanServe Foundation, its various event corporate sponsors, designers and creatives who participated in the Pink October Ball, and representatives of Kang-atis Elementary School, the hotel's community partner-beneficiary for the year.

Following the unprecedented change brought by the COVID-19 pandemic in 2020, WCCHC decided to help its neighboring communities and medical centers cope with the many challenges. Many have had to endure sudden displacement and shortage of essential goods. Hospitals were short of personal protective equipment (PPE), especially at the start, when demand far outstripped supply.

WCCHC launched its longest and largest donation drive to date, starting in March when it distributed food assistance to Cebu's local hospitals and even sent PPE donations as far as Masbate. These donations came in several waves, and were distributed among private and public medical institutions, including a children's ward in the city. The hotel also donated N95 masks to the anesthesia department of a private hospital.

WCCHC also supported nine (9) fire stations within Cebu City through food pack donations. The hotel continued this donation drive throughout March and April of 2020. In April the hotel also launched another series of food pack donations to the various hospitals in Cebu.

The hotel also donated food packs with water to the Cebu Provincial Government for distribution to its provincial hospitals.

The Department of Social Welfare and Development (DSWD) Cebu also received support from WCCHC in the form of food donations, to assist them in their work of packing relief goods for ingredients, the homeless and for displaced workers.

On Easter Sunday 2020, the hotel distributed over a hundred food packs to checkpoint front-liners in about twelve (12) checkpoints across the city, recognizing their sacrifice and increased risk during this uncertain time.

The hotel donated hundreds of sacks of rice and thousands of pieces of canned food to Barangay Lahug, Cebu City for distribution to residents in need, especially those who were quarantined or unable to work.

In May of 2020, Waterfront (WPI), as represented by its major stakeholders, donated medical supplies to the Province of Cebu. Tens of thousands of pieces of medical safety equipment was handed over to the province for distribution to its various agencies and hospitals. In July of 2020, Waterfront also donated sacks of rice and canned food to Cebu City Hall.

In support of its seasonal workers who were displaced as a result of the pandemic, WCCHC donated sacks of rice and food packs, as a gesture of concern and solidarity. WCCHC continues to assist and monitor its displaced workers.

These efforts are ongoing, and Waterfront is committed to being a true community member and concerned participant, as we strive to ensure business continuance while our entire society faces this unprecedented challenge.

Waterfront Airport Hotel and Casino (WAHC). WAHC always initiates its Christmas effort early by visiting the residents of Caohagan Island in Mactan in September. The CSR activity is called "Feet for a Change", which included feeding, distribution of school supplies and handing out of slippers to the local children. Footwear is crucial to maintaining children's health, as this basic necessity prevents many infections and ensures that the children can be active and mobile. The residents of

Caohagan have been beneficiaries of WAHC for several years now.

Every year, the hotel takes part in Earth Hour. Lights in large public areas are switched off. Instead of electric lights, candle centerpieces were used for lighting, and still as minimally as possible throughout the property. To heighten awareness of this cause, a thirty-minute educational video presentation was shown to explain the significance and impact of the campaign to all participating guests. The hotel has cumulatively saved 5 kilowatt-hours .

As with all other properties, energy conservation is a mainstay of WAHC's projects. The property finds ways to increase its energy efficiency thus contributing less to pollution and carbon footprint. The recent replacement of old televisions in all guest rooms to power-efficient LED TV's saved electricity consumption for the hotel. After the project's completion, annual energy cost has been reduced significantly. The hotel also installed an efficient digital thermostat control system in all guest rooms. It also converted 35% of the total number of halogen lights to LED lights, saving on cost, efficiency and power consumption.

As the COVID-19 pandemic struck in 2020, the hotel has been active in community assistance drives, to help provide much-needed donations in the form of food and personal protective equipment (PPE) necessary in the fight against COVID-19.

In March of 2020, WAHC donated packed food and water bottles to the Eversley Childs Sanitarium and General Hospital. These donations came in three waves. In April, the hotel donated PPE to the Cebu Crisis Assistance team. WAHC, in April, provided food assistance to the Lapu-lapu City checkpoint front-liners. These donations also came in several waves. In May of 2020, WAHC donated 27 boxes of medical-grade PPEs to the Office of the Cebu Governor, and gave canned food and sacks of rice to the Office of the Lapu-Lapu City Mayor for distribution to those in need. In May of 2020, the hotel provided sacks of rice and canned goods to Barangay Pusok, a nearby barangay.

In solidarity with its displaced seasonal workers, WAHC donated hundreds of sacks of rice and canned goods to provide much-needed food relief during the pandemic. The hotel continues to be involved in its community and is making its best effort to participate in donation drives and assistance efforts to help affected parties during this difficult time.

Waterfront Insular Hotel Davao (WIHD). In 2019, WIHD continues its women's health advocacy through its Pink October drive, understanding that more effort needs to be done to raise awareness of breast cancer's detrimental effects on women's health. WIHD's annual event series "Pink Matters" is a vehicle for breast cancer awareness and fundraising. The hotel hosted an exclusive charity gala highlighted by the presence of the candidates of the 2019 Miss Earth beauty pageant, and featuring an art exhibit created by a group of women artists, BaiHinang. A "Pink Matters" room promotion was also set up to raise more funds for the cause.

WIHD extended its CSR activities to neighboring province Agusan. Our Davao team visited a floating village in Agusan to donate linens, towels, slippers and other essential goods to the underprivileged community in the area. The Municipality of Loreto in Agusan del Sur was also an event partner in the hotel's breast cancer awareness charity gala held in October.

Childhood cancer continues to be one of the Mindanao region's biggest health challenges. Childhood cancer wards are under-funded and under-supported, and overall, childhood cancer cases in Mindanao statistically show lower survival rates than the rest of the country. However, the numbers for survival among children with pediatric cancer have begun to improve in recent years, jumping from 10% to 50%. WIHD is part of the effort to improve the outcomes of this disease through is partnership with the House of Hope Foundation for Kids with Cancer. The partnership now runs on its third year.

WIHD was the first hotel in the Philippines to achieve a breakthrough using solar energy. This clean energy effort continues today, as the hotel, already lauded as the first in the country to utilize solar power in its water heating processes and to supplement its other energy needs, continues to use clean energy to reduce its power costs as well as limit its energy consumption from conventional sources. This vital program has succeeded in conserving energy use and over time has generated tremendous benefits both for the company and the environment.

Along with all other Waterfront properties, the hotel showed solidarity in its support for Earth Hour by conserving energy during the designated time. All lights in and around the property were dimmed during Earth Hour to participate in the global drive to conserve energy.

The hotel also partners with government agencies to continue on its coastal

clean up drive. Together with the Environmental Management Bureau XI (EMB) of the Department of Environment and Natural Resources (DENR), it regularly implements a joint coastal clean up to preserve the surrounding marine environment.

The long-term objective of this project is to reduce the incidence of flooding in Davao and to preserve the environmental integrity of its coastal waters. Floods are responsible for sudden and extensive environmental, economic and public health emergencies. Pollution and environmental degradation contribute to the deterioration of health and living standards and destroy the ecological diversity of the area. WIHD believes in implementing regular cleanup and mangrove-planting measures to mitigate the effects of pollution and urbanization.

Understanding the impact of the COVID-19 epidemic on our local communities, WIHD organized several donation drives to benefit the local citizens through their LGU. Throughout March to May in the year, WIHD donated essential goods, including canned food and rice to Davao's LGU. The hotel also provided much-needed assistance in the form of food and essential goods directly to two barangays, Barangay Hizon and Barangay Pampanga, which are both in its immediate vicinity. Total donations to community causes during this three-month period is PHP 1.70 million.

In solidarity with its displaced seasonal employees, the hotel provided food donations in May worth PHP 506,180.39, WIHD continues to participate in donation drives and assisting its community and its displaced workers, even as the industry remain in a state of uncertainty due to the pandemic.

e remain optimistic, however, that this state of difficulty will come to pass. Meanwhile, the Waterfront group remains steadfast in its mission to support its community, especially where its properties are situated, and in its support of the environment through environmentally sound practices, as this is a manner of assuring a balance between commerce and sustainability.

Waterfront invests in the Philippines' present and future potential. We are fully committed to continuing our health, environmental and community advocacies, believing that successful business ownership carries with it a broader responsibility towards people and society.

CORPORATE SOCIAL RESPONSIBILITY

Waterfront Cebu City Hotel & Casino



Brgy. Kang-Atis Repainting

As part of the hotel's commitment to serve and give back to partner-communities, staff of Waterfront Cebu City Hotel & Casino held a CSR activity at Barangay Kang-Atis Elementary School together with their General Manager Anders Hallden.





Pink October Ball with I Can Serve Foundation

Waterfront Cebu Hotel & Casino, kicked off its month-long #WaterfrontGoesPink campaign with its annual charity ball, dubbed as the Pink Ball at the hotel's Pacific Grand Ballroom in partnership with Oro China, I can Serve Foundation and Clothes for Life, Inc. The event featured the designs of renowned Filipino designer, Jun Escario, and the outstanding women of I Can Serve.



Kapwa Ko, Mahal Ko Foundation

In the spirit of the season of giving, Waterfront Cebu City Hotel & Casino, headed by hotel general manager Anders Hallden, was proud to present a certificate of recognition to Kapwa Ko, Mahal Ko Foundation, Inc. for its active support in all the hotel's activities. The short ceremony was attended by Cebu's much-loved pediatrician, Dra. Vivina Chiu, Gerry Roa, Honey Loop, members of the Arts Council of Cebu, and the kids and staff of the service organization.

Christmas Tree Lighting

To recognize its partnerships with different non-profit organizations, Waterfront Cebu City Hotel & Casino awarded their beneficiaries with a certificate of appreciation during its Christmas Tree Lighting Ceremony among them were Mary Anne Alcordo-Solomon of I Can Serve Foundation, and Mrs. Cebu Philippines Cherryl Pelayo Dacua, the empowered women of I Can Serve Foundation, renowned Cebu-based designer Jun Escario, and Barangay Kang-atis Elementary School Principal Leo C. Alcantara.





CORPORATE SOCIAL RESPONSIBILITY

Waterfront Airport Hotel & Casino









Cauhagan Public Elementary School

WAHC led by Hotel Manager Benhur Caballes visited Caohagan Elementary School with the Hotel's Engineering Dept. to build the school's first library complete with books and a party with the kids to celebrate the occassion.











CORPORATE SOCIAL RESPONSIBILITY

Waterfront Insular Hotel Davao





Agusan Outreach

Waterfront Davao visited the floating village in Agusan to donate linens, towels, slippers, and other essential goods to the community. Also part of the CSR activities is the conducting TESDA Certified courses and basic housekeeping to the locals.

Pink Party Initiative

Together with the Municipality of Loreto, Agusan del Sur and Carousel Productions, Waterfront Insular Hotel Davao brings 25 international delegates of the 2019 Miss Earth pageantry to an exclusive charity gala where women advocates and women of the Earth come together with a collective intention to support the cause.

The main event was the Pink Art Exhibition portraying different imageries of women created by the BaiHinang group of women artists, a Pink Matters room promotion to run lasting the entire month of October or the Breast Cancer Awareness Month. Proceeds garnered a total of Php 43, 017.00.













Christmas Dinner for a Cause

In partnership with the House of Hope Foundation, a partner of 12 heartwarming years, and Muzic's Kool, the Hotel dedicates the season of giving to children with cancer in a fundraising gala dinner for the benefit of the Kids of Hope. Proceeds garnered a total of Php 55,600.00.

CORPORATE SOCIAL RESPONSIBILITY 2020

DONATIONS AMIDST THE CRISIS










CEBU CITY FIRE
BFP




WATERFRONT
CEBU CITY
HOTEL & CASINO


WATERFRONT
CEBU CITY
HOTEL & CASINO


CEBU CITY GOVERN
WATERFRONT
CEBU CITY
HOTEL & CASINO




WATERFRONT
CEBU CITY
HOTEL & CASINO
St.Vincent
GENERAL HOSPITAL


WATERFRONT
CEBU CITY
HOTEL & CASINO
MATUTO KA.






DONATED BY
SENATOR WIN GATCHALIAN
AND FAMILY







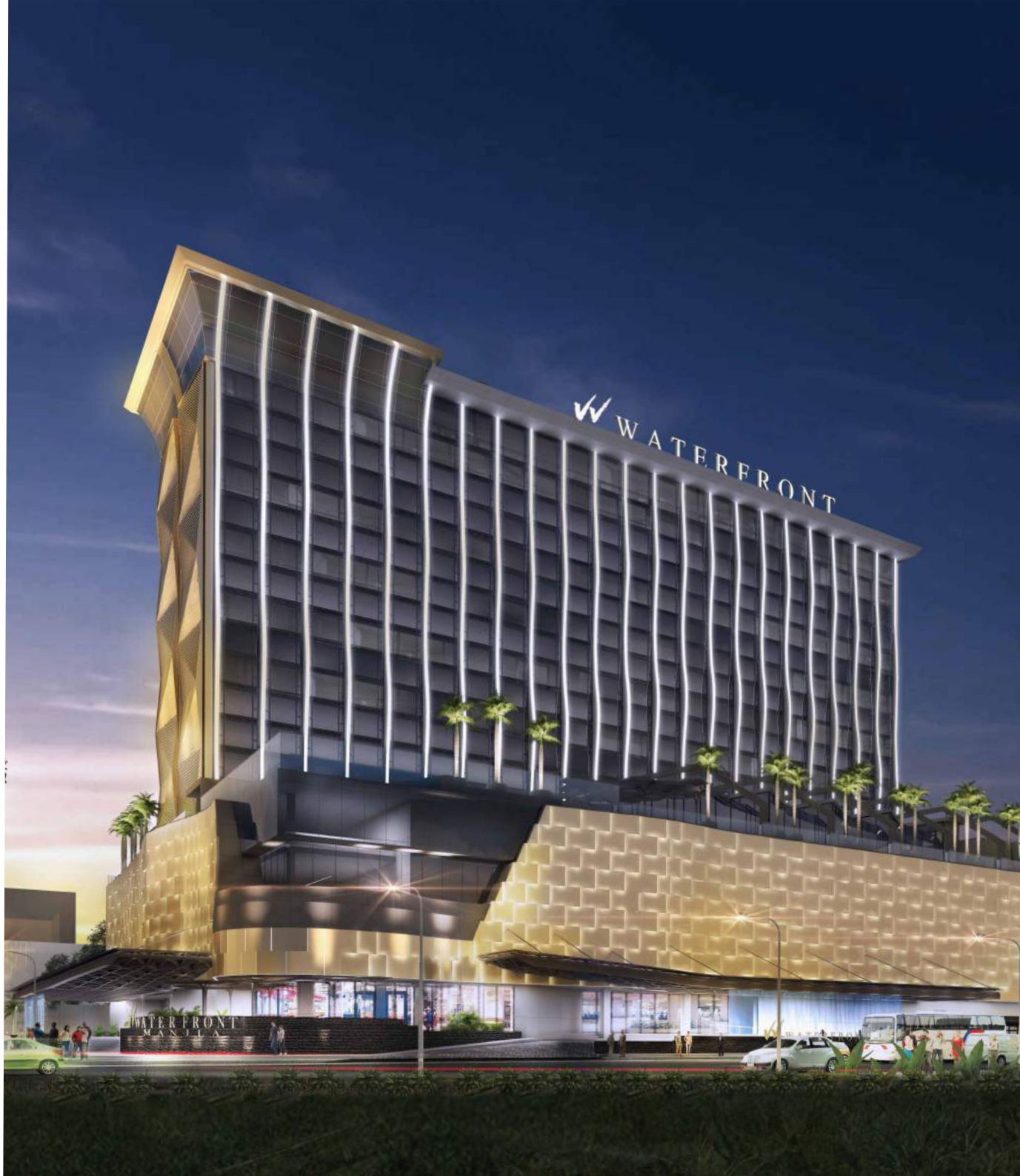



WATERFRONT
MANILA
HOTEL & CASINO

CONSTRUCTION IMPROVEMENTS

2019

United Nations Avenue cor. Ma. Orosa St.,
Manila 1000, Philippines



SOURCE : PMT TEAM

INTERIOR SHOTS | 2019


23rd Floor Roofdeeck Building

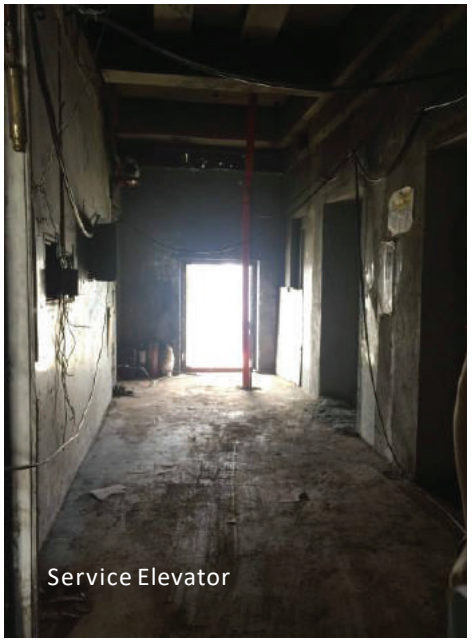

23rd Floor Roofdeeck Building


Basement


Ground Floor - Lobby

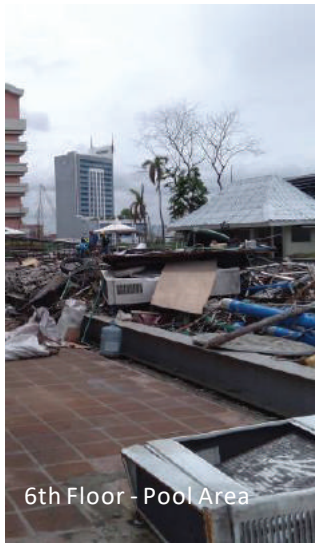

Hallway

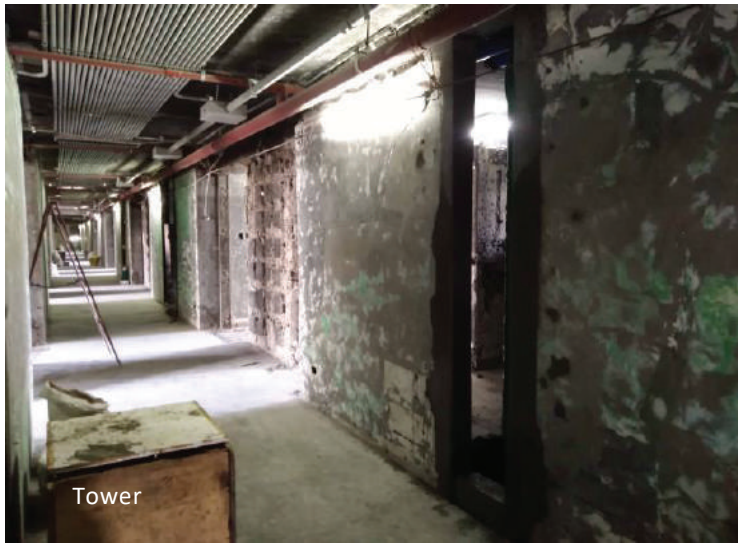

8th floor


Service Elevator

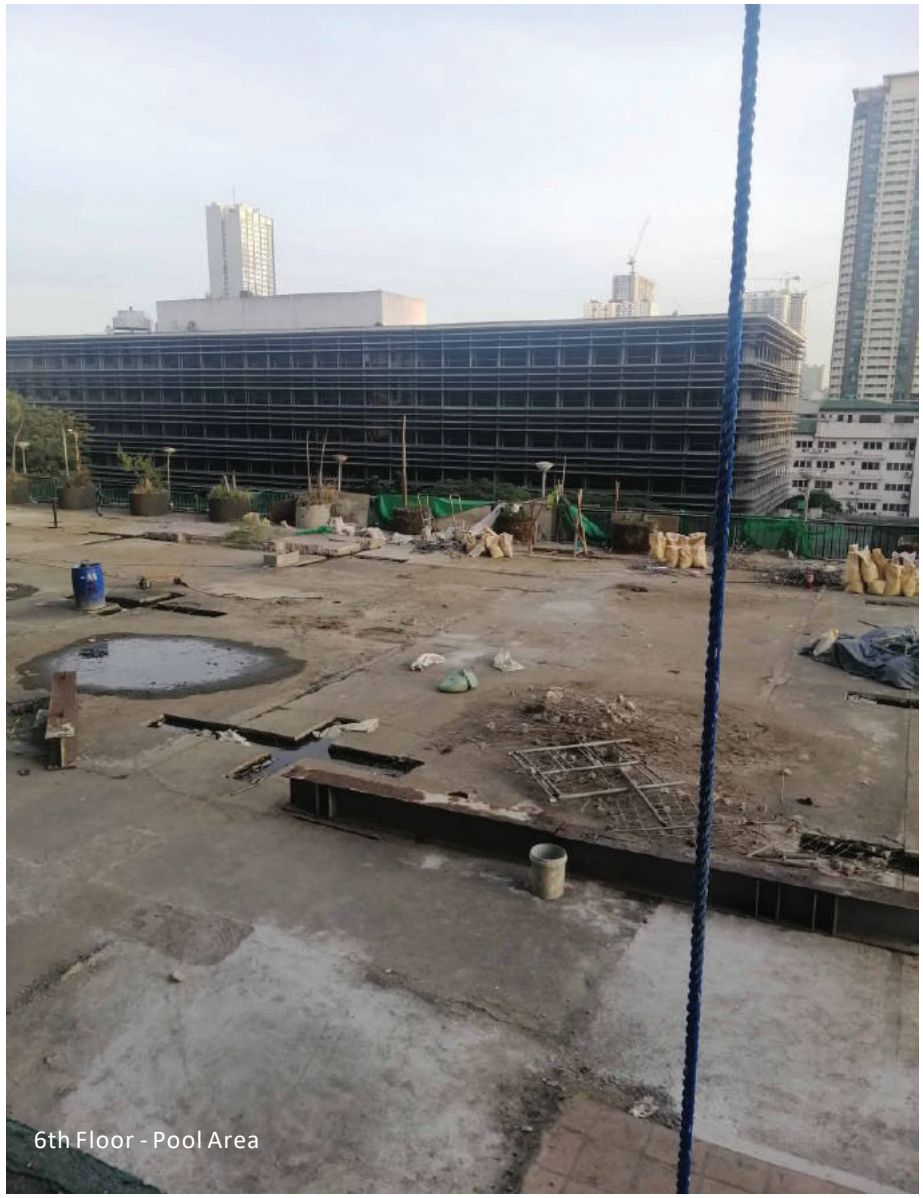
SOURCE : PMT TEAM

INTERIOR & OUTDOOR SHOTS | 2019


6th Floor - Pool Area

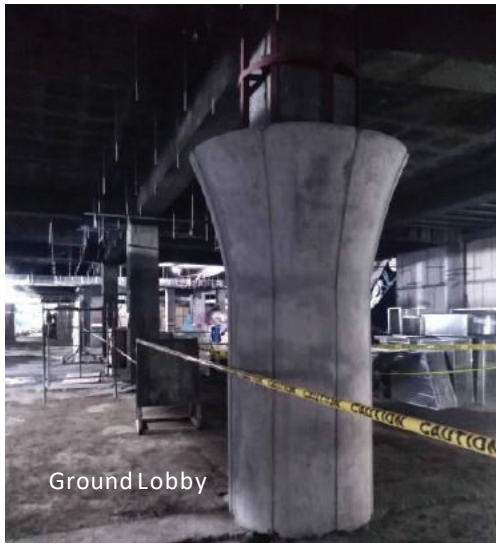

Tower


Ground Lobby


6th Floor - Pool Area

SOURCE : PMT TEAM

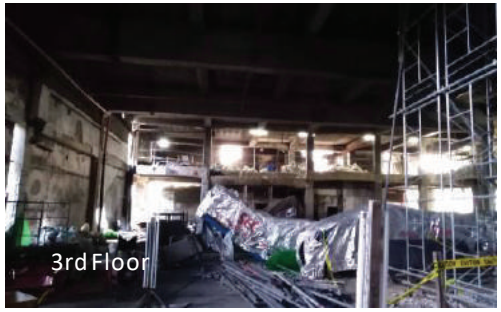
INTERIOR SHOTS | 2019



















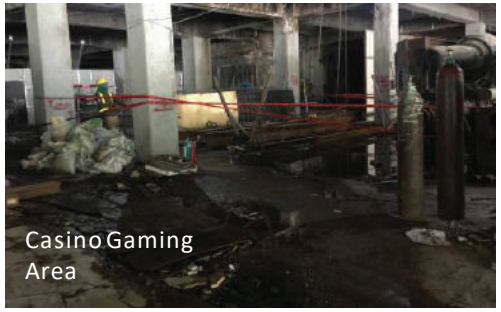
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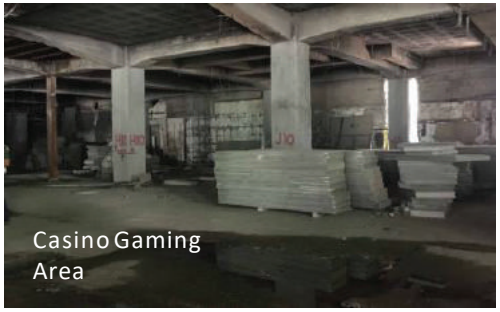
INTERIOR SHOTS | 2019

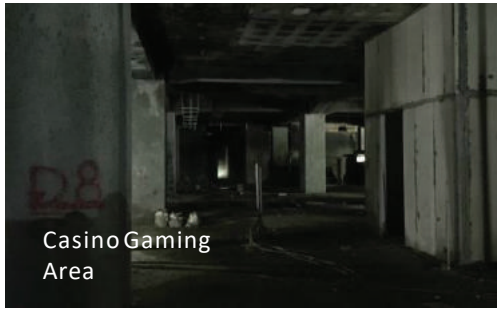

Guest Elevator at 6th Floor Roof Slab


Casino Gaming Area


Presidential Suites

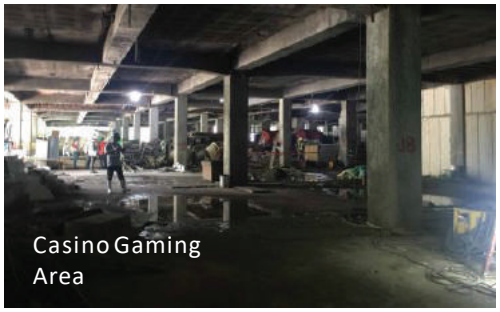

Casino Gaming Area


Casino Gaming Area


Casino Gaming Area


Guest Elevator at 6th Floor Roof Slab


Casino Gaming Area


Casino Gaming Area


2321

SOURCE : PMT TEAM

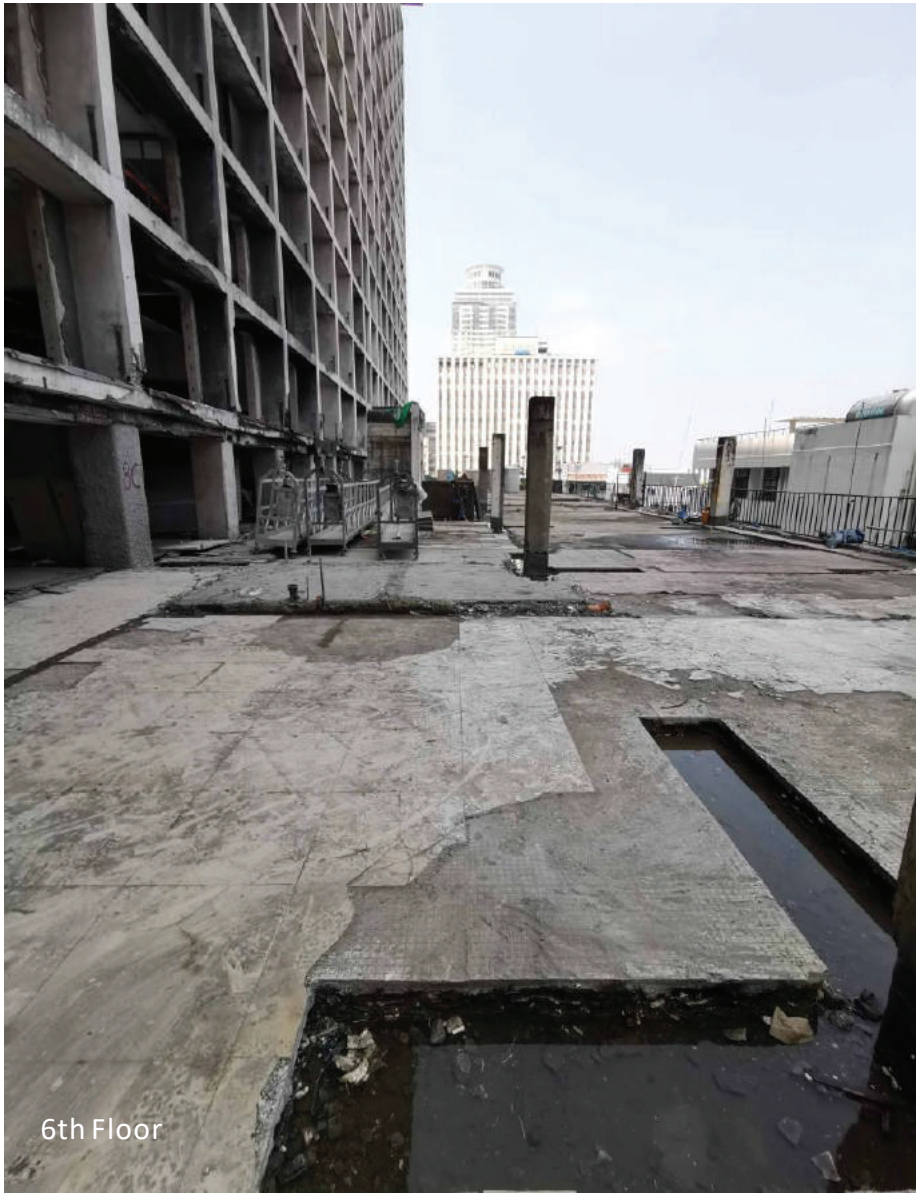
INTERIOR & OUTDOOR SHOTS | 2019



Ground Floor



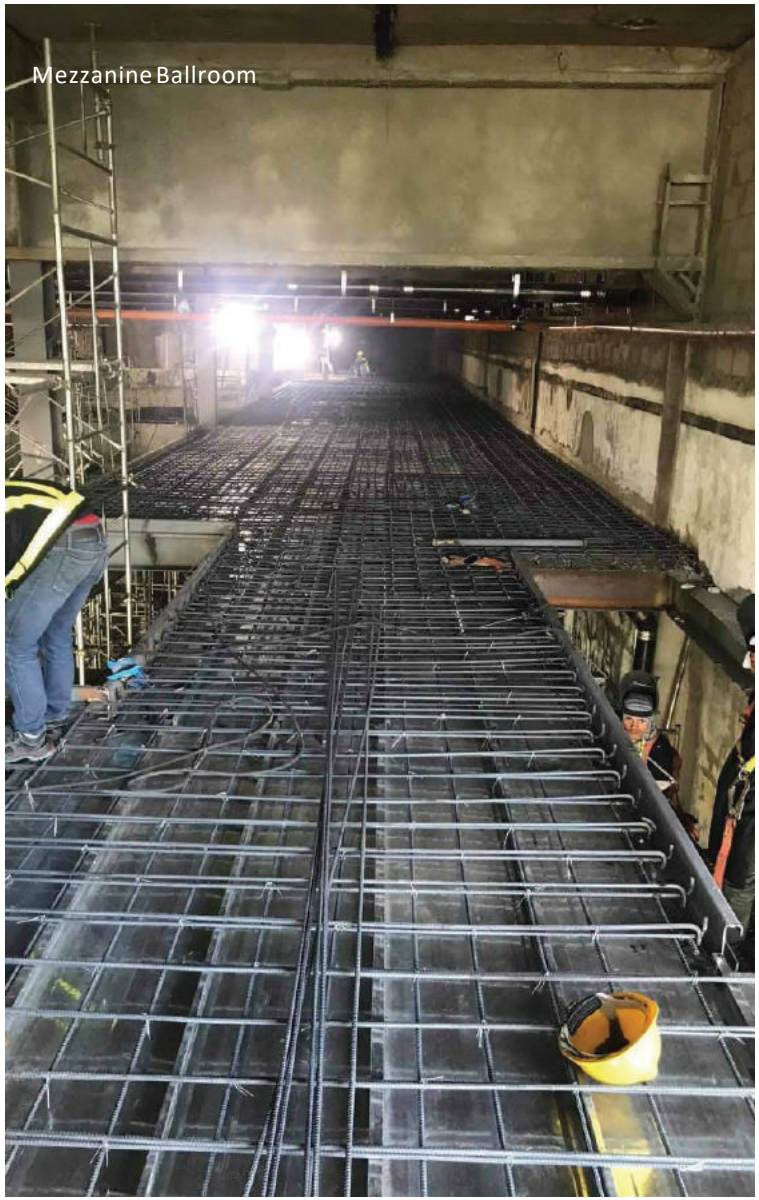
Basement Plant Room



6th Floor

SOURCE : PMT TEAM

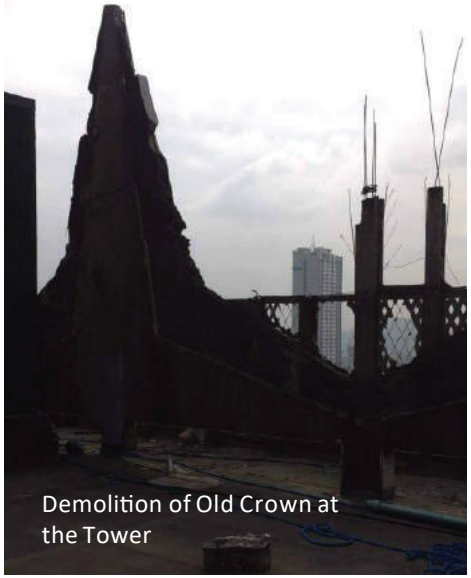
INTERIOR & OUTDOOR SHOTS | 2019


Mezzanine Ballroom


Escalator Openings, Slab Enclosure, Slab Replacement


Escalator Openings, Slab Enclosure, Slab Replacement

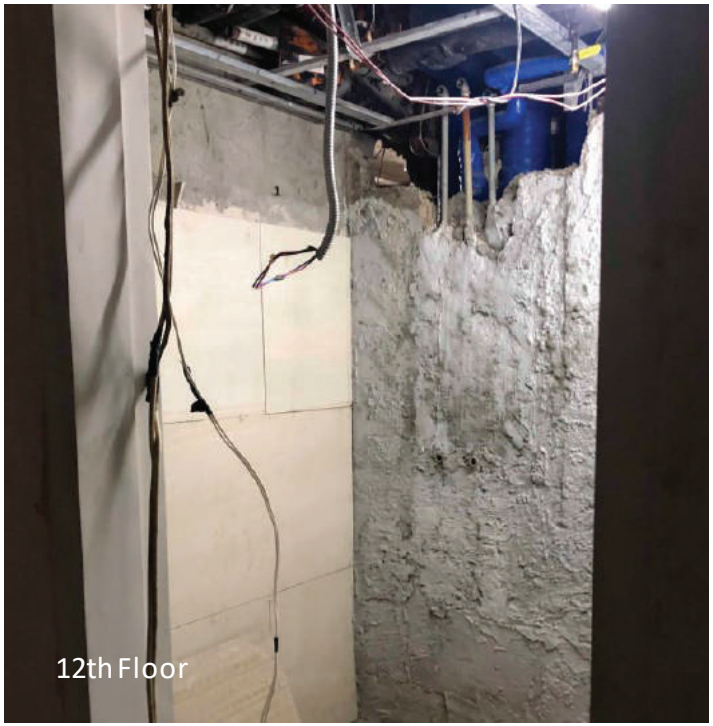

Slab Enclosure of Old Swimming Pool

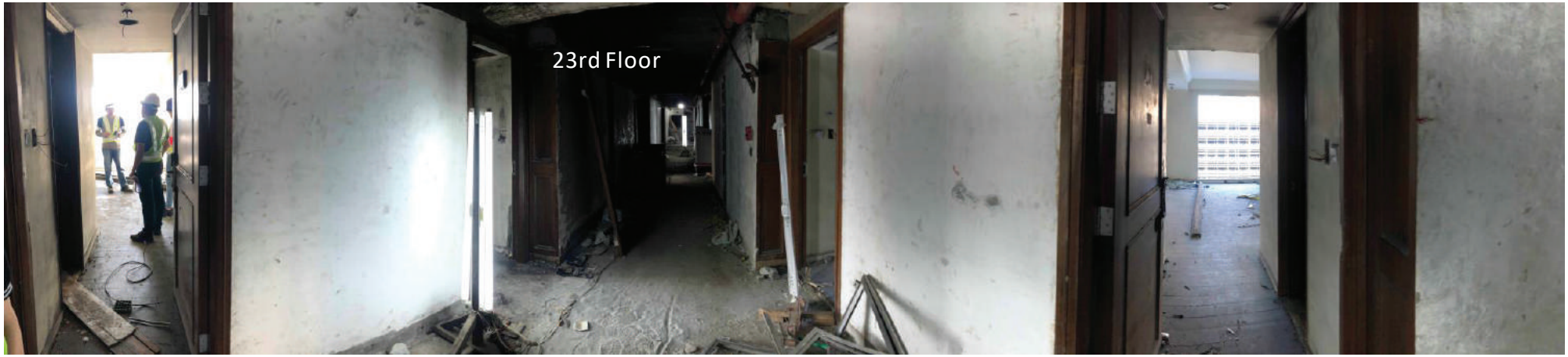

Demolition of Old Crown at the Tower

SOURCE : PMT TEAM

INTERIOR SHOTS | 2019







SOURCE : PMT TEAM

INTERIOR SHOTS | 2019


3rd Floor


3rd Floor

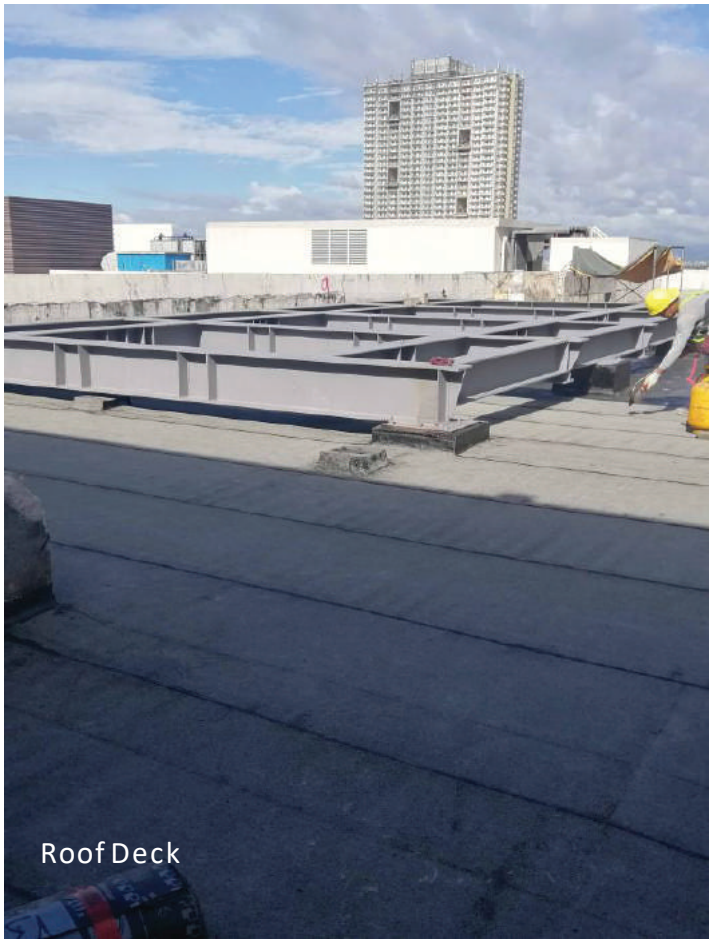

Duct Installation And Fire Pro Line At 2nd Floor


DOWNSPOUT AT 2ND FLR

SOURCE : PMT TEAM

ROOF DECK SHOTS | 2019


Roof Deck

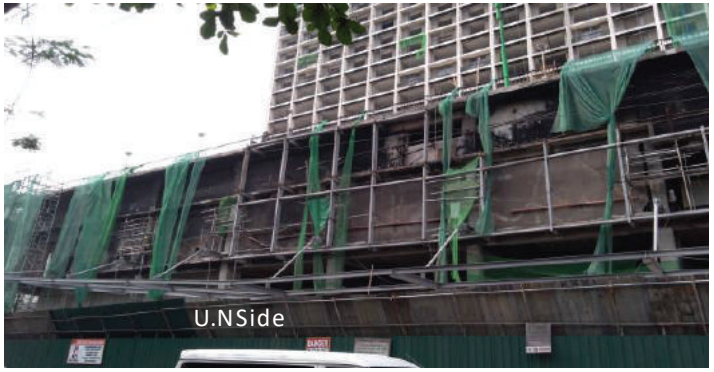

Roof Deck

SOURCE : PMT TEAM

EXTERIOR SHOTS | 2019













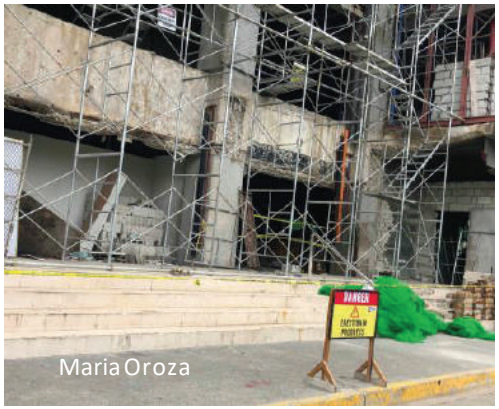
SOURCE : PMT TEAM

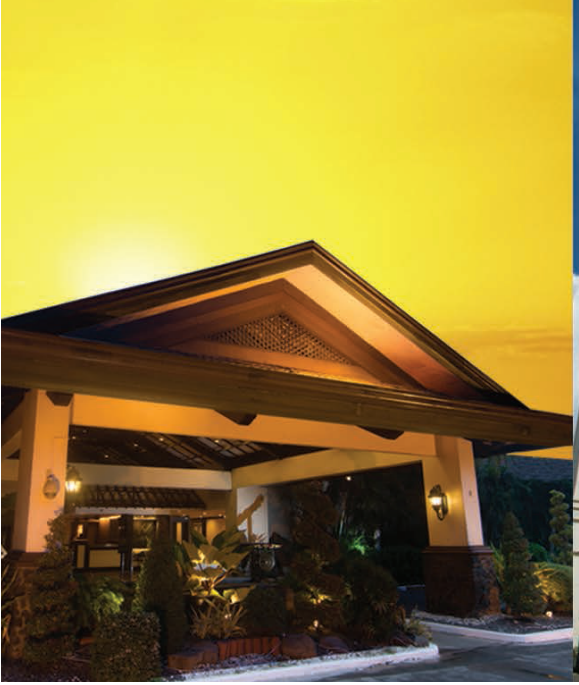
EXTERIOR SHOTS | 2019



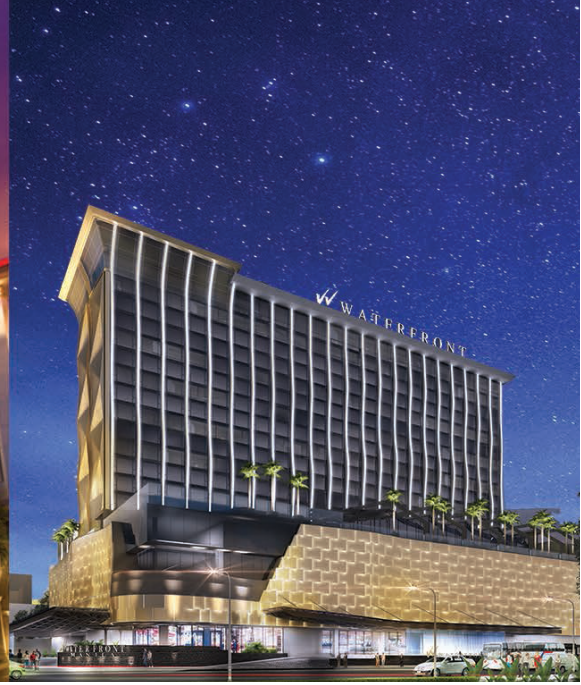












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