

7199
SEC Registration Number

ACESITE (PHILS.) HOTEL CORPORATION
(Company's Full Name)

8th Floor Waterfront Manila Hotel
and Casino UN Avenue corner
M. Orosa Street Ermita, Manila
(Business Address: No. Street City/Town/Province)

ARTHUR R. PONSARAN
(Contact Person)

(Temporary)
(Company Telephone Number)

12 31
Month Day
(Fiscal Year)

20 - I S
(Form Type)

06 19
Month Day
(Annual Meeting)

Not Applicable
Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

206
Total No. of Stockholders

Total Amount of Borrowings
Domestic - Foreign -

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

ACESITE (PHILS.) HOTEL CORPORATION

July 4, 2024

ATTY. OLIVER O. LEONARDO
Director
Markets and Securities Regularization Department
SEC Buidling, EDSA, Greenhills, Mandaluyong City

Dear Mr. Leonardo,

Stated herewith are the following revisions and responses:

Present to Stockholders the following (previous meeting):		Page No.	REMARKS	REPLY
a	The minutes of the most recent regular meeting which shall include, among others:		Submit Minutes of Meeting for the 2023 ASM compliant with the requirements 1-6 in accordance with RCC Sec. 49.	For Reconsideration, same format with previous submission which already enroute for approval. Will change and adhere to the listed requirements starting next ASM.
1	Description of the voting and voting tabulation procedures used in the previous meeting			
2	Description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given			
3	The matters discussed and resolutions reached			
4	A record of the voting results for each agenda item			
5	List of directors, officers and stockholders who attended the meeting			
6	Such other items that the Commission may require in the interest of good corporate governance and the protection of minority stockholders			
c	Detailed, descriptive, balanced and comprehensive assessment of the corporation's performance, which shall include information on any material change in the corporation's business, strategy, and other affairs		See comments in connection with the SRC requirements.	Explained in reply to comments with SRC requirements.
g	A director attendance report, indicating the attendance of each director at each of the meetings of the board and its committees and in regular or special stockholder meeeting		Disclose for committee meetings.	Attached the attendance report.
i	A director compensation report prepared in accordance with this Code and the rules the Commission may prescribed		See comments in connection with the SRC requirements.	Explained in reply to comments with SRC requirements.
j	Director disclosures on self-dealings and related party transactions, and/or		Disclose if any.	Already disclosed.

ACESITE (PHILS.) HOTEL CORPORATION

Preliminary Information Statement was filed on 02 July 2024.				
SEC Form 20-IS				
Checklist of Requirements			Page No.	Remarks
Request for CD/DVD/Electronic Distribution				Not Applicable. The reports will be posted in the company's website https://www.waterfronthotels.com.ph/investor_relations/ and Notice of meeting will be published in the General Circulation.
Notice of Meeting				
COVER SHEET				
8. Date, time and place of the meeting of security holders				Form 17-C Disclosure was approved as company announcement on July 2, 2024.
11. Securities registered pursuant to Sections 8 and 12 of the Code (information on number of shares and amount of debt is applicable only to corporate registrants):				Revised.
	Title of Each Class			
	Number of Shares of Common Stock Outstanding or Amount of Debt			
Part I.				
A. General Information				
ITEM 1. DATE, TIME AND PLACE OF MEETING				
	Date, time, place of meeting			Revised.
	Complete mailing address of the principal office			Disclosed.
B. Control and Compensation Information				
ITEM 4. VOTING SECURITIES & PRINCIPAL HOLDERS				
	Furnish information required by Part IV paragraph (C) of "Annex C, as amended"			
		(4) Description of any arrangement which may result in a change in control of registrant		Made a negative statement.
ITEM 5. DIRECTORS & EXECUTIVE OFFICERS				
Information required by Part IV paragraphs (A), (D)(1) and (D)(3) of				
A	(A)(1) Identify Directors, including Independent Directors and Executive Officers			
	certification that no directors or officers are connected with any government agencies or its instrumentalities. If there are directors or officers connected with any government agencies or its instrumentalities submit a written Consent/Permission from person's head of the department			Attached the notarized copy.
	(4) Involvement in Certain Legal Proceedings			
		Describe any of the following events that occurred during the past five (5) years up to latest date that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter or control person of the registrant:		Already made negative statement.

Checklist of Requirements			Page No.	Remarks
		(a) Any Bankruptcy Petition (see condition)		
		(b) Conviction by Final Judgment		
		(c) Being Subject to any Order, Judgment or Decree		
		(d) Violation of a Securities or Commodities Law		
ITEM 6. COMPENSATION OF DIRECTORS & EXECUTIVE OFFICERS				
Part IV, paragraph (B) of "Annex C", as amended				

If action to be taken is with regard to election of directors, any bonus profit sharing or other compensation

(1) Summary Compensation Table						
						Revised.
C. Issuance and Exchange of Securities						
ITEM 11. FINANCIAL & OTHER INFORMATION						
A	Information Required					
	If action to be taken is with respect to any matter specified in Items 9 or 10, furnish the following information:					
	2	Management Discussion & Analysis and Plan of Operation				Please see comments below
Name and Principal Position		Year	Salary	Bonus	Other Annual Compensation	

Checklist of Requirements			Page No.	Remarks
B	Incorporation by Reference			
	The registrant may incorporate by reference any of the information required by paragraph (a)			
	1	The information is contained in the latest annual report to security holders or previously filed statement/report;		
	2	Such report/statement is delivered to security holders with proxy statement;		
	3	The proxy/info statement identifies on the last page the information incorporated by reference; and		
	4	The material incorporated by reference substantially meets the requirements of this item.		
C	Information for the registrant & for the other person			
	I. Information required by Part I paragraphs (A), (B) and (C) of "Annex C", as amended			
	A	<u>Description of Business</u>		
		(2) BUSINESS OF ISSUER		
		(a) DESCRIPTION OF THE BUSINESS OF REGISTRANT AND ITS SIGNIFICANT SUBSIDIARIES		
		If Material:		
		(15) Major risk/s involved in each of the business of the company and subsidiaries. Include a disclosure of the procedures being undertaken to identify, assess and manage such risks		Not Applicable.
	B	<u>Description of Property</u>		
		(2) If the registrant does not own the property or there is a mortgage or lien on the property, describe the limitations on ownership or usage over the same		There is no limit, the registrant owns 100% of the issued and outstanding capital stock of Acesite Realty, Inc. who is the registered owner of the property.
	II. Information required by Part II(A) of "Annex C, as amended"			
	A	<u>Market Price of and Dividends</u>		
		(1) Market Information		
		i. If principal market is a Stock Exchange in the Philippines or a foreign Exchange:		
		(2) Presentation of the High and Low Sales Prices for Each Quarter within the last two (2) fiscal years and any subsequent interim period for which Financial Statements are required by SRC Rule 68.		Disclosed.
	B	Financial Statements meeting the requirements of SRC Rule 68 (See Item 9 AUTHORIZATION OR ISSUANCE OF SECURITIES OTHERWISE THAN FOR EXCHANGE)		
	III. Information required by Part III, paragraphs (A) and (B) of "Annex C, as amended"			
		(2) All other registrants shall provide the following information:		
		(a) Full fiscal years		

	(1) Discussion of the Registrant's Financial Condition, Changes in Financial Condition and Results of Operations for each of the last 3 fiscal years.		Revised.
	(2) If FS shows losses from operation, explain the causes underlying these losses and the steps the registrant has taken or is taking to address these cause.		Disclosed.
	(3) Past and future financial condition and results of operation, with particular emphasis on the prospects for the future.		Already Disclosed.
	If Material:		

Checklist of Requirements		Page No.	Remarks
	(iv) Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures		Already Disclosed.
	(vii) Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%)		Revised.
	(b) Interim Periods: Comparable discussion to assess material changes (last fiscal year and comparable interim period in the preceding year). Disclose the required information required under subparagraph (2)(a)(i) to (viii) above.		
Report to be Furnished to the Stockholders			
SRC Rule 20 – Disclosures to Stockholders Prior to Meeting			
If the information statement shall relate to an annual (or special meeting in lieu of the annual) me			
MANAGEMENT REPORT			
6	Discussion on Compliance with leading practice on Corporate Governance		
C	Any deviation from the company's Manual of Corporate Governance. Including a disclosure of the name and position of the person/s involved and sanction/s imposed on said individual		Updated.

Sincerely yours,

ATTY. ARTHUR R. PONSARAN
Corporate Secretary

ACESITE (PHILIPPINES) HOTEL CORPORATION

June 17, 2024

Dear Stockholder:

Please be advised that the annual meeting of the stockholders of **ACESITE (PHILIPPINES) HOTEL CORPORATION** (the "Corporation") will be held on **Friday, July 26, 2024, at 10:00 a.m.** at the Ipil Room, 14th Floor Bayview Park Hotel, 1118 Roxas Boulevard, Corner United Avenue, Ermita for the purpose of transacting the following business:

1. Call to Order;
2. Certification of Notice and Quorum;
3. Approval of the Minutes of the
4. Previous Stockholders' Meeting;
5. President's Report to the Stockholders for the Year 2023 and the approval of the Audited Financial Statements as of December 31, 2023;
6. Ratifications of the Acts of the Board and Management for the year 2023;
7. Election of the Board of Directors to Serve for the Term 2024-2025;
8. Appointment of External Auditor for the year 2024-2025;
9. Appointment of External Counsel for the year 2024-2025 and
10. Other matters; and
11. Adjournment.

As fixed by the Board of Directors, stockholders of record as of **July 01, 2024** shall be entitled to notice of, and vote at, said stockholders' meeting and for this purpose, the Board of Directors authorized the closing of the stock and transfer book of the Corporation during the period **July 02, 2024 to July 26, 2024**.

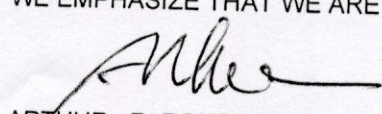
If you are not attending, you may submit a PROXY instrument to the office of the Corporate Secretary of this Corporation thru the Stock and Transfer Agent at the address below. Stockholders whose shareholdings are lodged with the Philippine Central Depository should secure a certification of their shareholdings from their respective stockbrokers. Corporate stockholders should attach to the PROXY instrument, their respective Board Resolutions in support of their proxies. Deadline for submission of proxies is **July 26, 2024 at 10:00 A.M.** The proxy form is hereto attached as Annex "A".

The Corporate Secretary
Acesite (Philippines) Hotel Corporation
https://www.waterfronthotels.com.ph/investor_relations/

Thru: STOCK TRANSFER SERVICES INC.
Unit 34-D Rufino Pacific Tower
6784 Ayala Avenue, Makati City
1226 Philippines
Telephone – (632) 531-01351 email address: nspabalan@stocktransfer.com.ph

For purposes of registration and identity validation, on the day of the meeting you or your proxy are hereby required to bring this Notice and any form of identification with picture and signature (e.g. driver's license, SSS ID, company ID, and/or competent evidence of identity).

WE EMPHASIZE THAT WE ARE NOT SOLICITING YOUR PROXY.


ARTHUR R. PONSARAN
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Mark the appropriate box:

☐ Preliminary Information Statement
☒ Definitive Information Statement

2. Name of Registrant ACESITE (PHILS.) HOTEL CORPORATION
3. Province, country of incorporation Manila, Philippines
4. SEC Identification Number 7199
5. BIR Tax Identification Code 002-856-627

6. **8th Floor, Waterfront Manila Hotel and Casino, United Nations Avenue corner Maria Orosa Street, Ermita, Manila, 0903**
Address of Principal Office and Postal Code

7. Registrant's telephone number (632) 8231-1073 Temporary

8. **26 July 2024 at 10:00am at IPIL Room – 14th Floor Bayview Park Hotel – 1118 Roxas Boulevard, corner United nations Avenue, Ermita, Manila**
Date, time and place of the meeting of security holders

9. Approximate date on which this SEC Form 20-IS is first to be sent or given to security holders:
21 June 2024.

10. In case of Proxy Solicitation:

Name of Person Filing the Statement/Solicitor: _____
Address and Telephone no.: _____

11.

Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the Securities Regulation Code.
(information on number of shares and amount of debt is applicable only to corporate registrants):

<u>Title of Each Class</u>		<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Common	- Authorized	1,200,000,000
	- Issued	344,747,520
	- Treasury	1,353,058
Preferred	- Authorized	20,000
	- Issued	None

11. Are any or all of registrant's securities listed on a Stock Exchange?

Yes ☒ No ☐

346,100,578 of issued common shares of Acesite (Phils.) Hotel Corporation are listed in the Philippine Stock Exchange of which 1,353,058 shares are in treasury to date and the remainder of 344,747,520 common shares are outstanding.

<u>PART I.</u>

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders

- (a) The stockholders' meeting shall be conducted on Tuesday, 26 July 2024, 10:00 a.m. at IPIL Room – 14th Floor Bayview Park Hotel – 1118 Roxas Boulevard, corner United nations Avenue, Ermita, Manila.
- (b) **21 June 2024** is the approximate date on which the Information Statement (SEC Form 20-IS) is first to be sent or given to security holders:

Item 2. Dissenter's Right of Appraisal

Section 80 of the Revised Corporation Code provides that any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

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

Section 81 of the Revised Corporation Code provides the Right to Exercise of the dissenting stockholder.

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

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

There is no matter to be voted upon during the Annual Stockholders' Meeting that will trigger the exercise by a stockholder of his/her appraisal rights under the law.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

(a) Other than election to office, none of the following persons have any substantial interest, direct or indirect, in any matter to be acted upon other than election to office:

- 1) Directors or officers of the Corporation at any time since the beginning of the last fiscal year.
- 2) Each nominee for election as a director of the registrant.
- 3) Each associate of a director or officer of the registrant at any time since the beginning of the last fiscal year or nominee for election as the director of the registrant.

(b) No director intends to oppose any action to be taken at the said meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) As of 01 July 2024, there are 346,100,578 subscribed and issued common shares, of which 1,353,058 shares are treasury shares. Each of the 344,747,520 outstanding common shares is entitled to one vote. Of the authorized 20,000 shares of preferred stock, none have been issued. The preferred shares are not entitled to vote.

(b) All stockholders on record as of 01 July 2024 is entitled to receive notice and to vote at the Annual Meeting of the Stockholders on 26 July 2024.

(c) As provided for under Section 23 of the Revised Corporation Code, a stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected.

(d) **Security Ownership of Certain Record and Beneficial Owners and Management**

a) SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

As of 01 July 2024, the stock transfer book of the corporation showed the following record owners:

<u>Title of Class</u>	<u>Name and Address of Record owner and relationship with issuer</u>	<u>Name of Beneficial Owner and Relationship with Record Owner</u>	<u>Citizenship</u>	<u>No. of Shares Held</u>	<u>Percent</u>
Common Shares	Waterfront Philippines, Inc. ¹ No.1 Salinas Drive, Lahug, Cebu City (Parent Company)	The Wellex Group, Inc. 35th Flr One Corporate Center, Dona Julia Vargas Ave. cor. Meralco Ave., Ortigas Center, Pasig City • Represented by Miss Elvira A. Ting, who is a nominee of said company. Directors & Officers	Filipino	192,045,057	55.49%

		are William T. Gatchalian, Dee Hua T. Gatchalian, Kenneth T. Gatchalian, Richard L. Ricardo, and Elvira A. Ting.			
Common Shares	PCD Nominee Corporation ² 37/F Tower 1, The Enterprise Center, 6766 Ayala Avenue corner Paseo de Roxas, 1226 Makati City	Various Owners ²	Filipino	132,624,977	38.32%

¹WPI is a publicly listed corporation on the Philippine Stock Exchange. The board of directors of WPI, as a group of natural persons acting together, directs the voting disposition of shares by WPI. The following are directors of WPI: Messrs. Arthur M. Lopez, Kenneth T. Gatchalian, Sergio Ortiz-Luis Jr., Ruben D. Torres, Reno I. Magadia, Renato C. Francisco, Aristeo R. Cruz, Ms. Dee Hua Gatchalian, and Ms. Elvira A. Ting.

²PCD Nominee Corporation has various beneficial owners, followed at 2.58% of the total shares by Nickell International Ltd. The rest of the owners have below 2% ownership.

b) SECURITY OWNERSHIP OF MANAGEMENT

As of 01 July 2024, the following are the record and beneficial ownership of directors and management:

Title of Class	Name of Beneficial Owner	Position	Citizenship	Nature and Amount of Ownership		%
Common	Arthur M. Lopez	Chairman	Filipino	D	350	0.00%
Common	Kenneth T. Gatchalian	President	Filipino	D	350	0.00%
Common	Elvira A. Ting	Treasurer	Filipino	D	350	0.00%
Common	Ruben D. Torres	Director	Filipino	D	100	0.00%
Common	Sergio R. Ortiz-Luiz, Jr.	Director	Filipino	D	350	0.00%
Common	Pablo M. Gancayco	Director	Filipino	D	350	0.00%
Common	Lamberto B. Mercado, Jr.	Director	Filipino	D	350	0.00%
Common	Renato C. Francisco*	Director	Filipino	D	100	0.00%
Common	Aristeo R. Cruz*	Director	Filipino	D	3,500	0.00%
Common	Noel M. Cariño*	Director	Filipino	D	100	0.00%
Common	Dee Hua Gatchalian	Director	Filipino	D	3,850	0.00%
Total Beneficial Ownership					9,750	

* – Independent Director

D – Direct

I – Indirect

The beneficial ownership of directors and executive officers as a group amount to **9,750** shares or **0.0028%** of the Company shares. No director has any warrants, stock rights or options that would give the right to acquire additional shares.

c) VOTING TRUST HOLDERS OF 5% OR MORE

The Company knows of no voting trust holders of 5% or more.

d) CHANGES IN CONTROL

- a) There is no person/entity who has acquired any changes in control.
- b) No amount and source of consideration was used
- c) Basis of control
- d) Date & description of the transaction(s) which resulted in the change in control
- e) Percentage of voting securities now beneficially owned directly/indirectly by the person who acquired control
- f) Identify from whom control was assumed.

The Company knows of no arrangement which may result in a change in control of the registrant.

e) EQUITY OWNERSHIP OF FOREIGNERS AS OF 01 JULY 2024.

Citizenship	Class	Ownership	Percentage
American	Common	20,051	0.01%
British	Common	9,251,256	2.67%
Chinese	Common	2,229	0.00%
Filipino	Common	283,264,563	81.84%
Others	Common	53,562,225	15.48%
Portuguese	Common	196	0.00%
Total		346,100,520	100.00%

Item 5. Directors and Executive Officers

All directors joined the Board on 24 June 2004 except for Ms. Dee Hua Gatchalian, who was elected July 19, 2005, Mr. Sergio R. Ortiz-Luiz, Jr., elected last February 25, 2013, Mr. Ruben D. Torres, elected last June 2, 2014, and Mr. Aristeo R. Cruz and Mr. Noel M. Cariño elected last August 6, 2021. All are expected to be on the Board until October 10, 2023. The Nominations Committee recommended that all current directors will be nominated to the Board again during the Company's Annual Stockholder's **Meeting on 10 October 2023**. The qualifications (including the ages, nationalities, current and past position held and business experience for the past five years) of the nominees are as follows:

Arthur M. Lopez, 78
Filipino

Arthur M. Lopez is the Principal Consultant of AML Hotel Consultants, an independent Hotel Consultancy engaged in Hotel Design Development/Technical Services, Hotel Feasibility Study, Pre and Post Hotel Opening Services and Asset Management/Owner's Representative. He is currently the President of Philippine Hotel Owners Association (PHOAI).

Currently, he is the Management Consultant of Double Dragon Properties Corporation, Jing Jiang Ortigas, Jing Jiang Inn Makati, Injap Tower Iloilo, Hotel 101 Manila, Hotel 101 Fort, Bellevue Bohol Resort in Panglao, the Bellevue Hotel Manila, The B Hotel Manila, B Hotel Quezon City and Uno Botique Hotel in Cebu; Hotel Consultant and Management Advisor or Hotel 101 Management Corporation; Director of Philippine Estate Corporation; President/Chairman of Legoli Holdings, Inc. and Arleff Holdings, Inc. He also became the Hotel Management and Development Consultant of Wyndham Garden.

Previously, he was the Management and Technical Services Consultant of Bloomberry Casino Hotels & Resorts/Solaire Hotel and Casino, and Federal Land; Hotel Advisor/Director of Cathay Int'l Resources Corporation; Owner's Representative and Advisor to Owner at Four Points by Sheraton Kuching, Sheraton Beach Resort Langkawi, Helang Airport Hotel Langkawi, Santubong Resort Kuching and Four Points by Sheraton Langkawi; President & CEO of CCA Philippines Corporation;

Regional Director of CCA International Ltd.; Regional Director Asia Pacific of Palmerston Hotels & Resorts; Management Consultant of Rarotongan Beach Resort & Spa and the Aitutaki Lagoon Resort and Spa in Cook Islands; Senior Advisor to the Secretary of Philippine Department of Tourism; General Manager of Westin Philippine Plaza; Country Manager, Philippines, of Starwood Hotels & Resorts Worldwide, Inc.; Philippine Corporate Representative of Caesar's Club of Manila, Heritage Hotel Manila; Area Manager and General Manager of Northern Territory Australia, Sheraton Hotels Darwin, Sheraton Alice Springs, and Sheraton Ayers Rock Australia; Vice President and Area Manager of Australia/ITT Sheraton Corporation; Pre and Post- Opening General Manager of Sheraton Towers Southgate, Melbourne, Australia; Hotel Resident Manager of Sheraton Auckland Hotel and Towers; Resident Manager of Sheraton Auckland Hotel and Towers; Director of Sales and various Front Office and F&B positions of Manila Hilton International.

He holds a Bachelor of Science in Commerce degree, Major in Management, a Master's Degree in Business Administration (MBA), both from the University of Santo Tomas in the Philippines and Tourism Management at the East-West Center in Honolulu, Hawaii, USA.

Elvira A. Ting, 64
Filipino

Ms. Ting was elected director and Treasurer of the Company since 24 June 2004. She earned her bachelor's degree in business administration, major in management, from the Philippine School of Business Administration. She has been a director of WPI since October 2000. She is concurrently, the vice-chairperson and a director of Forum Pacific Inc. She is president of Phil. Estates and vice president of Wellex Industries, Inc. She is a director of Orient Pacific Corporation, Crisanta Realty Development Corporation, Recovery Development Corporation and the Wellex Group, Inc. She is the corporate treasurer of Pacific Rehouse Corp and the chairman and president of Rexlon Realty Group Inc and Heritage Pacific Corp.

Kenneth T. Gatchalian, 48
Filipino

Mr. Kenneth Gatchalian holds a degree in bachelor of science in architecture from the University of Texas. He was elected as one of the directors of the Company since 24 June 2004. He was elected President and CEO of the Company since June 25, 2007. He has been a director of WPI since February 2001. He is concurrently the President of WPI and a director of Forum Pacific, Inc. and Wellex Industries, Inc.

Sergio R. Ortiz-Luis, Jr., 81
Filipino

He has degrees of Bachelor of Arts and Bachelor of Science in Business Administration from De La Salle University; PhD Humanities from Central Luzon State University, PhD Business Technology from Eulogio "Amang" Rodriguez Institute of Science and Technology. He is the President& CEO of Philippine Exporters Confederation, Inc. An Honorary Chairman of Philippine Chamber of Commerce & Industry; Honorary Chairman and Past President of Employers' Confederation of the Philippines; Director/Past President of Philippine Foundation, Inc.; Founding Director of International Chamber of Commerce of the Philippines. Vice Chairman of Alliance Global, Inc, and Export Development Council, and JARDELI Club Foundation; Director of Waterfront Philippines, Inc., Manila Exposition Complex, Inc.; Lasaltech Academy, Philippine Estate Corporation, Rural Bank of Baguio, Forum Pacific, Inc., Jolliville Holdings Corporation, and Calapan Ventures, Inc.; Independent Director of B.A. Securities; Honorary Chairman of Integrated Concepts & Solutions, Inc.; Board of Adviser of Southville International School and Colleges and Founding Director of GSI (Formerly Philippine Article Numbering Council. He is also a

Commissioner for Patrol 117 (Foundation for Crime Prevention); BPLS Champion for National Competitiveness Council; Member of Industry Development Council, and Private Sector Representative for The Philippine Bamboo Council. He is the Chairman of Rotary Club of Green Meadows Foundation; Past President of Rotary Club of Green Meadows Quezon City District 3780; Senator of Philippine Jaycee Senate, Captain of Philippine Coastguard Auxiliary; Director/Treasurer of PILAK Foundation, and Universal Access Center for Trade. He is an Honorary Consul General of Consulate of Romania in the Philippines; Treasurer of Consular Corps of the Philippines; Honorary Adviser for International Association of Educators for World Peace. Some Awards that he received were International Peace Award for Economic Development in 2005, Most Outstanding Citizen of Nueva Ecija in the field of business in 2005 also, Most Outstanding Pasigueno in 2006, Ulirang Ama also in 2006, Presidential Merit Award Medal in 2007 and ORAS Award in 2011. He became an Independent Director of Waterfront Philippines, Inc. since August 2009 to present and an Independent Director of Acesite (Phils) Hotel Corp since February 2013 to present.

Lamberto B. Mercado, Jr.,
59 Filipino

Atty. Mercado is the Vice-President for Legal of the Wellex Group, Inc. He was elected as one of the Directors of the Company since 24 June 2004. He is a graduate of the Ateneo de Manila University School of Law. Atty. Mercado is a certified public accountant. Prior to his post in Wellex Group, he was connected with the Subic Bay Metropolitan Authority (SBMA). From November 1993 to July 1997, he was the chief of staff of SBMA. He also served as president of the Freeport Service Corporation in SBMA from August 1996 to January 1998. He was appointed deputy administrator for administration in February 1997, a post he held until August 1998. Currently a Director of the following publicly listed companies: Waterfront Phils. Inc., Wellex Industries, Inc., Forum Pacific, Inc., Metro Alliance Holdings & Equities Corp., Acesite (Phils.) Hotel Corporation and Pacific Wide Realty & Development Corp. In addition, he is currently member of the Board of Directors of Philippine National Construction Corporation.

Pablo M. Gancayco, 67
Filipino

Atty. Gancayco, a director of the Company since 24 June 2004, is a Senior Partner of the Gancayco, Balasbas & Associates Law Offices. He obtained his Bachelor of Arts in Political Science and Bachelor of Laws from the University of the Philippines. He took a masteral level intensive course on industrial property from the University Robert Schuman in Strasbourg, France. His expertise is in Intellectual Property Law and holds the posts of president and director of the Intellectual Property Association of the Philippines (the association of all intellectual property law practitioners in the Philippines) council member and country head of the Asian Patent Attorneys Association and councilor of the ASEAN Intellectual Property Association. He is the Philippine group head to the Association Internationale pour la Protection de la Propriete Industrielle. He is also adept in litigation and corporate law practice. At present, Atty. Pablo M. Gancayco is a director of the Freeport at Bataan, a Past District Governor of Rotary International District 3780, the past Chairman of the Board of Philippine College of Rotary Governors and the Philippine Rotary Magazine Foundation, an officer and member of other corporations, foundations and organizations.

Dee Hua Gatchalian, 76
Filipino

Mrs. Gatchalian was elected director of the Company since 19 July 2005. Mrs. Gatchalian is the Executive Vice-President of the Wellex Group, Inc., and also the Executive Vice-President of Plastic City Corporation. She is concurrently a director in Philippine Estates

	<p>Corporation, and Waterfront Philippines, Inc. Mrs. Gatchalian graduated with a degree in Medical Technology from the Far Eastern University in 1970. In addition to her numerous positions in business firms, she is the Chairperson of Jesus Our Life Ministries, Inc., a non-profit, non-stock organization duly registered with the Securities and Exchange Commission and a Chairperson of Dakilang Handog Foundation, a non-profit, non-stock organization.</p>
<p>Ruben D. Torres, 83 Filipino</p>	<p>Mr. Ruben Torres graduated in the University of the Philippines with a degree of Bachelor of Arts (Political Science) after which, he finished the degree of Bachelor of Laws at the same university. Presently he is also the President of BPO Workers Association of the Philippines and Senior Partner of Torres Caparas Torres Law Office; Chairman/CEO of Service Exporters Risk Management and Consultancy Co.; Secretary General of Katipunan ng Manggagawa at Magsasaka ng Pilipinas. He is associated with the Integrated Bar of the Philippines and Philippine Academy of Professional Arbitrators. His former positions include being a Member of the House of Representatives of the 2nd District of Zambales, Executive Secretary of the Office of the President in Malacañang, Secretary of the Department of Labor and Employment. Mr. Torres became an Independent Director of Waterfront Philippines, Inc. since August 2006-present.</p>
<p>Renato C. Francisco, 76 Filipino</p>	<p>Justice Renato Francisco graduated Bachelor of Laws at Ateneo de Manila University. From 1974 to 1987, he was involved in the private practice. In 1987, he started working as Assistant Provincial Prosecutor at the Office of the Provincial Prosecutor - Rizal and, later became Assistant City Prosecutor in Makati City. He became Executive Judge at the Regional Trial Court – Branch 19 in Malolos, Bulacan. On May 31, 2012, he was appointed as Associate Justice of Court of Appeal. He retired as Associate Justice on August 20, 2018.</p>
<p>Noel M. Cariño, 69 Filipino</p>	<p>Mr. Noel Cariño studied Bachelor of Science in AB Philosophy at the University of Sto. Tomas. He is the Founder and Former President of Fil-Estate Realty Corporation; Founder and President of War Against Poverty Foundation; Former Member and Commissioner of Presidential Consultative Commission; National President of Chamber of Real Estate and Builders Associations, Inc. (CREBA); Owner of Cariño Development and Management Corporation (CDMC); Chairman and Founder of Sun Asia Energy Inc.; Owner of Leon Philippe Industries, Inc.; Former Chairman of the Board of The Manila Time; Founder and Former Publisher of The Philippine Chronicles Media Corporation; Former Publisher of Punto; Founder and Former Publisher of Good Morning Philippines; Founder of Kilusan at Ugnayan ng Maralitang Pasigueño, Inc. (KUMPAS); Founder of Lakas Pilipino; and Director of Metro Global Holdings Corporation.</p>
<p>Aristeo R. Cruz, 58 Filipino</p>	<p>Atty. Aristeo Cruz studied Bachelor of Commerce Major in Accounting from De La Salle University Manila and Bachelor of Laws from the New Era University. He is a member of the Philippine Bar and also a Certified Public Accountant. He is currently the Vice Chairman/Director Dean of Meycuayan College, Inc.; Vice President/Compiler of Liberty Bank (A Rural Bank), Inc; Founding and Managing Partner of Cruz Altares & Associates Law Office (formerly Cruz, Castro & Altares Law Office); President and Chief Operating Officer (COO) of Idealand Realty & Development Corporation, and Statosphere Realty & Development Corporation; Director and Corporate Secretary of Philstar Innovation Realty Corporation; President of Jose & Luz Locsin Foundation, and</p>

Waterstreet Realty Corporation; Corporate Secretary of Justino Emilia Realty and Management & Development Corporation; and Director of Metro Alliance Holdings and Equities Corp and Forum Pacific Inc.

Mr. Noel M. Cariño, Mr. Renato C. Francisco and Mr. Aristeo R. Cruz are currently independent directors. They were nominated by Ms. Elvira Ting, who has no relations to them. They will continue to serve as independent directors upon re-election pursuant to SRC Rule 38 as adopted in to under the Company's By-laws on August 18, 2004, under which the appropriate report under 17-C was filed on November 12, 2004, which is hereby incorporated as reference. No other persons have been nominated.

Other Corporate Officers are as follows:

Arthur R. Ponsaran, 81 Filipino	Arthur R. Ponsaran, is now the Corporate Secretary of the Company, is a CPA-Lawyer with over 25 years of experience in corporate law, taxation, finance and related fields. He is the Managing Partner of Corporate Counsels, Philippines Law Office. He obtained his LLB degree from the University of the East and completed MDP Program at the Asian Institute of Management. Mr. Ponsaran is a member of the Integrated Bar of the Philippines and the New York Bar as well as the Philippine Institute of Certified Public Accountants. Mr. Ponsaran is also Director and/or Corporate Secretary of client corporations, including listed companies, as well as non-profit institutions. As of July 2016, he serves as Director/Trustee of the following: Acesite (Phils.) Hotel Corporation, Bancom Alumni, Inc. (Trustee), Bancom II Consultants, Inc., Davao Insular Hotel, Inc., Health Carousel Philippines, Inc., New Kanlaon Construction Inc., Philippine Estate Corporation, Philsa Holdings Corporation and Pondecena Corporation.
Richard L. Ricardo, 61, Filipino	Mr. Ricardo is the Vice President for Corporate Affairs of the Company since 2004 and currently the Vice President for Strategic Initiatives of The Wellex Group, Inc. He is a graduate of the Ateneo de Manila University with degrees in Management and Economics. He started in banking and corporate lending with the Far East Bank and Trust Company, and later handled corporate planning for the Philippine Banking Corporation. He has previously worked with AEA Development Corporation, an investment house, and he has also served in the government under the Department of Finance.
Arsenio A. Alfiler, Jr., 79, Filipino	Atty. Alfiler, Jr. is now the Assistant Corporate Secretary. He holds a bachelor of arts degree in public administration and bachelor of laws from the University of the Philippines. He was an associate lawyer in Gonzalo Gonzalez Law Office (1972 to 1977) and an in-house legal counsel in Bancom Development Corporation (1977-1981), Union Bank of the Philippines (1982-1987), Asian Bank Corporation and AB Capital and Investment Corporation (1987-2003) and Asiatrust Bank (January – July 15, 2004). He is a partner in Corporate Counsels, Philippines Law Offices.
Joson Lim, 48, Filipino	Mr. Lim joined Waterfront on November 2005 as Group Reservations & Distributions Manager, and was appointed in the year 2017 to present as Data Privacy Officer where he monitors the Company's and it's properties compliance with the DPA, its IRR, issuances by the National Privacy Commission and other applicable laws and policies. He also conducts Privacy Impact Assessments for the Company's and each property's new projects, programs, systems and processes to demonstrate proper privacy management activity, which includes ensuring data protection risks are measured, analyzed and mitigated. He passed the Data Protection Officer – NPC ACE Level 1 DPO-ACE C-2019-161. He was also a Data Protection Officer Nominee of the National Privacy Commission – 2021 Privacy Awareness Week. He even attended the Professional Development Program courses specifically for Interactive Marketing, Demand Management in Evolving Marketing Channels, and Marketing Management at Cornell School

of Hotel Administration Executive Education, Ithaca, New York, USA. He earned his Bachelor's Degree in Hotel and Restaurant Management at the University of San Carlos. In 2001, he passed the certification of Spirit of Hospitality American Hotel & Lodging Institutes and Supervisory Skill Builders at American Hotel Lodging Institutes 6751 Forum Drive, Suite 220, Orlando, FL USA. As part of SEC Compliance, he completed the seminar on Corporate Governance on November 19, 2021.

Evangeline E. Soliveres,
52, Filipino

Ms. Soliveres joined Waterfront Group on February 16, 2022 as Corporate Finance Director. She is a Certified Public Accountant by profession; she graduated at the Polytechnic University of the Philippines (PUP), Manila with a degree of Bachelor of Accountancy, Cum Laude. She has earned MBA units from Ateneo Graduate School of Business. After graduation, she worked as an external auditor at Punongbayan & Araullo, CPAs at Makati City. Then, she moved to DMC-Urban Property Developers Inc. as Chief Accountant/Financial Analyst. After which, she worked for ECI Telecom Phils., in Makati City as Finance & administration Manager. In 2007, she worked for Emerson Asia Pacific ROHQ as Regional Finance Manager for Asia Pacific Supply Chain Organization. In April 2010, she joined ICAP Philippines Inc (Interdealer Broker in Securities) as a Treasurer/Finance & Administration Head and Associated Person. After almost 7 years, she decided to leave and join GFI (Hong Kong Brokers) Ltd as Director & Head of Finance & Administration. She was also the Chief Finance & Operations Officer in GLLC Medical Ltd. Hong Kong from the year 2020-2021, prior to joining Waterfront Group. She is a member of the Philippine Institute of Public Accountants (PICPA) and Association of Certified Public Accountants in Commerce & Industry (ACPACI).

Lanelle Cristina Barba,
45, Filipino

Ms. Barba joined Waterfront in June 2006-April 2008 as Employee/Labor Relations Officer in Waterfront Pavilion Hotel and Casino and was appointed as Peers Resources' and Development Director of the same property on April 30, 2008. Currently, she is the Corporate Peers' Resources and Development Director of Waterfront Hotels and Casinos. She earned her bachelor's degree in Elementary Education at the University of Santo Tomas. Prior joining Waterfront, she was the HR Officer of Asia Select Inc. and Research Analyst under Employee Relations and Benefits Division of Metrobank. She was sent to various trainings and seminars and in 2009, she was sent to Nanyang University, Singapore to attend University, Singapore to attend the PDP 2009 Building the Human Capital Base: Essential HR Practices for Managers in 2011 to Bangkok, Thailand for HR Audit training. She was previously one of the Board of Directors of the Association of Human Resources Managers (AHRM) in the Hospitality Industry from 2018- 2020 and is currently an active member. On November 19, 2021, she completed the seminar on Corporate Governance.

Aiza Pasayloon -
Famador, 32, Filipino

Ms. Famador joined Waterfront Group on December 1, 2022, as Corporate Internal Audit Department Manager. She is a Certified Public Accountant by Profession and a member of the Philippine Institute of Public Accountants (PICPA). She graduated from Saint Paul's School of Business and Law, Tacloban City with a degree of Bachelor of Science in Accountancy, Cum Laude. In July 2015, she started her first job with Sycip Gorres Velayo & Co, as a Junior Tax Audit Associate, and was promoted to Senior Tax Audit Associate after two years of service. In October 2018, she joined LH Paragon, Inc as a Corporate Tax Specialist and Compliance Officer. After 3 years, she joined Excelsior Farms, Inc, as Senior Accounting, Audit, and Tax Supervisor.

There are no other people who are not Executive Officers that are expected to make significant contributions to the Company.

None of the above directors and officers are connected with any government agencies and instrumentalities except for Atty. Lamberto B. Mercado Jr. and Sec. Ruben Torres who are members of the Board of Directors of Philippine National Construction Corporation (PNCC), a Government-Owned and Controlled Corporation. PNCC issued a certification allowing Atty. Mercado to occupy membership in the Board of Directors of other corporations provided such membership do not conflict with his official function as member of the PNCC Board of Directors. Sec. Ruben Torres seats on the Board of Directors of PNCC as a Private Sector Representative.

There are no appraisal and performance reports for the board and criteria and procedure of assessment. The performance of the Board of Directors is assessed based on their nomination for the re-election as Board of Directors.

Family Relationships

Mr. Kenneth T. Gatchalian is the son of Ms. Dee Hua Gatchalian. Ms. Elvira A. Ting is a sister of Ms. Dee Hua Gatchalian, and is a maternal aunt of Mr. Kenneth T. Gatchalian. Aside from them, no family relationship up to the fourth degree of consanguinity or affinity exists among the directors and executives.

Certain Relationships and Related Transactions

- (A) 1. Mr. Ricky L. Ricardo, Vice-President for Corporate Affairs (Acesite Phils Hotel Corporation) and Director of Acesite Realty Inc. also holds a director position for Mayo Bonanza, Philippine Estates Corporation, Wellex Mining Corporation, Wellex Petroleum Inc., Rexlon Realty Group, Inc. He is the Investor Relations Officer and Corporate Secretary of Metro Alliance Holdings and Equities Corporation, Corporate Affairs Officer/Compliance Officer of Waterfront Philippines, Inc., Director and Investor Relations Officer of Forum Pacific, Inc., and Director and Corporate Secretary of The Wellex Group, Inc.
2. As related in Note no.10 of the Notes to Financial Statements, the Corporation had invested in 86,710,000 shares of stock in Wellex Industries, Inc., an affiliated company listed on the Philippine Stock Exchange, through the conversion of Parent's Company's net receivables resulting to P0.50 per share or a total of P43,355,000.00.
- a. The Corporation invested in the above marketable security in order to diversify its current asset portfolio in listed companies with a broad upside potential.
 - b. Waterfront Philippines, Inc., parent company of the Corporation, is majority owned by the Wellex Group, Inc., which also controls Wellex Industries, Inc.
 - c. The shares are from the conversion of the Parent Company's net receivables from related parties amounting to P43.30 million into 86.71 million shares of stock of Wellex Industries, Inc., resulting to P0.50 price per share represents a 13.7% discount to the net book value of P0.58 per share of Wellex Industries, Inc. as of 31 December 2005. The fair market value of the shares based on closing market price as at December 31, 2021 and 2020 amounted to P19.94 million and P19.42 million, respectively, resulting in a valuation gain of P0.52 million in 2021, valuation gain of P1.91 million in 2020 and valuation loss of P3.9 million in 2019.
 - d. The Risk Management Committee has evaluated the transaction in accordance with certain norms, including investment risk, market liquidity, projected price-earnings ratio, net asset value and control ability, and has concluded that the investment is fair and reasonable at the acquisition price and volumes.

- e. There are no other transactions with parties that fall outside the definition of “related parties” but with whom the Corporation may have a relationship that enables the parties to come to terms in a different manner as compared to independent parties on an arm’s length basis.
- f. The Hotel extended a loan to ALEC amounting to 91.62 million payable on December 31, 2021, and bear interest 4% per annum.

(B) PARENTS OF THE REGISTRANT

- 1) Waterfront Philippines, Inc., which, as of March 31, 2024 held 55.49% of the Company, is an investment holding company for the hotel, leisure and tourism businesses registered with the SEC on 23 September 1994.

(C) RELATED PARTY TRANSACTIONS

For details, please refer to Notes No. 10 of Financial Statements.

Involvement in Certain Legal Proceedings

None of the directors, executive officers, and nominees is involved during the past five (5) years up to the filing of this report in any of the following:

- A) Bankruptcy petition
- B) Conviction by final judgment
- C) Being subject to any court order, judgment or decree,
- D) Violation of a securities or commodities law.

Resignation of Directors

No director has resigned or declined to stand for re-election to the board of directors since the last date of stockholder’s meeting due to a disagreement relating to the operation, policies or practices of the company, and no director has furnished the registrant with a letter describing any such disagreement, requesting that the matter be disclosed.

Resignation/Retirement of Executive Officers

No executive officer resigned from their position since the last date of stockholder’s meeting.

Attendance Report of the Board of Directors

	Name of Director	Number of Meetings Held	Number of Meetings Attended	%
1	Arthur M. Lopez	10	10	100%
2	Kenneth T. Gatchalian	10	10	100%
3	Elvira A. Ting	10	10	100%
4	Ruben D. Torres	10	10	100%
5	Sergio R. Ortiz-Luiz, Jr.	10	10	100%
6	Pablo M. Gancayco	10	10	100%
7	Lamberto B. Mercado, Jr.	10	10	100%
8	Renato C. Francisco*	10	10	100%
9	Aristeo R. Cruz*	10	10	100%
10	Noel M. Cariño*	10	10	100%
11	Dee Hua Gatchalian	10	10	100%

Item 6. Compensation of Directors and Executive Officers

1. Executive Compensation

General

Ms. Elvira A. Ting, an executive officer elected on 18 August 2004 has not been remunerated with a compensation package. Mr. Ricky Ricardo, Vice-President for Corporate Affairs is a regular employee and will receive remuneration for the year. Hotel executives are also regular employees of the Company and will similarly receive a compensation package for the year. In addition, Mr. Ricardo and the executive officers of the hotel can receive whatever gratuity pay the Board may extend to the managerial, supervisory and rank and file employees.

COMPENSATION TABLE

Name	Position	Year	Salary	Bonus	Others
Kenneth T. Gatchalian	President and CEO				
Richard Ricardo	VP, Corporate Affairs				
Lanelle Barba	Corporate PRD Director				
Besy Modesto	OIC- Hotel Operations				
Genelyn Defensor	Chief Engineer				
Aggregate for above Named officers		2020	6,923,039	-	30,000
		2021	7,062,507	-	30,000
		2022	8,311,312	-	30,000
		2023	8,382,466	-	30,000
		2024 Q1	2,046,650	-	30,000

For the ensuing year (2024), the aggregate compensation is expected to increase due to salary adjustments.

COMPENSATION PLAN OF DIRECTORS

The members of the Board of Director are elected for a term of one year. Director per diem been pegged at a rate of P5,000.00 per board meeting but effective May 22, 2014, per diem is P10,000.00 per board meeting. Except for the Chairman and the CEO, Directors, are not entitled to compensation package. Except as herein mentioned, no director received bonuses or profit-sharing plans for the years ended 31 December 2023 and 31 December 2022.

EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT AND CHANGE-IN-CONTROL ARRANGEMENTS

The members of the Board of Directors and Executive Officers are elected for a term of one year. No director or officer has a compensatory contract in case of resignation, retirement, termination or change in control except for Mr. Richard L. Ricardo who as a regular employee is eligible to receive the benefits under the company's retirement plan upon separation.

Warrants and Options Outstanding: Repricing

There are no outstanding warrants or options held by the Company's directors or executives.

Item 7. Independent Public Accountants

The accounting firm of R.G. Manabat & Co., formerly KPMG Manabat Sanagustin & Co. is the elected External Auditors for Acesite (Phils.) Hotel Corporation under Mr. Darwin P. Virocel – Signing Partner. In compliance with SRC Rule 68, Paragraph 3(b)(iv) (re: compliance with the 5-year rotation of external auditors), the financial statements for the year ended 31 December 2022 were audited by the accounting firm of R.G. Manabat & Co., while prior years financial statements for the years ended 31 December 2005, 31 December 2006 and 31 December 2007, were audited by the accounting firm of SGV & Company. Starting with the financial statements 31 December 2008 up to 31 December 2023 audit was undertaken by the accounting firm of R.G. Manabat & Co. A two year cooling off period shall be observed in the re-engagement of the same signing partner.

Representatives of R.G. Manabat & Co. will be present at the stockholders' meeting and are expected to be available to respond to appropriate questions. The accountants will have the opportunity to make a statement if they desire to do so.

There are no disagreements with the previous auditor, nor have they issued any correspondence indicating any disagreement with the company.

Members of the Audit Committee:

Chairman	-	Aristeo R. Cruz	- Lead Independent Director
Member	-	Renato C. Francisco	- Independent Director
Member	-	Noel M. Cariño	- Independent Director

External Audit Fees

a. Audit Related Fees

1. The aggregate fees for the audit of the registrant's annual financial statements or services that are provided by the external auditor in connection with statutory and regulatory filings amount to P0.4 million for 2022 and 2023.
2. There are no other assurance and related services rendered by the external auditor for the years 2022 and 2023.

b. Tax Advisory Fees

1. There are no Tax Advisory Fees for 2022 and 2023.

c. All Other Fees

No other fees were charged.

d. Audit Committee Procedures

The Audit Committee invites several auditing firms to provide information on their scope of audit services and their quotations on fee structure. An initial screening is made to determine if such firms can handle the scope of audit required by the Corporation. Desired firms are short-listed and considerations on comparative strengths of these candidates are evaluated by the Audit Committee. The quoted fee structure is similarly discussed to determine the best candidate for endorsement to the board of directors of the Corporation, which in turn, endorses the nominated audit firm to the stockholders for approval at the regular stockholder's meeting of the Corporation.

ITEM 8. Compensation Plans

The company has no plans to pay or distribute cash or non-cash compensation in the form of stock options, warrants or rights and any other type of compensation plan.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other Than for Exchange

a) In a meeting held on June 11, 2009, the Board of Directors resolved to increase the authorized capital stock from P310 million to P1.210 billion via declaration of 250% stock dividends and from P1.210 billion to P2.010 billion via rights offering. At the annual meeting held on July 20, 2009, the stockholders present by unanimous vote, approved the increase in the Corporation's authorized capital stock. On May 25, 2012, the application for the increase in the Company's authorized capital stock from P310 million to P1.21 billion was approved by SEC. Accordingly, the Company distributed the 250% stock dividends or 246,248,270 shares on July 19, 2012 for stockholders of record as of June 25, 2012.

b) In June 11, 2009 and July 2, 2009, respectively, the Board of Directors and the stockholders of Acesite (Phils.) Hotel Corporation approved the increase of the authorized capital from P1,210,000,000.00 to P2,010,000,000.00 via stock rights offering at an entitlement ratio of 0.58:1. Last July 14, 2014, the Board of Directors approved the amendment of the entitlement ratio from 0.58:1 to 1:1.

Item 10. Modification or Exchange of Securities

Acesite (Phils.) Hotel Corporation has no plan to modify any of its authorized and issued securities or to exchange them for another class.

1. ADDITIONAL REQUIREMENTS AS TO CERTAIN ISSUES OR ISSUERS

As of 31 December 2023, the Company has a net worth of P1.79 billion and is not planning to issue any unsecured bonds for 2024.

Property

The principal property of the Company is a 22-storey building known as the Waterfront Manila Hotel and Casino (formerly known as Manila Pavilion Hotel) located at the corner of United Nations Avenue and Maria Y. Orosa Street in Ermita, Manila.

In 2011, the Company acquired 100% interest of Acesite Realty, Inc. (formerly CIMA Realty Phils. Inc.) (ARI) a former subsidiary of Acesite Limited (BVI). The Company entered into an operating lease with ARI for use of the latter's land following the cancellation of the finance lease between two parties. This non-cancelable operating lease commenced November 1, 2011 and has a term of 20 years with a monthly rate of P250,000.00 and an escalation rate of 5% per annum. Also, the contract provided for two months free rent.

On March 18, 2018, a fire broke out in the hotel property that damaged the lower floors of the main building as well as the Podium building occupied by the casino area that resulted to the suspension of the hotel operations.

In year 2023, the hotel is still under reconstruction. The Company targets to operate by end of 2024 and is expecting to generate funds from the operation.

The Company has no plans to acquire other properties for 2024.

Legal Proceedings

1. *Acesite (Phils.) Hotel Corporation versus PAGCOR, et al.*

The case involved a Petition for Prohibition and Mandamus (the 1st petition), with application for the issuance of a Temporary Restraining Order (TRO) and writ of preliminary injunction filed by the Parent Company against PAGCOR and Vanderwood Management Corp. (VMC). The Parent Company filed this case to assail PAGCOR's award of VMC of a procurement project entitled "Lease Space for a Casino Gaming Facility in Manila for a Period of Fifteen (15) Years" under Invitation to Bid No. 09-16-2014 for being violative of the laws and rules on government procurement.

PAGCOR and VMC filed their respective comments/answers to the Parent Company's 1st petition. Subsequently, VMC filed its "Motion to Admit Attached Supplemental Comment/Answer with Compulsory Counterclaim" (the Motion to Admit) on August 10, 2015, to which the Parent Company filed an opposition to VMC's Motion to Admit. In an order dated September 5, 2016, the Court denied VMC's Motion to Admit. The Regional Trial Court of Manila, Group 36, (the Court) likewise denied the Motion for Reconsideration filed by VMC in an order dated February 28, 2017.

At the pre-trial conference on October 4, 2016, the Court referred the parties to the Philippine Mediation Center for mediation proceedings. After the termination of the mediation proceedings, the case was returned to the Court for the Judicial Dispute Resolution (JDR) proceedings. The JDR conference was set on May 2, 2017, and was reset to February 6, 2018.

In its order dated February 6, 2018, the Court terminated the JDR proceeding and forwarded the case to the Office of the Executive Judge for re-raffle. In its "Notice of Re-raffle" dated February 21, 2018, the Court informed the parties that the case was raffled to Group 20.

On April 16, 2018, the Parent Company filed its "Amended Pre-Trial Brief" dated April 13, 2018. VMC and PAGCOR likewise filed their respective Amended Pre-trial Briefs. The pre-trial conference terminated on June 1, 2018.

During the trial, the Parent Company presented its witnesses, Richard L. Ricardo and Arnie D. Juanico. On July 23, 2018, the Parent Company filed its "Formal Offer of Documentary Evidence" dated July 19, 2018. PAGCOR and VMC filed their respective comments on Parent Company's "Formal Offer of Documentary Evidence". The Court denied their objections and admitted Parent Company's documentary evidence.

Meanwhile, PAGCOR filed its "Demurrer to Evidence" dated October 17, 2018, which the court denied in its Order dated November 8, 2018, for being fatally defective. VMC, on the other hand, presented its witnesses, Maria Cristina L. Dorego and Cornelius M. Goze. Thereafter, it rested its case. Thus, the Court ordered VMC to file its "Formal Offer of Exhibits".

In its Orders dated January 28 and February 18, 2019, the Court admitted VMC and PAGCOR's respective documentary evidence, despite the Parent Company's objections and comments. After the parties filed their respective memoranda, the case was submitted for decision.

In its decision dated June 28, 2019, the Court dismissed the Parent Company's Petition. The Parent Company filed its Motion for Reconsideration on August 12, 2019, which the Court denied in its Resolution dated October 11, 2019.

The Parent Company timely filed its Notice of Appeal with the Regional Trial Court, Manila, Branch 20 on October 21, 2019 and was given due course.

The Parent Company appealed to the Court of Appeals (CA) on June 16, 2020, by filing its Memorandum dated June 15, 2020. PAGCOR and VMC likewise filed their separate Memoranda dated June 19, 2020, respectively.

On August 26, 2020, the CA noted the memoranda and submitted the case for decision. On February 21, 2022, the CA denied the appeal and the Company opted not to appeal the decision any further.

2. *Acesite (Phils.) Hotel Corporation versus Hon. Young, et al.*

In connection with the Parent Company versus PAGCOR, et al. case, the Court, in a resolution dated June 18, 2015, denied the Parent Company's application for TRO. The Parent Company thereafter

filed a Motion for Reconsideration on July 6, 2015. The said motion for reconsideration was denied by the Court on August 1, 2016.

On October 21, 2016, the Parent Company filed with the CA a Petition for Certiorari (the 2nd petition), with application for TRO and/or writ of preliminary injunction, to assail the Court's resolutions dated June 18, 2015 and August 1, 2016. VMC and PAGCOR filed their respective comments on the 2nd petition, to which the Parent Company filed its Consolidated Reply on December 19, 2016.

In a resolution dated January 25, 2017, the CA denied the Parent Company's applications for the TRO and writ of preliminary injunction and directed the parties to submit their respective memoranda. In compliance with the CA's directive, the Parent Company filed its memorandum on February 13, 2017. VMC also filed its memorandum dated February 16, 2017, while PAGCOR filed its memorandum dated February 14, 2017.

In a resolution dated March 3, 2017, the CA considered the Parent Company's Petition for Certiorari as submitted for decision.

In its decision dated February 27, 2018, the CA denied the Parent Company's Petition for Certiorari. The Parent Company moved for the reconsideration of said decision, which the CA denied in its resolution dated August 29, 2018. The Parent Company opted not to appeal the decision any further. The said decision became final and executory on September 30, 2018. In view thereof, the trial in the above case, the Parent Company versus PAGCOR, et al., ensued.

11. Financial and Other Information

Financial Statements

The Company's consolidated financial statements for the years ended December 31, 2023, 2022, 2021 and 2020 are incorporated herein by reference.

Business Development

1. Acesite (Phils.) Hotel Corporation is a domestic corporation incorporated on 10 October 1952. The Company has been in the hotel business since 15 March 1968. At that time, the Hilton International Company provided for the management of its hotel property located at the corner of UN Avenue and Maria Y. Orosa Street. The Holiday Inn (Philippines) Inc. took over the management of the hotel on 01 January 1995 and took charge of the operations until 28 February 2003.

On June 24, 2004, Waterfront Philippines Inc. (WPI) established its ownership and majority control over Acesite (Phils.) Hotel Corporation. The Waterfront Manila Hotel and Casino (formerly Manila Pavilion Hotel) is now part of the Waterfront chain of hotel facilities, complementing the Waterfront hotels in Cebu City, Mactan and Davao.

2. The Company has not been involved in any bankruptcy, receivership, or similar proceeding for the past three years.
3. The Company acquired 100% interest of Acesite Realty Inc. (formerly CIMA Realty Phils., Inc.), a former subsidiary of Acesite Limited (BVI).

Business of Issuer

1. DESCRIPTION OF REGISTRANT

(a) Principal Product or Service

The company operates the Waterfront Manila Hotel and Casino (formerly Manila Pavilion Hotel), located along United Nations Avenue, Ermita, Manila. Aside from hotel operations, the business activities of the company include restaurant operations. In 2018, the operation temporarily ceased due to the fire that damaged the hotel. In 2023, the Hotel is still under renovation. Phase1 which includes the restoration and construction works of the podium and the main hotel. A soft opening of the podium, which houses the public areas, including the lobby, some food and beverage outlets and the casino area at the ground floor level up to the third floor, is expected by the 4th Quarter of 2024.

There is no Revenue Contribution of Operations for 2023.

Product/Services	Amount (P)	% Contribution
Food & Beverage (F&B)	0.00	-
Rooms	0.00	-
Rent	0.00	-
Operating Departments	0.00	-
Others	0.00	-
TOTAL	0.00	-

(b) Room Sales to Foreigners [Percentage to Room Revenue]

None of the domestic and foreign markets was captured in 2023 due to the temporary closure on business brought by renovation project.

Foreign Source	% Contribution to Total Room Nights		
	2023	2022	2021
Asia	-	-	-
Middle East	-	-	-
North America	-	-	-
Europe	-	-	-
Australia	-	-	-
Africa	-	-	-
Philippines (Domestic Mkt)	-	-	-
TOTAL	-	-	-

(c) Distribution Methods of the Products or Services

Food and Beverage (F&B)

The hotel has several food and beverage outlets contributing revenue as follows:

Outlets	F&B Revenues (% Contribution)		
	2023	2022	2021
Seasons	-	-	-
El Rey (Concessionaire)	-	-	-
Patisserie	-	-	-
Room Service	-	-	-
Banquet	-	-	-
Mini Bar	-	-	-
Casino	-	-	-
Total	-	-	-

Rooms

In 2023, the operations remained suspended resulting to non-generation of revenues.

Market Segment	% Contribution		
	2023	2022	2021
Marketing Promotions	-	-	-
Reservation System	-	-	-
Travel Trade Accounts	-	-	-
Corporate & FIT Accounts	-	-	-
TOTAL	-	-	-

(d) **Status of Any Publicly-Announced New Product or Service**

There is no new product or service that has been announced in 2023.

(e) **Top Five (5) Performance Indicators**

No occupancy of the hotel was recorded in 2023, 2022 and 2021 due to ongoing hotel renovation.

	2023	2022	2021
Occupancy Rate	-	-	-
Average Room Rate	-	-	-
Revenues	-	-	-
Gross Operating Income	(63,415,187)	(63,047,074)	(65,912,961)
Gross Operating Income Ratio	-	-	-

(f) **Sources and Availability of Raw Materials**

The hotel sources all its raw materials (food, beverages, room cleaning items, bed and bath linen, soaps, office supplies, etc.) from various local suppliers.

(g) **Major Customers**

The contract of lease with PAGCOR ended in March 2018. Currently, PAGCOR no longer have lease contract with the Company.

(h) **Transactions with Related Parties**

The Corporation had invested in 86,710,000 shares of Wellex Industries, a related company listed on the Philippine Stock Exchange, at P0.50 per share or a total of P43,355,000.00. The said investment is from the conversion of the Parent Company's net receivables from related parties to shares of stock of Wellex Industries, Inc.

Net transactions with WPI during the year amounted to P187.95 million in 2023. Transactions have increased due to additional Management Fee. As of December 31, 2023, the hotel has an outstanding payable to WPI equivalent to P111.73 million; from a payable of P132.88 million as of December 31, 2022.

For a more detailed transactions with other related parties, please refer to Notes No. 10 of Financial Statements.

(i) Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions and Royalty Agreements

Not applicable.

(j) Government Approval of Principal Products or Services

The Company holds BFAD License to Operate as evidence of full compliance with the requirements of the Bureau of Food and Drugs (BFAD). However, due to non-operational since 2018, this has not been renewed. The Hotel was accredited with the Department of Tourism with a four-star rating in 2016. Prior to the opening of the hotel, accreditation from Department of Tourism (DOT) will be renewed.

(k) Effect of Existing or Probable Governmental Regulations on the Business

In management's opinion, there are no other existing or probable governmental regulations that would have significant impact on the business of the firm.

(l) Research and Development Activities

Not applicable.

(m) Compliance with Environmental Laws

The Hotel is compliant with the emission standard set by the Clean Air Act, the Solid Waste Management Act and the effluent standard of wastewater. The cost of compliance covers the application for certificates of environmental compliance and the regular monitoring and maintenance of engineering equipment and sewerage treatment plant (STP). The hotel obtained a clearance from the Pollution Control Department of the Laguna Lake Development Authority (LLDA). Permit fees for garbage collection, sewage cleaning and maintenance were complied.

(n) Manpower Count

	Actual Manpower Count As of	
	31 Dec 2023	31 Dec 2022
Department Head	8	11
Managerial and Supervisors	10	10
Line Staff	4	4
Casual (Direct)	-	-
Total	22	25

On November 24, 2018, the Company has filed Permanent Lay-off at Department of Labor and Employment. And also, this is the time when Labor Union ended as well as all existing Collective Bargaining Agreement (CBA).

On October 1, 2020, the Company has filed a Temporary Lay-off covering October 1, 2020 to March 31, 2021. The Company filed an extension for another six months from April 1, 2021 to September 30, 2021.

As the hotel is opened, the Company will hire employees for the twenty-four-hour operations in the hotel rooms and restaurants. Estimated number of employees once operational is 300 employees broken as follows: Agency Employees is 210 and Regular is 90.

- (o) During the year, health and safety protocols were continued to ensure safety of all the employees who are all required to report on site. These are based on the minimum health standards for office workplace given by Department of Health.

Management's Discussion and Analysis or Plan of Operation

PLAN OF OPERATION

The following are the Company's plan of operation for the next twelve (12) months:

- (a) In terms of cash requirements, the Company has received from the insurance company reimbursements totaling to P1.64 billion as of December 31, 2023. The Company will be raising additional funds thru assistance from the Parent Company and other related parties. This amount forms part of the fund being used in the reconstruction project of the hotel. The Company targets to operate by 4th Quarter of 2024 and expecting to generate funds from the operation;
- (b) The Company is currently undergoing rebuilding and renovations in order to restore the damages brought by fire. Moreover, with the modern architectural designs and latest technologies, the company pushes different ways of improving concepts or goals for their clients. This kind of development will help the company to keep up with the hotel industry trends.
- (c) The Company has been considering the procurement of new machineries and equipment as part of the rebuilding and renovation project. The estimated amount of purchases is P1.05 billion. There are various suppliers who have been awarded with these purchases; and
- 4) For the next eighteen months, the Company is planning to operate. In line of this, the increase in the number of employees is expected. Estimated number of employees once operational is 300 employees broken down as follows: Agency Employees is 210 and Regular is 90. These employees will be mostly employed in the twenty-four hour operations in the hotel rooms and restaurants.

RESULTS OF OPERATIONS

A. FULL FISCAL YEARS

Year Ended 31 December 2023 to Year Ended 31 December 2022

The year ended 31 December 2023 and 2022 reported zero revenues caused by the cease of operations in 2018.

The coffee shop, Seasons, Casino Filipino and Patisserie remained closed during the year. Room Service, El Rey (concessionaire), Banquet and Mini Bar were also non-operational.

Cost and expenses other than depreciation, financing and income tax expense for the year ended 31 December 2023 amounted to 63.42 million, compared with P63.05 million for the year ended 31 December 2022. Gross loss amounted to P63.42 million for 2023. Last year's gross loss was P63.05 million.

Fixed, financial and other expenses in 2023 amounted to 16.77 million as compared to 14.94 million in 2022. Depreciation expense decreased by 8.00% from P21.56 million last 2022 to P19.82 million this 2023 due to revaluation and adjustments.

For the year ended 2023, the Company incurred a net loss of P74.92 million or P0.21 per share compared with net loss of P72.86 million in 2022 or P0.21 per share. These losses pertain to the temporary cessation of operation and non-generating of revenues. For the next eighteen months, the Company is planning to operate in order to generate revenues.

Total assets of the company decreased from P3.01 billion as of the end of 2022 to P2.925 billion as of the end of 2023. Current assets decreased from P563 million last year to P455 million this year due to the decrease in cash and cash equivalents. Trade and other receivables decreased from P117.90 million in 2022 to P45.21 million in 2023. Prepayments and other current assets increased from P203.63 million to P206.09 million. Non-current assets increased by 0.79% from P2.45 billion to P2.47 billion due to increase in property and equipment which represents the increase in Construction-In-Progress. Current liabilities decreased from P849.82 million to P836.27 million due to the decrease in both trade payables and related party transactions. The Long-Term Liabilities decreased from P297.68 million in 2022 to P296.77 million in 2023; due to the decreased in Deferred Tax Liabilities. Stockholders' equity decreased from P1.87 billion to P1.79 billion over the same comparative periods.

Year Ended 31 December 2022 to Year Ended 31 December 2021

The year ended 31 December 2022 and 2021 reported zero revenues caused by the cease of operations in 2018.

The coffee shop, Seasons, Casino Filipino and Patisserie remained closed during the year. Room Service, El Rey (concessionaire), Banquet and Mini Bar were also non-operational.

Cost and expenses other than depreciation, financing and income tax expense for the year ended 31 December 2022 amounted to 63.05 million, compared with P65.91 million for the year ended 31 December 2021. Gross loss amounted to P63.05 million for 2022. Last year's gross loss was P65.91 million.

Fixed, financial and other expenses in 2022 amounted to 14.94 million as compared to 16.34 million in 2021. Depreciation expense increased by 5.00% from P20.54 million last 2021 to P21.56 million this 2022 due to revaluation and adjustments.

For the year ended 2022, the Company incurred a net loss of P72.86 million or P0.21 per share compared with net loss of P72.86 million in 2021 or P0.14 per share. These losses pertain to the temporary cessation of operation and non-generating of revenues. For the next twelve months, the Company is planning to operate in order to generate revenues.

Total assets of the company decreased from P3.17 billion as of the end of 2021 to P3.01 billion as of the end of 2022. Current assets decreased from P880 million last year to P563 million this year due to the decrease in cash and cash equivalents. Trade and other receivables decreased from P145.35 million in 2021 to P117.90 million in 2022. Prepayments and other current assets increased from P173.40 million to P203.63 million. Non-current assets increased by 7% from P2.28 billion to P2.45 billion due to increase in property and equipment which represents the increase in Construction-In-Progress. Current liabilities decreased from P942.07 million to P849.82 million due to the decrease in both trade payables and related party transactions. The Long-Term Liabilities increased from P280.24 million in 2021 to P297.68 million in 2022; this is because of the increase in retention payables. Stockholders' equity decreased from P1.94 billion to P1.87 billion over the same comparative periods.

Year Ended 31 December 2021 to Year Ended 31 December 2020

The year ended 31 December 2021 and 2020 reported zero revenues caused by the cease of operations in 2018.

The coffee shop, Seasons, Casino Filipino and Patisserie remained closed during the year. Room Service, El Rey (concessionaire), Banquet and Mini Bar were also non-operational.

Cost of sales and services for the year ended 31 December 2021 amounted to 65.91 million, compared with P80.23 million for the year ended 31 December 2020. Gross loss amounted P65.91 million for 2021. Last year's gross loss was P80.32 million.

Fixed, financial and other expenses in 2021 amounted to 16.34 million as compared to negative P836.38 million registered in 2020. Depreciation expense decreased by 6.76% from P22.03 million last 2020 to P20.54 million this 2021 due to revaluation and adjustments.

For 2021, the Company incurred a net loss of P49.84 million or P0.14 per share compared with net income of P654.57 million in 2020 or P1.90 per share. These losses pertain to the temporary cessation of operation and non-generating of revenues. For the next twelve months, the Company is planning to operate in order to generate revenues.

Total assets of the company decreased from 3.28 billion as of the end of 2020 to P3.17 billion as of the end of 2021. Current assets decreased from 1.10 billion last year to P880 million this year due to the decrease

in cash and cash equivalents. Trade and other receivables decreased from P149.94 million in 2020 to P145.35 million in 2021. Prepayments and other current assets increased from P167.81 million to P173.40 million. Non-current assets increased by 4.81 % from P2.18 billion to P2.28 billion due to increase in property and equipment which represents the increase in Construction-In-Progress. Current liabilities decreased from P987.01 million to P942.07 million due to the decrease in both trade payables and related party transactions. The Long Term Liabilities decreased from P322.62 million in 2020 to P280.24 million in 2021; this is because of the decrease on deferred tax liabilities. Stockholders' equity decreased from P1.97 billion to P1.94 billion over the same comparative periods.

Waterfront Manila Hotel and Casino (formerly known as Manila Pavilion Hotel) had established a market niche in the Manila Bay area, and hopes to recapture the foreign tourists and local travelers by offering value-for-money accommodations with comfort, perks and good service.

- i. The Company is involved in a number of minor legal cases (labor and civil). However, adverse judgments on these will not affect the short-term liquidity of the Company. For such contingencies, management has provided adequate reserves. Aside from this, the management is not aware of trends and events that would have a material impact on the company's liquidity.
- ii. Aside from the above-mentioned items, the company does not know of other material events that will trigger direct or material contingent financial obligation to the company.
- iii. There are no off-balance sheet transactions, arrangements, obligations, and other relationships of the company with unconsolidated or other persons created during the reporting period.
- iv. The company does not know of any known trends, events, or uncertainties with a material impact on sales.
- v. From the cessation of the operations, the Company has been significantly affected since there are no operations. Revenue has declined by 100% and expenses have increased by 36.63% leading to a net loss of P 618.42M in 2018.
- vi. Causes of material changes in the items in the financial statements from the year ending 31 December 2020 0074 of the year ending 31 December 2021 and from the year ending 31 December

2021 to the year ending 31 December 2022 have been discussed under management discussion and analysis. Moreover, analyses and the causes of changes have been briefly discussed below.

Balance Sheet			
	Year Ending	Year Ending	Year Ending
	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2021
Current Assets	455,205,683	563,465,437	880,024,795
Total Assets	2,925,078,600	3,014,095,780	3,161,426,847
Current Liabilities	836,560,412	849,823,697	942,065,094
Total Liabilities	1,133,042,341	1,147,504,130	1,222,308,345
Retained Earnings/ (Deficit)	1,252,266,664	1,312,514,257	1,370,695,021
Stockholders' Equity	1,792,036,259	1,866,591,650	1,939,055,502

Income Statement			
	Year Ending	Year Ending	Year Ending
	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2021
Operating Revenue	-	-	-
Other Revenue	-	-	-
Gross Revenue	-	-	-
Operating Expense	-	-	-
Other Expense	63,415,187	63,047,074	65,912,961
Gross Expense	16,773,916	14,940,607	16,336,913
Net Income/(Loss) Before Tax	(80,189,103)	(77,987,681)	(82,249,874)
Income Tax Expense	(5,265,060)	(5,130,467)	(32,413,903)
Net Income/(Loss) After Tax	(74,924,043)	(72,857,214)	(49,835,971)

- ❖ **Revenues from lease activities (Revenues – Rental):** No rental revenues for the year 2023 same for the year 2022 due to the temporary cessation of operations starting March 2018.
- ❖ **Revenues from Rooms (Revenues – Rooms):** No room revenues for the year 2023 same for the year 2022 due to temporary cessation of operations starting March 2018.
- ❖ **Revenues from Food and Beverage (Revenues – F&B):** No F&B revenues for the year 2023 same for the year 2022. F&B revenue has been affected since the closure of the outlets due to the fire incident in March 2018.
- ❖ **Revenues from Others:** No Other revenues were recorded for the year 2023 same for the year 2022.
- ❖ **Cost of Sales (F&B):** No F&B cost of sales for 2023 same for the year 2022 due to the closure of outlets in March 2018.

- ❖ **Personnel:** Personnel costs for the year ended 31 December 2023 amounted to P25.03 million as compared to P21.81 million in the year 2022. The increase in Personnel Cost was due to the increase in the number of employees and cancellation of the implemented salary reduction due to pandemic.
- ❖ **Energy Cost:** Energy cost for the year amounted to P3.91 million as compared to 2022 of P3.69 million. An increase of P.226 million was recorded because of the renovation activities that requires energy.
- ❖ **OTHERS:** These are various cost and expenses under different departments which summed up to 34.48 million in the year 2023 as compared to 2022 of P37.55 million. An increase of P3.49 million due to additional charges..
- ❖ **Depreciation:** Depreciation expense recorded at P19.82 million showing a decreased of P1.745 million in 2022. The decrease was due to full depreciation of various fixed assets.
- ❖ **Foreign Exchange Loss:** Foreign exchange gain for the year 2023 is P0.015 million while foreign exchange is NIL in 2022. No loan has been signed in 2023.
- ❖ **Due from a Related Party:** Due to related parties of 31 December 2023 amounted to P511.916 million as compared to that as of 31 December 2022 which is P457.330 million.

vii. The company does not know of any seasonal aspects that had a material effect on the financial condition or results of operations.

B. INTERIM PERIODS

Quarter Ended 31 March 2024 and Quarter Ended 31 March 2023

No gross revenues registered in the same comparative period in 2024 and 2023. No room sales were reported due to the fire incident. There was zero occupancy in 1Q2024 same as 1Q2023. No room revenue contribution to the gross revenues for 1Q2024 and 1Q2023, respectively. Zero average room rate for both 1Q2024 and 1Q2023.

Zero Food and Beverage revenue was recorded in 1Q2024 and 1Q2023. Food and beverages sales have no contribution to gross revenues. Revenues generated by other operating departments including Telephone department went down completely in 1Q2024 and 1Q2023. Rent and other income have remained zero in 1Q2024 and in 1Q2023.

There was no F&B Revenue, thus, no cost of sales in both 1Q2024 and in 1Q2023. Payroll expenses decreased by 34.64 % from P.65 million in 1Q2023 to P0.43 million in 1Q2024. Permanent Lay Off has been filed at the DOLE NCR on November 24, 2018 due to the fire incident that occurred in the hotel last March 18, 2018. Other expenses increased from P.08 million in 1Q2023 to P.2 million in 1Q2024. The Energy cost was recorded at P.82 million in 1Q2024.

The Company posted a gross operating loss of P21.69 million in 1Q2024, representing decrease of 2.61 million from that recorded in 1Q2023 of 24.30 million. Gross operating profit/loss ratio in 1Q2024 and 1Q2023 stood both at 0%.

Fixed financial, operating and other expenses decreased from P15.87 million in 1Q2023 to P14.51 million in 1Q2024 with the major movement coming from corporate expenses and insurance. The general and administrative expenses increased from P10.87 million in 1Q2023 to P9.1 million in 1Q2024 due to various expenses. Marketing and guest entertainment decreased from P.18 million in 1Q2023 to P.09 million in 1Q2024. Total of P1.99 million of corporate expenses is recorded in 1Q2024. Real estate tax went down from P3.33 million in 1Q2023 to P3.32 million in 1Q2024. Fire insurance is NIL in 1Q2024 from P.5 million in 1Q2023. For 1Q2024, the Company posted a net loss of 21.69 million representing a decrease of 10.75% from loss of P24.30 million in 1Q2023.

Quarter Ended 31 March 2023 and Quarter Ended 31 March 2022

No gross revenues registered in the same comparative period in 2023 and 2022. No room sales were reported due to the fire incident. There was zero occupancy in 1Q2023 same as 1Q2022. No room revenue contribution to the gross revenues for 1Q2023 and 1Q2022, respectively. Zero average room rate for both 1Q2023 and 1Q2022.

Zero Food and Beverage revenue was recorded in 1Q2023 and 1Q2022. Food and beverages sales have no contribution to gross revenues. Revenues generated by other operating departments including Telephone department went down completely in 1Q2023 and 1Q2022. Rent and other income have remained zero in 1Q2023 and in 1Q2022.

There was no F&B Revenue, thus, no cost of sales in both 1Q2023 and in 1Q2022. Payroll expenses decreased by 43.18% from P1.15 million in 1Q2022 to P.65 million in 1Q2023. Permanent Lay Off has been filed at the DOLE NCR on November 24, 2018 due to the fire incident that occurred in the hotel last March 18, 2018. Other expenses increased from P.02 million in 1Q2022 to P.08 million in 1Q2023. The Energy cost was recorded at P1.04 million in 1Q2023.

The Company posted a gross operating loss of P24.305 million in 1Q2023, representing decrease of P1.96 million from that recorded in 1Q2022 of P26.268 million. Gross operating profit/loss ratio in 1Q2023 and 1Q2022 stood both at 0%.

Fixed financial, operating and other expenses decreased from P23.04 million in 1Q2022 to P15.87 million in 1Q2023 with the major decrease coming from general and administrative expenses. The general and administrative expenses decreased from P18.57 million in 1Q2022 to P10.86 million in 1Q2023 due to decrease in maintenance fee and other taxes and licenses. Marketing and guest entertainment decreased from P.32 million in 1Q2022 to P.18 million in 1Q2023. No corporate expenses were recorded in 1Q2023. Real estate tax increased from P3.14 million in 1Q2022 to P3.33 million in 1Q2023. Fire insurance increased from P1.007 million in 1Q2022 to P1.49 million in 1Q2023. For 1Q2023, the Company posted a net loss of P24.305 million representing an decrease of 7% from loss of P 26.38 million in 1Q2022.

FINANCIAL CONDITION

As of 31 March 2024 and Year Ended 31 December 2023

Total assets increased to P2.932 billion in 31 March 2024 as compared to P2.925 billion as of 31 December 2023. Current assets decreased from P.45 billion as of 31 December 2023 to P.43 billion as of end of 1Q2024, this is due to decrease in Trade and other receivables. Cash ending balance as of 31 March 2024 is P20.07 million posted a decrease from P20.46 million. Trade receivables decreased by P 20.75 million as of 31 March 2024 from P45.28 million as of 31 December 2023. No changes have been noted from the Inventories from 31 December 2023 to 1Q 2024. Prepayments and other current assets increased to P206.65 million as of 31 March 2024 from P206.09 million as of 31 December 2023.

Property and equipment account increased from P1.76 billion as of 31 December 2023 to P1.76 billion as of 31 March 2024. No changes have been noted from the Available for Sale investment account from 31 December 2023 to the 1Q2024. Other non-current assets of P714.34 million as of end of 1Q2024 increased by P28.58 million from P685.8 million as of 31 December 2023.

Total liabilities increased from P1.13 billion as of 31 December 2023 to P1.16 billion as of 31 March 2024. Trade and other current payables decreased from P324.64 million as of 31 December 2023 to P321.15 million as of 31 March 2024. Non-current liabilities increased by P.05 million from P296.48 million as of 31 December 2023 to P296.53 million as of 31 March 2024.

As of 31 March 2023 and Year Ended 31 December 2022

Total assets decreased to P2.93 billion in 31 March 2023 as compared to P3.01 billion as of 31 December 2022. Current assets decreased from P.56 billion as of 31 December 2022 to P.44 billion as of end of 1Q2023, this is due to decrease in Cash and Cash Equivalents. Cash ending balance as of 31 March 2023 of P51.88 million posted a decrease of P90.59 million. Trade receivables decreased by P29.11 million as of 31 March 2023 from P117.9 million as of 31 December 2022, this is due to collection from insurance. No changes have been noted from the Inventories from 31 December 2022 to 1Q 2023. Prepayments and other current assets increased to P205.63 million as of 31 March 2023 from P203.62million as of 31 December 2022.

Property and equipment account increased from P1.74 billion as of 31 December 2022 to P1.78 billion as of 31 March 2023. No changes have been noted from the Available for Sale investment account from 31 December 2022 to the 1Q2023. Other non-current assets of P683.58 million as of end of 1Q2023 decreased by P4.97 million from P688.55 million as of 31 December 2022 due to decrease of Deposits to Contractors during the year.

Total liabilities decreased from P1.14 billion as of 31 December 2022 to P1.10 billion as of 31 March 2023. Trade and other current payables decreased from P392.49 million as of 31 December 2022 to P378.25 million as of 31 March 2023. Non-current liabilities increased by 4.97 million from P297.68 million as of 31 December 2022 to P305.65 million as of 31 March 2023.

- i. The Company is involved in a number of legal cases (labor and civil). However, adverse judgments on these will not affect the short-term liquidity of the Company. For such contingencies, management has provided adequate reserves.
- ii. Aside from the above-mentioned items, management does not know of trends and events that would have a material impact on the Company's liquidity.
- iii. On March 18, 2018, a fire broke out in the hotel property that damaged the lower floors of the main building as well as the Podium building occupied by the casino area that resulted to the suspension of the hotel operations.
- iv. The proceeds from the insurance claims shall be used to restore the hotel for its continued operation.
- v. There are no off-balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated or other persons created during the reporting period.
- vi. The business operation during the 2nd quarter of 2018 has temporary ceased due to the damages caused by fire to the property. By the end of 1st quarter of 2024, the business operation has not yet commenced.
- vii. For the 1st quarter of 2024, the material or significant elements of loss did not arise from the Company's operations, however, contributable to the non-generation of any revenue brought by temporary closure.
- viii. Causes of material changes in the items in the statement of financial positions and income statements from the interim year-to-date ending 31 March 2023 to the interim year-to-date ending 31 March 2022 has been discussed under management discussion and analysis under Interim Reports. The following comparisons are supplementary to the management discussion and analysis and are presented for discussion purposes only.

Statement of Financial Position		
	Period Ended	Fiscal Year Ended (Audited)
	March 31, 2024	December 31, 2023
Current Assets	436,868,916	455,205,683
Total Assets	2,932,972,453	2,925,078,600
Current Liabilities	866,092,422	836,560,412
Total Liabilities	1,162,629,109	1,133,042,344
Retained Earnings	1,230,573,750	1,252,266,664
Stockholders' Equity	1,770,343,344	1,792,036,259

Income Statement				
	2024	2023	2022	2021
	(3 Months)	(3 Months)	(3 Months)	(3 Months)
Operating Revenue	-	-	-	-
Other Revenue	-	-	-	-
Gross Revenue	-	-	-	-
Operating Expense	21,692,915	8,510,828	13,405,291	3,838,616
Other Expense		17,077,990	17,539,214	18,061,222
Gross Expense	21,692,915	25,588,818	30,944,505	21,889,837
Net Income/(Loss) Before Tax	(21,692,915)	(25,588,818)	(30,944,505)	(21,889,337)
Income Tax Expense	-	-	-	-
Net Income/(Loss) After Tax	(21,692,915)	(25,588,818)	(30,944,505)	(21,887,837)

- iv. The hotel operation is currently suspended. This has a material effect on the financial condition and results of operations.

TOP FIVE (5) PERFORMANCE INDICATORS

The top five (5) key performance indicators, as discussed herein, are presented on comparable basis and compared with figures attained from prior years operation, and are more fully explained as follows:

	March 2024	March 2023
Occupancy Rate	-	-
Average Room Rate	-	-
Revenues	-	-
Gross Operating Profit	(21,692,915)	(8,430,059)
Gross Operating Profit Ratio	-	-

- 1) Occupancy rate is the number of hotel room-nights sold for the period divided by the number of room-nights available for the period; 2) Average room rate is the total room revenue for the period divided by the total number of hotel room-nights sold for the period; 3) Revenues are broken down on a departmental basis; 4) Gross operating profit ratio is computed as a percentage of revenues; and 5) Total Fixed, Financial and Other Charges are presented in the comparative.

Item 7. Financial Statements

1. The audited financial statements as of 31 December 2021 and 31 December 2022 and for the year ended 31 December 2022 and 31 December 2021 are incorporated herein by reference. A copy of the audited financial statements as of 31 December 2023 is attached.
2. The exhibits attached to the financial statements are in addition to the information disclosed in the annual reports for the year ended 31 December 2023 and for the year ended 31 December 2022.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Accounting Firm of KPMG Manabat, Sanagustin & Co. is the elected External Auditor for Acesite (Phils.) Hotel Corporation. In compliance with SEC Memorandum Circular No. 8, Series of 2003, the financial statements for the year ended 31 December 2023 were audited by the accounting firm of R.G. Manabat & Co., while prior years financial statements for the years ended 31 December 2005, 31 December 2006 and 31 December 2007, were audited by the accounting firm of SGV and Company. Starting with the financial statements 31 December 2008 up to 31 December 2022 audit was undertaken by the accounting firm of R.G. Manabat & Co., formerly KPMG Manabat, San Agustin & Co., and there have been no disagreements with the independent accountants.

MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

1. The Company is listed on the Philippine Stock Exchange. The following are the trading prices (in Philippine Peso):

	2024		2023		2022	
	High	Low	High	Low	High	Low
1 st Quarter	1.77	1.76	1.60	1.32	1.67	1.37
2 nd Quarter	1.88	1.62	1.72	1.40	1.82	1.37
3 rd Quarter			1.92	1.61	1.72	1.36
4 th Quarter			1.89	1.73	1.67	1.32

The last trading price was ₱1.65 on 04 June 2024.

2. Holders

The Company had 206 registered stockholders as of 31 March 2024. The top 20 stockholders are as follows:

Top as of 20 Stockholder 31 March 2023	No. of Shares	% Holdings
WATERFRONT PHILIPPINES, INC.	192,045,057	55.49%
PCD NOMINEE CORPORATION	80,375,502	23.22%
PCD NOMINEE CORPORATION (NON-FILIPINO)	52,249,475	15.10%
NICKELL INTERNATIONAL LTD.	8,935,710	2.58%
ACESITE (PHILIPPINES) HOTEL CORPORATION	1,353,000	0.39%
ANFLO MANAGEMENT AND INVESTMENT	857,394	0.25%

CORPORATION		
TANSECO, GENEROSO	714,857	0.21%
UNITED PHILIPPINE LINES	714,854	0.21%
TAN, JESUS M. (HEIRS OF)	595,728	0.17%
DIZON, WILLY O. DIZON OR NENE C.	500,000	0.14%
BAUTISTA, DOMINGO C.	476,574	0.14%
NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508	0.09%
MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001	0.08%
MENZI, HANS (ESTATE OF)	278,001	0.08%
WELLS AND PUMPS INC.	278,001	0.08%
ROSARIO, FRANCISCO DEL	258,146	0.07%
CARLOS, GLORIA S. (HEIRS OF)	218,428	0.06%
SANCHEZ, ANDREW A.	198,579	0.06%
ANUP TRADING	198,576	0.06%
COJUANGCO, RAMON (HEIRS OF)	198,576	0.06%
LORENZO, LUISA DE R.	198,576	0.06%
TULIO, ERMINDA L.	198,576	0.06%

3. Dividends

The Board of Directors on its special meeting held on August 1, 2008 approved the declaration of three hundred percent stock dividends or three (3) common shares per one (1) outstanding common share, and subsequently approved by the stockholders in a special meeting held on September 26, 2008. However upon consultation with the Securities and Exchange Commission and the need to comply with the new SEC guidelines on the declaration of dividends, the stockholders, acting on the recommendation of the management during the annual stockholders meeting held on July 20, 2009 ratified and approved amendments to the resolution previously approved during a special stockholders meeting held on September 26, 2008, thus approving a 250% stock dividend instead of a 300% stock dividend.

On May 25, 2012, the application for the increase in the Company's authorized capital stock from P310 million to P1.21 billion was approved by SEC. Accordingly, the Company distributed the 250% stock dividends or 246,248,212 shares on July 19, 2012 for stockholders of record as of June 25, 2012.

There are no cash dividends declared as of December 31, 2021 and December 31, 2022 by the BOD. Moreover, the Company has not seen any restrictions that limit the ability to pay dividends on common equity or that are likely to do so in the future.

Since the temporary stoppage of operation in March 2018, non-generation of revenue resulted to non-declaration of cash dividends for the Stockholders. As of 2023, the Hotel is still under renovation.

4. Recent Sales of Unregistered Securities

Not applicable.

PART V. CORPORATE GOVERNANCE

- a. The Company has in place a continuing evaluation program on the level of compliance of the Board of Directors and top-level management with its manual of Corporate Governance. The Compliance Officer identifies, monitors and, together with the Corporation's Legal Counsel, controls compliance risk. On a continuing basis, findings thereof are immediately reported to the Chairman of the Board for appropriate action.

- b. Several measures are practiced by the Corporation to fully comply with its Manual of Corporate Governance. The Corporation has adopted Anti-Money Laundering Guidelines, a Code of Business Ethics and a Policy Manual for Business Conduct which all employees, officers and directors are expected to follow. Upon assumption of office, directors take note of and signify their assent to their individual responsibilities under the Company's Manual of Corporate Governance. Committees are formed on the basis of each director's area of expertise. The Board considers the need for the appointment of, and may subsequently commission, independent experts to examine, validate and/or audit any matter coming to its attention. Furthermore, the accounting system and the preparation of financial statements are made compliant with Statements of International Accounting Standards (SFAS)/International Accounting Standards (IAS) in the manner specified by law. Results of the annual audit and the report of the external auditors are reviewed by the Audit Committee before final approval by the Board of Directors.
- c. For the year ended 31 December 2023, there have been no deviations from the Company's Manual of Corporate Governance, which was updated in pursuant to SEC Memorandum Circular No. 19, last May 30, 2017.
- d. The Company has in place a policy on the continuing development and improvement of the Manual of Corporate Governance. Board members and senior executives are encouraged to propose amendments that may be beneficial. The Board reviews such proposals and may implement amendments that, upon discussion and consideration, are finally deemed beneficial.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

Acesite (Phils.) Hotel Corporation has no plans to merge and consolidate with other company, to acquire other company's securities, to acquire any other going business or of the assets thereof, to sell or transfer any substantial part of its assets and to liquidate or dissolve the Company.

Item 13. Acquisition or Disposition of Property

The company has not acquired any property nor disposed of any of its property for the calendar years ended 31 December 2022 and 31 December 2023.

The Company acquired 100% interest of Acesite Realty Inc. (formerly CIMA Realty Phils., Inc.), a former subsidiary of Acesite Limited (BVI), in October 2011.

Item 14. Restatement of Accounts

There is no substantial restatement of any asset, capital or surplus account of the Company for the financial statements for the calendar year ending 31 December 2022 and 31 December 2023.

OTHER MATTERS

Item 15. Action with Respect to Reports

The following reports, copies of which will be duly furnished to stockholders without charge, will be submitted for stockholders' approval at the Annual Meeting of Stockholders on 26 July 2024:

a) The agenda for the July 26, 2024, Annual Stockholders Meeting:

Call to Order.
Certification of Notice and Quorum.
Approval of the Minutes of the Previous Stockholders' Meeting.
President's Report to the Stockholders for the Year 2023 and the approval of the Audited Financial Statements as of December 31, 2023.
Ratifications of the Acts of the Board and Management for the year 2023.
Election of the Board of Directors to Serve for the Term 2024-2025.
Appointment of External Auditor for the year 2024-2025.
Appointment of External Counsel for the year 2024-2025 and
Other matters; and
Adjournment.

b) The Minutes of the October 10, 2023, Annual Stockholder's Meeting will be presented for approval.

The Chairman of the Board, Mr. Arthur Lopez has called the meeting last October 10, 2023. The Minutes of Stockholders' Meeting held on October 10, 2023, was approved.

There being a majority of the elected Directors present, there was a quorum for the transaction of corporate business.

The stockholders re-appointed the law firms of Corporate Counsels, Philippines and Gancayco, Balasbas & Associates as the legal counsels of the Company.

The accounting firm of R.G. Manabat & Co., formerly KPMG Manabat Sanagustin & Co. was re-appointed as External Auditors.

c) Interim Report as of March 31, 2024, will be presented to the security holder for information regarding the actual situation of the business.

d) General ratification of corporate acts since the last stockholders' meeting:

- Designation of certain officers and law office to represent the company in court cases.
- Renewal of licenses from various government offices and designation of authorized signatories thereto.
- **All others pertaining to administrative matter such as:**
 - **Designation of authorized representative for Government Entities**
 - **Designation of authorized signatories with bank**
 - **Designation of authorized representative for contracts and memorandum of agreement**

The stockholders re-appointed the law firms of Corporate Counsels Philippines Law Offices and Gancayco, Balasbas & Associates in the last annual meeting held October 10, 2023, as the legal counsels of the Company. Representatives of the said law firms shall be attending the annual meeting of stockholders on July 26, 2024, to respond to appropriate questions and have an opportunity to make a statement if they so desire. Law Firms of Corporate Counsels, Philippines Law Offices; and Gancayco, Balasbas & Associates stand for re- appointment on July 26, 2024.

The accounting firm of R.G. Manabat & Co., formerly KPMG Manabat Sanagustin & Co. has acted as the External Auditors for calendar year 2023 and also stands for re-appointment. There are no disagreements with R.G. Manabat & Co. on any matter of accounting and financial disclosure.

Item 16. Matters Not Required to be Submitted

Only matters which require stockholders' approval will be taken up during the annual meeting. No action will be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 17. Amendments of Charter, By-Laws & Other Documents

- A. In compliance with SEC Memorandum No. 6, Series of 2014, dated February 20, 2014, the Company's Board approved the amendment of the Articles of Incorporation on July 2, 2014 to reflect the change in principal office address from "City of Manila, Philippines" to "7th Floor, Manila Pavilion Hotel, United Nations Avenue corner Maria Orosa Street, Ermita, Manila, Philippines". The amendment was presented to the stockholders for approval on October 25, 2018 annual stockholders' meeting. However, this was not approved due to the lack of required number of shares represented in said meeting. On July 31, 2019, the Company's Board approved the amendment to state the specific principal office address of the Company from "City of Manila, Philippines" to "8th Floor, Waterfront Manila Hotel and Casino, United Nations Avenue corner Maria Orosa Street, Ermita, Manila, Philippines, Philippines, Zip Code 0903". On November 5, 2019, the same was approved by the Company's stockholders. On July 7, 2020, the Securities and Exchange Commission approved the amendment to Article 3 of the Company's Articles of Incorporation.
- B. On July 31, 2019, the Company's Board approved the amendment to change the business name of the Company from Acesite (Phils.) Hotel Corporation to Acesite (Phils.) Hotel Corporation (Doing business under the name and style of Waterfront Manila Hotel and Casino). On November 5, 2019, the same was approved by the Company's stockholders. On July 7, 2020, the Securities and Exchange Commission approved the amendment to Article 1 of the Company's Articles of Incorporation.
- C. On July 31, 2019, the Company's Board approved the amendment of the by-laws to reflect the change in corporate name. On November 5, 2019, the same was approved by the Company's stockholders. On July 7, 2020, the Securities and Exchange Commission approved the said amendment.

Item 18. Other Proposed Action

There are no other proposed actions.

Item 19. Voting Procedures

- a) For election of directors, the provision of Section 23 of the Revised Corporation Code of the Philippines shall apply, and thus, candidates receiving the highest number of votes shall be declared elected. For the election of the external auditors and the corporate legal counsel, the nominees receiving the highest number of votes shall be declared as elected. For the reports discussed above, majority affirmative vote of the outstanding capital stock of the corporation is required.
- b) Unless any stockholder present requests for a written ballot, the voting shall be done orally or by show of hands, which shall be duly counted by the Corporate Secretary.
- c) Provision or matter stated in the articles of incorporation may be amended by a majority vote of the board of directors or trustees and the vote or written assent of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, without prejudice to the appraisal right of dissenting stockholders in accordance with the provisions of the Corporation Code.

PART II.

INFORMATION REQUIRED IN A PROXY FORM

(This form shall be prepared in accordance with paragraph (5) of SRC Rule 20)

Item 1. **Identification**

Not Applicable.

Item 2. **Instruction**

Not Applicable.

Item 3. **Revocability of Proxy**

Not Applicable.

Item 4. **Persons Making the Solicitation**

(a) Solicitations not subject to paragraph 8 of SRC Rule 20

Not Applicable.

(b) Solicitations Subject to paragraph (8) of SRC Rule 20

Not Applicable.

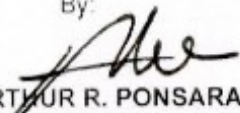
PART III.

SIGNATURE


After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Manila on **JUN 11 2024** 2024.

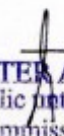
Date: **JUN 11 2024** 2024.

By:


ARTHUR R. PONSARAN
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME THIS **JUN 11 2024**
IN THE CITY OF MANILA, PHILIPPINES


DOC. NO. 219
PAGE NO. 54
BOOK NO. 13
SERIES OF 2024


ATTY. PETER ANTHONY T. MALLARI
Notary Public until December 31, 2024
Notarial Commission # 2023-210
1155 Gen. Luna St., Ermita Manila
IBP # 317318, Roll# 77587 TIN: 133-031-552
PTR# 1527774 / 1-02-2024 Mla.
MCLE VIII# 0002695

UPON WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE WITHOUT CHARGE, A COPY OF THE COMPANY'S ANNUAL REPORT IN SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS, OR MAY BE RE-DIRECTED TO A DOWNLOADABLE LINK ON THE COMPANY'S WEBSITE.

ALL REQUESTS MAY BE SENT TO THE FOLLOWING:

**THE CORPORATE SECRETARY
8th Floor, Waterfront Manila Hotel and Casino
United Nations Avenue corner M. Orosa Street
Ermita, Manila**

THRU

**Ms. Aleli Alday, Stock Relations Officer
a.alday@waterfronthotels.net
0998-594-8615.**

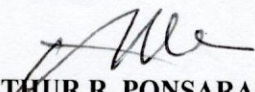
CERTIFICATION

I, ARTHUR R. PONSARAN, of legal age, Filipino, and with office address at Unit 3104 Antel Global Corporate Center, #3 Doña Julia Vargas Avenue, Ortigas Center Pasig City, after being duly sworn in accordance with law, do hereby certify that:

1. I am the duly elected Corporate Secretary of Acesite (Phils) Hotel Corporation the "Corporation"), a corporation duly organized and existing under Philippine Laws, with principal office at Waterfront Manila Hotel and Casino, United Nations Avenue corner MA. Orosa St., Ermita Manila.
2. All incumbent directors and officers of the Corporation are not connected with any government agency or instrumentality, except Atty. Lamberto B. Mercado, Jr. and Atty. Ruben D. Torres who are Directors of Philippine National Construction Corporation (PNCC)
3. Attached is a photocopy of a Certification signed by Atty. Miguel E. Umali, President and CEO of PNCC, allowing/authorizing Atty. Lamberto B. Mercado, Jr. and Atty. Ruben D. Torres to be directors of other corporations

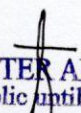
I execute this Certification to comply with the requirements of the Securities and Exchange Commission.

IN WITNESS WHEREOF, I have hereunto set my hand as such Corporate Secretary this JUN 11 2024 in CITY OF MANILA.


ARTHUR R. PONSARAN
Corporate Secretary

SUBSCRIBED AND SWORN BEFORE ME this JUN 11 2024 with the affiant exhibiting to me his Tax Identification No. 127-640-176-000 issued by Bureau of Internal Revenue.

Doc. No. 270
Page No. 54
Book No. 13
Series of 2024.


ATTY. PETER ANTHONY T. MALLARI
Notary Public until December 31, 2024
Notarial Commission # 2023-210
1155 Gen. Luna St., Ermita Manila
IBP # 317318, Roll# 77587 TIN: 133-031-552
PTR# 1527774 / 1-02-2024 Mla.
MCLE VIII# 0002695

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RENATO C. FRANCISCO**, Filipino, of legal age and a resident of # 8 Sparrow Street New Marikina, Subdivision, Marikina City after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Acesite (Phils) Hotel Corporation and have been its independent director since 2019.
2. I am affiliated with the following companies or organizations

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Sta Lucia Land Inc	Independent Director	May 2, 2023 - present
Waterfront Philippines Incorporated	Independent Director	2019-present
Forum Pacific Inc	Independent Director	2019 - present
Philippine Estates Corporation	Independent Director	2019 - present
Court of Appeals	Associate Justice	May 2012 – August 2018
Presiding/Executive Judge	RTC–Branch19,Malolos, Bulacan	November 1996 – May 2012
Assistant City Prosecutor	Makati City	1992 – 1996
Assistant Provincial Prosecutor	Office of the Provincial Prosecutor - Rizal	1987 -1992
Private Practitioner / Businessman		1984 – 1987
Officer in Charge (OIC)/ Legal Division	Metropolitan Bank and Trust Company	1980 – 1984
Associate Lawyer	Sta Ana Law Office	1974 – 1980
Administrative Officer and Legal Counsel	General Coated Fabrics manufacturing, Inc	1974 – 1980

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Acesite (Phils) Hotel Corporation. as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director /officer/substantial shareholder of Acesite (Phils) Hotel Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A	N/A	N/A

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in Acesite (Phils) Hotel Corporation, pursuant to Office of the President Memorandum Circular No.17 and Section 12 Rule XVIII of the Revised Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of Acesite (Phils) Hotel Corporation of any changes in the abovementioned information within five days from its occurrence.


JUN 11 2024

Done, this _____ day of _____, at CITY OF MANILA.


RENATO C. FRANCISCO
Affiant

SUBSCRIBED AND SWORN to before me this _____ day of JUN 11 2024 at CITY OF MANILA, affiant personally appeared before me and exhibited to me his Tax Identification Number 138-641-391-000.

Doc. No. 773
Page No. 55
Book No. 13
Series of 2024


ATTY. PETER ANTHONY T. MALLARI
Notary Public until December 31, 2024
Notarial Commission # 2023-210
1155 Gen. Luna St., Ermita Manila
IBP # 317318, Rol# 77587 TIN: 133-031-552
PTR# 1527774 / 1-02-2024 Mla.
MCLE VIII# 0002695

CERTIFICATION OF INDEPENDENT DIRECTOR

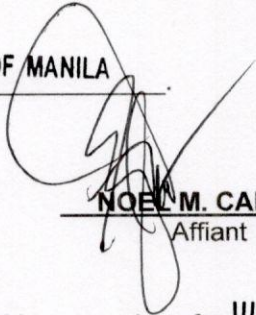
I, **NOEL M. CARIÑO**, Filipino, of legal age and a resident of 14th Floor Paragon Plaza Bldg., Edsa corner Reliance St. Mandaluyong City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of **ACESITE (PHILS.) HOTEL CORPORATION** and have been its Independent Director since 2021.
2. I am affiliated with the following companies or organizations

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Fil-Estate Realty Corporation	Founder/President	1981-1996
War Against Poverty Foundation	Founder/President	1992-Present
Presidential Consultative Commission	Member/Commissioner	2005
CREBA	National President	Present
Cariño Development and Management Corporation	Owner	2011-Present
Sun Asia Energy, Inc.	Chairman/Founder	Present
Leon Philippe Industries, Inc.	Owner	Present
The Manila Time	Chairman of the Board	October 2005-2006
The Philippine Chronicles Media Corp.	Founder/Publisher	September 2006-2007
Punto	Publisher	December 2006-2008
Good Morning, Philippines	Founder/Publisher	April 2011-2012
Kilusan at Ugnayan ng Maralitang Pasigueno, Inc. (KUMPAS)	Founder	2005
Lakas Pilipino	Founder	2001
Metro Global Holdings Corporation	Director	Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **Acesite (Phils) Hotel Corporation**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director /officer/substantial shareholder of **Acesite (Phils) Hotel Corporation** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **Acesite (Phils) Hotel Corporation** of any changes in the abovementioned information within five days from its occurrence.

Done, this JUN 11 2024 day of _____, at CITY OF MANILA.


NOEL M. CARIÑO
Affiant

SUBSCRIBED AND SWORN to before me this _____ day of JUN 11 2024 at CITY OF MANILA, affiant personally appeared before me and exhibited to me his Tax Identification Number 106-809-774-000.

Doc. No. 22
Page No. 35
Book No. 13
Series of 2024


ATTY. PETER ANTHONY T. MALLARI
Notary Public until December 31, 2024
Notarial Commission # 2023-210
1155 Gen. Luna St., Ermita Manila
IBP # 317318, Roll# 77587 TIN: 133-031-552
PTR# 1527774 / 1-02-2024 Mia.
MCLE VIII# 0002695

CERTIFICATION OF INDEPENDENT DIRECTOR


I, **ARISTEO R. CRUZ**, Filipino, of legal age and a resident of No. 4 Malhacan Road, Meycauayan City, Bulacan, after having been duly sworn to in accordance with law do hereby declare that;

1. I am an independent director of **ACESITE (PHILS) HOTEL CORPORATION** and have been its independent director since July 2021.
2. I am affiliated with the following companies or organizations:

COMPANY	POSITION	PERIOD OF SERVICE
Meycauayan College, Inc.	Vice Chairman/Director Dean, College Department	December 2011 – present November 2007 – present
Cruz Altares & Associates Law Office (formerly Cruz, Castro & Altares Law Office)	Founding and Managing Partner	July 2007 – present
Liberty Bank (A Rural Bank), Inc.	Vice President/Compiler	July 2018 - present
Idealand Realty & Development Corp.	President and Chief Operating Officer (COO)	November 2009 – present
Philstar Innovation Realty Corp.	Director and Corp Secretary	October 2011 – present
Statosphere Realty & Development Corp.	President and Chief Operating Officer (COO)	October 2011 – present
Jose & Luz Locsin Foundation	President	November 2012 – present
Justino Emelia Realty and Management & Dev't Corp.	Corporate Secretary	March 2008 – present
Waterstreet Realty Corp.	President	June 2012 - present
Metro Alliance Holdings & Equities Corp	Lead Independent Director	September 2015 – present
Waterfront Philippines, Inc.	Director	July 2021 – present
Wellex Industries, Inc.	Director	October 26, 2021
Forum Pacific, Inc.	Director	October 27, 2021

3. I possess all the qualification and none of the disqualifications to serve as an Independent Director of **Acesite (Phils.) Hotel Corporation**, as provided for in Section 38 of the Securities Regulation Code, its Implement Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of **Acesite (Phils.) Hotel Corporation** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **Acesite (Phils) Hotel Corporation** of any changes in the abovementioned information within five days from its occurrence.


Done, this JUN 11 2024 day _____, at CITY OF MANILA


ARISTEO R. CRUZ
Affiant

JUN 11 2024

SUBSCRIBED AND SWORN to before me this _____ day of _____ at CITY OF MANILA Affiant
personally appeared before me and exhibited to me his Community Tax Certificate No. 108-672-299 issued at Bureau
of Internal Revenue.

Doc. No. 271
Page No. 55
Book No. 13
Series of 2024


ATTY. PETER ANTHONY T. MALLARI
Notary Public until December 31, 2024
Notarial Commission # 2023-210
1155 Gen. Luna St., Ermita Manila
IBP # 317318, Roll# 77587 TIN: 133-031-552
PTR# 1527774 / 1-02-2024 Mla.
MCLE VIII# 0002695

ADDITIONAL REQUIREMENT (SRC Rule 68)

A schedule showing financial soundness indicators in two comparative period:

CURRENT / LIQUIDITY RATIO

Current Ratio	December 31, 2023	December 31, 2022
Current Assets	455,205,683	563,465,437
Current Liabilities	836,560,412	849,823,697
Ratio	0.5441	0.6630

Quick Ratio	December 31, 2023	December 31, 2022
Cash+AR+ST Mkt Securities	65,677,180	260,374,356
Current Liabilities	836,560,412	849,823,697
Ratio	0.0785	0.3064

Cash Ratio	December 31, 2023	December 31, 2022
Cash+ST Mkt Securities	20,469,058	142,474,210
Current Liabilities	836,560,4112	849,823,697
Ratio	0.0245	0.1677

SOLVENCY RATIO

Current Liabilities to Equity Ratio	December 31, 2023	December 31, 2022
Current Liabilities	836,560,412	849,823,697
Total Equity	1,792,036,259	1,866,591,650
Ratio	0.4668	0.4553

Total Liabilities to Equity Ratio	December 31, 2023	December 31, 2022
Total Liabilities	1,133,042,341	1,147,504,130
Total Equity	1,792,036,259	1,866,591,650
Ratio	0.6323	0.6148

Fixed Assets to Equity Ratio	December 31, 2023	December 31, 2022
Fixed Assets	1,764,106,580	1,742,130,688
Total Equity	1,792,036,259	1,866,591,650
Ratio	0.9844	0.9333

Assets to Equity Ratio	December 31, 2023	December 31, 2022
Total Assets	2,925,078,600	3,014,095,780
Total Equity	1,792,036,259	1,866,591,650
Ratio	1.6323	1.6148

INTEREST COVERAGE RATIO

Interest Coverage Ratio	December 31, 2023	December 31, 2022
Net Income Before Tax + Interest Exp	(80,189,103)	(77,987,681)
Interest Expense	-	-
Ratio	-	-

PROFITABILITY RATIO

Interest Coverage Ratio	December 31, 2023	December 31, 2022
Net Income After Tax	(74,924,043)	(72,857,214)
Net Sales	-	-
Ratio	-	-

Return on Assets (ROA) Ratio	December 31, 2023	December 31, 2022
Net Income After Tax	(74,924,043)	(72,857,214)
Total Assets	2,925,078,600	3,014,095,780
Ratio	(0.0256)	(0.0242)

Return on Equity Ratio	December 31, 2023	December 31, 2022
Net Income After Tax	(74,924,043)	(72,857,214)
Total Equity	1,792,036,259	1,866,591,650
Ratio	(0.0418)	(0.0390)

PROXY FORM

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a stockholder of **ACESITE (PHILIPPINES) HOTEL CORPORATION**, do hereby name, constitute and appoint:

Mr. _____, or in his absence

Mr. _____, or in his absence

the Chairman of the shareholders' meeting, as his/her/its true and lawful attorney-in-fact for and in his/her/its name, place and stead, to do and perform the following acts and things, to wit:

To attend, be present and represent the undersigned at the stockholders' meeting to be held on **July 26, 2024 AT 10.00 A.M.** or any adjournment as well as any and all meetings of the stockholders of **ACESITE (PHILIPPINES) HOTEL CORPORATION** including any adjournment or postponement thereof; take part in the deliberations thereon; vote any and all shares that the undersigned now owns or may hereafter own in said Corporation in any matter, motion, resolution that may be taken up in said meeting/s in such manner as his/her/its aforesaid attorney-in-fact shall deem acceptable in the premises.

HEREBY GIVING AND GRANTING unto the said attorney-in- fact full power and authority to do and perform any and every act requisite or proper to be done in or about the premises, as fully to all intents as the undersigned might or could lawfully do if personally present and acting in person; and hereby ratifying and confirming all that said attorney-in-fact shall lawfully do or cause to be done by virtue hereof.

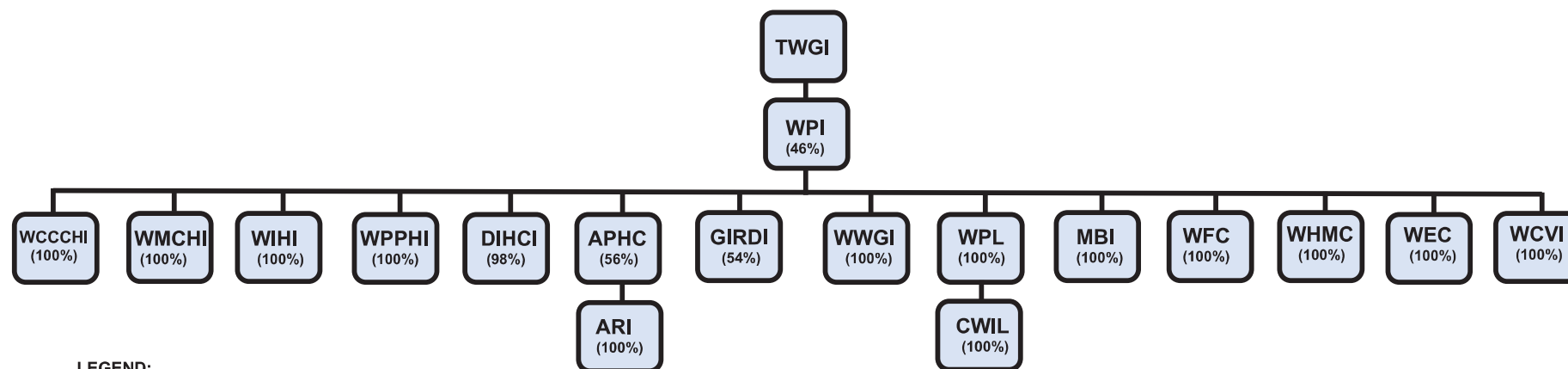
The power and authority herein granted shall remain in full force and effect until specifically revoked through notice in writing delivered to the Secretary of the Corporation at any time before the meeting.

_____, _____ 2024

PRINTED NAME OF STOCKHOLDER

SIGNATURE OF STOCKHOLDER

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED UNDER THE REVISED SRC RULE 68
Map of Conglomerate
December 31, 2020

**LEGEND:**

TWGI	- The Wellex Group, Inc.
WPI	- Waterfront Philippines, Incorporated
WCCCHI	- Waterfront Cebu City Casino Hotel, Incorporated
WMCHI	- Waterfront Mactan Casino Hotel, Incorporated
WIHI	- Waterfront Iloilo Hotel Inc.
WPPHI	- Waterfront Puerto Princesa Hotel, Inc.
DIHCI	- Davao Insular Hotel Company, Inc.
APHC	- Acesite (Phils.) Hotel Corporation
ARI	- Acesite Realty, Inc. (formerly CIMA Realty Phils., Inc.)
GIRDI	- Grand Ilocandia Resort and Development, Inc.
WWGI	- Waterfront Wellness Group, Inc. (formerly W Citigyms & Wellness, Inc.)
WPL	- Waterfront Promotion Limited
CWIL	- Club Waterfront International Limited
MBI	- Mayo Bonanza, Inc.
WFC	- Waterfront Food Concepts, Inc.
WHMC	- Waterfront Hotel Management Corp. (formerly Waterfront Management Corporation)
WEC	- Waterfront Entertainment Corporation
WCVI	- Waterfront Cebu Ventures, Inc.



**PHILIPPINE NATIONAL
CONSTRUCTION CORPORATION**

CERTIFICATION

TO WHOM IT MAY CONCERN:

This is to certify that **ATTY. RUBEN D. TORRES** is hereby allowed/authorized to occupy membership in the Board of Directors of other corporations provided such memberships do not conflict with his official function as member of the PNCC Board of Directors.

Done this 21st day of March 2024 in Bicutan, Paranaque City.



ATTY. MIGUEL E. UMALI

President and CEO/Vice-Chairman

vgm/



**PHILIPPINE NATIONAL
CONSTRUCTION CORPORATION**

CERTIFICATION

TO WHOM IT MAY CONCERN:

This is to certify that **ATTY. LAMBERTO B. MERCADO JR.** is hereby allowed/authorized to occupy membership in the Board of Directors of other corporations provided such memberships do not conflict with his official function as member of the PNCC Board of Directors.

Done this 21st day of March 2024 in Bicutan, Paranaque City.

ATTY. MIGUEL E. UMALI
President and CEO/Vice-Chairman

vgm/

ACE000000000 March 27, 2024

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

March 27, 2024

ACE000000000

BPNAME	QUANTITY
UPCC SECURITIES CORP.	14,182
A & A SECURITIES, INC.	615,000
ABACUS SECURITIES CORPORATION	983,810
PHILSTOCKS FINANCIAL INC	3,264,150
BA SECURITIES, INC.	2,214,000
AP SECURITIES INCORPORATED	91,500
ANSALDO, GODINEZ & CO., INC.	142,000
AB CAPITAL SECURITIES, INC.	378,267
SB EQUITIES,INC.	81,500
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	100,000
ASIASEC EQUITIES, INC.	100,000
CHINA BANK SECURITIES CORPORATION	5,943,000
BELSON SECURITIES, INC.	85,000
JAKA SECURITIES CORP.	50,250
BPI SECURITIES CORPORATION	377,116
CAMPOS, LANUZA & COMPANY, INC.	128,500
CTS GLOBAL EQUITY GROUP, INC.	308,698
TRITON SECURITIES CORP.	3,461,290
DAVID GO SECURITIES CORP.	5,700
DIVERSIFIED SECURITIES, INC.	7,350
E. CHUA CHIACO SECURITIES, INC.	28,783
EASTERN SECURITIES DEVELOPMENT CORPORATION	84,500
EVERGREEN STOCK BROKERAGE & SEC., INC.	336,000
FIRST ORIENT SECURITIES, INC.	10,500
F. YAP SECURITIES, INC.	6,000
GLOBALINKS SECURITIES & STOCKS, INC.	10,000
GUILD SECURITIES, INC.	87,184
HDI SECURITIES, INC.	4,854,001
I. B. GIMENEZ SECURITIES, INC.	52,157,527
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	5,600
INTRA-INVEST SECURITIES, INC.	170,000
LARRGO SECURITIES CO., INC.	88,000
COL Financial Group, Inc.	5,098,571
DA MARKET SECURITIES, INC.	18,000
MERCANTILE SECURITIES CORP.	6,000
MOUNT PEAK SECURITIES, INC.	15,000
OPTIMUM SECURITIES CORPORATION	5,000
RCBC SECURITIES, INC.	19,211

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 03/31/2024

Page No. 1

Rank	Name	Holdings	Percentage
1	WATERFRONT PHILIPPINES, INC.	192,045,057	55.49%
2	PCD NOMINEE CORPORATION	79,844,502	23.07%
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	52,734,475	15.24%
4	NICKELL INTERNATIONAL LTD.	8,935,710	02.58%
5	ACESITE (PHILIPPINES) HOTEL CORPORATION	1,353,000	00.39%
6	ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394	00.25%
7	TANSECO, GENEROSO	714,857	00.21%
8	UNITED PHILIPPINE LINES	714,854	00.21%
9	TAN, JESUS M. (HEIRS OF)	595,728	00.17%
10	DIZON, WILLY O. DIZON OR NENE C.	500,000	00.14%
11	BAUTISTA, DOMINGO C.	476,574	00.14%
12	NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508	00.09%
13	WELLS AND PUMPS INC.	278,001	00.08%
14	MENZI, HANS (ESTATE OF)	278,001	00.08%
15	MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001	00.08%
16	ROSARIO, FRANCISCO DEL	258,146	00.07%
17	CARLOS, GLORIA S. (HEIRS OF)	218,428	00.06%
18	SANCHEZ, ANDREW A.	198,579	00.06%
19	WESTERN STEEL INC.	198,576	00.06%
20	TULIO, ERMINDA L.	198,576	00.06%
21	COJUANGCO, RAMON (HEIRS OF)	198,576	00.06%
22	LORENZO, LUISA DE R.	198,576	00.06%
23	ANUP TRADING	198,576	00.06%
24	PAILIAN, PETER GO	158,858	00.05%
25	BALUYUT, SISENANDO	148,928	00.04%
26	ARANETA, SALVADOR (HEIRS OF)	139,002	00.04%

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 03/31/2024

Page No. 2

Rank	Name	Holdings	Percentage
27	REYES, ALEX (HEIRS OF)	139,002	00.04%
28	RAZON, ENRIQUE JR.	139,002	00.04%
29	YU, MANUEL L.	119,140	00.03%
30	RADIOWEALTH INC.	99,291	00.03%
31	SHAU, MARGARET L.	99,291	00.03%
32	AQUINO, ERNESTO R.	99,291	00.03%
33	ANDRADA CONSTRUCTION & DEV. INC.	99,291	00.03%
34	CAPILITAN ANDRADA ENGINEERING CORP	99,291	00.03%
35	BUGARIN, JOLLY R.	79,432	00.02%
36	CANCIO, AGUSTIN S.	79,429	00.02%
37	GLORIA, ALFREDO S.	79,429	00.02%
38	SY, CELESTINO	79,429	00.02%
39	TANGCO, AMBROSIO	79,429	00.02%
40	MAKALINTAL, QUERUBIN F.	59,570	00.02%
41	CHUA, VICENTE YU	59,570	00.02%
42	DELGADO, JOSE MARI C.	59,570	00.02%
43	DELGADO, FEDERICO C.	59,570	00.02%
44	NICKELL INTERNATIONAL	55,601	00.02%
45	EFREN D. BAUTISTA OR SARAH ANGELA S. BAUTISTA	46,000	00.01%
46	RICARDO C. DELGADO	39,740	00.01%
47	JOSE MARI C. DELGADO	39,740	00.01%
48	ANA MARIA C, DELGADO	39,740	00.01%
49	LAUREL, MA. PAZ R.	39,714	00.01%
50	RUFINO, CARLOS	39,714	00.01%
51	NADAL, EDGARDO	39,714	00.01%
52	ORTEGA, MANUEL JIZ DE (HEIRS OF)	39,714	00.01%

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 03/31/2024

Page No. 3

Rank	Name	Holdings	Percentage
53	MARILEX REALTY DEVELOPMENT CORP.	39,714	00.01%
54	MOSQUEDA, JOSE O.	39,714	00.01%
55	PEDROSA, CARLOS A.	39,714	00.01%
56	RANOLA, CARMEN	39,714	00.01%
57	ROBERTO BORJA FURNITURE	39,714	00.01%
58	DELGADO, JESUS &/OR CARMEN (HEIRS OF)	39,714	00.01%
59	CRUZ, FERNANDO	39,714	00.01%
60	LAZARTE, GREGORIO (HEIRS OF)	39,714	00.01%
61	LICAROS, GREGORIO JR.	39,714	00.01%
62	LIM, CHOA	39,714	00.01%
63	BUSUEGO, ARACELI A.	39,714	00.01%
64	AURELIO, MANUEL &/OR LILIA	39,714	00.01%
65	CHAVARRIA, BENEDICTO	39,707	00.01%
66	CARPO, PIXIE R.	39,707	00.01%
67	CASTRO, FERNANDO L. (HEIRS OF)	39,707	00.01%
68	LAND, FREDERICK JR. (HEIRS OF)	39,707	00.01%
69	PHIL. INSTITUTE OF HOTEL ADMINISTRATION	39,707	00.01%
70	PEDROSA, PIO (HEIRS OF)	39,707	00.01%
71	SYCIP SALAZAR HERNANDEZ & GATMAITAN	25,977	00.01%
72	HARTSOCK, PAUL JEROME	20,051	00.01%
73	MARGARITA D. MAGSAYSAY	19,870	00.01%
74	FRANCISCO D. MAGSAYSAY	19,870	00.01%
75	MACASAET, AMADO P.	19,855	00.01%
76	VILLAR, BONIFACIO T.	19,855	00.01%
77	VERA, LUIS P.	19,855	00.01%
78	TY TEK SUAN	19,855	00.01%

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 03/31/2024

Page No. 4

Rank	Name	Holdings	Percentage
79	TATOY, ROSE	19,855	00.01%
80	TOLEDO, TOMAS	19,855	00.01%
81	PHILADELPHIA STEEL CORPORATION	19,855	00.01%
82	PUA, MARCIANA G.	19,855	00.01%
83	PUGAO, RAMON	19,855	00.01%
84	RAMOS, JANUARIO	19,855	00.01%
85	PECAYO, DOMINADOR	19,855	00.01%
86	PATERNIO, VICENTE	19,855	00.01%
87	ORTIZ, RICARDO L.	19,855	00.01%
88	TAN, BENITO AND/OR CYNTHIA	19,855	00.01%
89	RODRIGUEZ, ARTEMIO S.	19,855	00.01%
90	SOLIDUM, RODOLFO (HEIRS OF)	19,855	00.01%
91	SINGSON, VICENTE III	19,855	00.01%
92	SIOSON, LUCITO	19,855	00.01%
93	SY, FRED	19,855	00.01%
94	RUALO, BEETHOVEN	19,855	00.01%
95	SANDICO, FELIPITO	19,855	00.01%
96	SALES, ARTHUR	19,855	00.01%
97	SANTIAGO, JOSE A.	19,855	00.01%
98	LIM, LEONOR D.	19,855	00.01%
99	LIM, VICTOR Y.	19,855	00.01%
100	LUCIANO, VICTOR	19,855	00.01%

Total Top 100 Shareholders : 345,258,995 99.75%

Total Issued Shares 346,100,520

PAPA SECURITIES CORPORATION	4,000
MAYBANK SECURITIES, INC.	97,304
PNB SECURITIES, INC.	1,550
QUALITY INVESTMENTS & SECURITIES CORPORATION	150,000
R & L INVESTMENTS, INC.	10,000
R. COYIUTO SECURITIES, INC.	670,350
REGINA CAPITAL DEVELOPMENT CORPORATION	197,850
AAA SOUTHEAST EQUITIES, INCORPORATED	36,000
R. S. LIM & CO., INC.	475,000
S.J. ROXAS & CO., INC.	210,000
SECURITIES SPECIALISTS, INC.	9,047
SUMMIT SECURITIES, INC.	10,000
TANSENGCO & CO., INC.	101,876
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	40,710
TOWER SECURITIES, INC.	1,301,250
LANDBANK SECURITIES, INC.	7,250
FIRST METRO SECURITIES BROKERAGE CORP.	328,004
WEALTH SECURITIES, INC.	52,000
WESTLINK GLOBAL EQUITIES, INC.	40,353,400
YAO & ZIALCITA, INC.	362,500
BDO SECURITIES CORPORATION	383,350
EAGLE EQUITIES, INC.	86,000
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	70
SOLAR SECURITIES, INC.	300,000
G.D. TAN & COMPANY, INC.	3,565,287
UNICAPITAL SECURITIES INC.	4,000
SunSecurities, Inc.	7,000
ARMSTRONG SECURITIES, INC.	2,463,218
ACESITE (PHILS.) HOTEL CORP.	771
Total	132,578,977

Re: ACESITE PHILS HOTEL CORPORATION_SEC FORM 17-Q_14 MAY 2024

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>

Tue 5/14/2024 3:55 PM

To: Aleli Rose Alday <a.alday@waterfronthotels.net>

Thank you for reaching out to ictdsubmission@sec.gov.ph!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at <https://secexpress.ph/>. For further clarifications, please call (02) 8737-8888.

----- NOTICE TO
COMPANIES -----

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through <https://efast.sec.gov.ph/user/login>.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the ictdsubmission@sec.gov.ph shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic

Filing and Submission Tool (eFAST) at

<https://efast.sec.gov.ph/user/login> :

1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link –

<https://apps010.sec.gov.ph/>

For your information and guidance.

Thank you.

SECURITIES AND EXCHANGE COMMISSION SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended
March 31, 2024
2. SEC Identification Number
7199
3. BIR Tax Identification No.
002-856-627
4. Exact name of issuer as specified in its charter
ACESITE (PHILS.) HOTEL CORPORATION
5. Province, country or other jurisdiction of incorporation or organization
Manila, Philippines
6. Industry Classification Code (SEC Use Only)
7. Address of principal office
8th Floor, Waterfront Manila Hotel and Casino, UN Ave. corner Ma. Orosa St., Ermita, Manila Postal Code 1000
8. Issuer's telephone number, including area code
8231-1073 (Temporary)
9. Former name or former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	344,747,520

11. Are any or all of registrant's securities listed on a Stock Exchange?

☒ Yes
☐ No

If yes, state the name of such stock exchange and the classes of securities listed therein:

PSE

12. Indicate by check mark whether the registrant:

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

☒ Yes
☐ No

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

☒ Yes
☐ No

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

ACESITE (PHILS) HOTEL CORP

PSE Disclosure Form 17-2 - Quarterly Report *References: SRC Rule 17 and Sections 17.2 and 17.8 of the Revised Disclosure Rules*

For the period ended

March 31, 2024

Currency (indicate units, if applicable)

Php

Balance Sheet

	Period Ended	Fiscal Year Ended
	March 31, 2024	(Audited) December 31, 2023
Current Assets	436,868,916	455,205,683
Total Assets	2,932,972,453	2,925,078,600
Current Liabilities	866,092,422	836,560,412
Total Liabilities	1,162,629,109	1,133,042,344
Retained		
Earnings/(Deficit)	1,230,573,750	1,252,266,661
Stockholders' Equity	1,770,343,344	1,792,036,256
Stockholders' Equity - Parent	1,720,269,739	1,821,219,047
Book Value per Share	5.14	5.20

Income Statement

	Current Year	Previous Year	Current Year-To-	Previous Year-To-
	(3 Months)	(3 Months)	Date	Date
Operating Revenue	-	-	-	-
Other Revenue	-	-	-	-
Gross Revenue	-	-	-	-
Operating Expense	21,692,915	8,430,059	21,692,915	8,430,059
Other Expense	-	15,875,374	-	15,875,374
Gross Expense	21,692,915	24,305,433	21,692,915	24,305,433
Net Income/(Loss) Before Tax	(21,692,915)	(24,305,433)	(21,692,915)	(24,305,433)
Income Tax Expense	-	-	-	-
Net Income/(Loss) After Tax	(21,692,915)	(24,305,433)	(21,692,915)	(24,305,433)
Net Income Attributable to Parent Equity Holder				
Earnings/(Loss) Per Share				
(Basic)	-0.06	-0.07	-0.06	-0.07
Earnings/(Loss) Per Share				
(Diluted)	-0.06	-0.07	-0.06	-0.07

Other Relevant Information

	CURRENT YEAR (Trailing 12 months)	Previous Year (Trailing 12 months)
Earning/(Loss) Per Share (Basic)	(0.2056)	(1.8977)
Earning/(Loss) Per Share (Diluted)	(0.2056)	(1.8977)

NOTES TO INTERIM FINANCIAL STATEMENTS

Item 1. Reporting Entity

Acesite (Phils.) Hotel Corporation (the "Company") is a 55.71%-owned subsidiary of Waterfront Philippines, Incorporated (WPI) and its ultimate parent is The Wellex Group, Inc. It was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on October 10, 1952 primarily to engage in the business of operating a hotel, or other accommodations, for the general public and to construct such facilities as may be reasonably necessary or useful in connection with the same.

The Company is the owner of Waterfront Manila Hotel and Casino formerly Manila Pavilion Hotel (the "Hotel"). The Corporate life of the Company has been extended up to 2052. The Company's shares have been listed in the Philippine Stock Exchange (PSE) since December 5, 1986.

Office Address

The Company's registered office address is 8th Floor, Waterfront Manila Hotel and Casino, United Nations Avenue, Ermita, Manila.

Item 2. Basis of Preparation

Statement of Compliance

The interim financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The financial statements of the Company as of and for the period ended March 31, 2024 were approved.

Basis of Measurement

The interim financial statements are prepared on the historical cost basis except for hotel building and equipment and furniture, fixtures and equipment, which are measured at revalued amounts less accumulated depreciation and impairment losses, and AFS investment, which is measured at fair value.

Functional and Presentation Currency

The interim financial statements are presented in Philippine peso, which is the Company's functional currency. All financial information presented in Philippine peso has been rounded off to the nearest peso, except when otherwise stated.

Use of Estimates and Judgments

The preparation of interim financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Item 3. Summary of Significant Accounting Policies

The same accounting policies have been applied consistently for interim reporting as applied in the entity's annual financial.

Adoption of Amendments to Standards

Adopted on January 1, 2019

- PFRS 16, *Leases*, supersedes PAS 17, *Leases*, and the related Philippine Interpretations. The new standard introduces a single lease accounting model for lessees under which all major leases are recognized on-balance sheet, removing the lease classification test. Lease accounting for lessors essentially remain unchanged except for a number of details including the application of the new lease definition, new sale-and leaseback guidance, new sub-lease guidance and new disclosure requirements. Practical expedients and targeted reliefs were introduced including an optional lessee exemption for short-term leases (leases with a term of twelve months or less) and low-value items, as well as the permission of portfolio-level accounting instead of applying the requirements to individual leases. New estimates and judgmental thresholds that affect the identification, classification and measurement of lease transactions, as well as requirements to reassess certain key estimates and judgments at each reporting date were introduced. The new standard is to be applied retrospectively.
- Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments* clarifies how to apply the recognition and measurement requirements in PAS 12, *Income Taxes* when there is uncertainty over income tax treatments. Under the interpretation, whether the amounts recorded in the financial statements will differ to that in the tax return, and whether the uncertainty is disclosed or reflected in the measurement, depends on whether it is probable that the tax authority will accept the Company's chosen tax treatment, the uncertainty is reflected using the measure that provides the better prediction of the resolution of the uncertainty- either the most likely amount or the expected value. The interpretation also requires the reassessment of judgments and estimates applied if facts and circumstances change- e.g. as a result of examination or action by tax authorities, following changes in tax rules or when a tax authority's right to challenge a treatment expires.
- Plan Amendment, Curtailment or Settlement (Amendments to PAS 19, *Employee Benefits*). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, an entity now uses updated actuarial assumptions to determine its current service cost and net interest for the period. The effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income.
- Annual Improvements to PFRSs 2015 - 2017 Cycle. This cycle of improvements contains amendments to four standards:
 - Previously held interest in a joint operation (Amendments to PFRS 3, *Business Combinations*, and PFRS 11, *Joint Arrangements*). The amendments clarify how a company accounts for increasing its interest in a joint operation that meets the definition of a business. If a party maintains or obtains joint control, then the previously held interest is not remeasured. If a party obtains control, then the transaction is a business combination achieved in stages and the acquiring party remeasures the previously held interest at fair value.
 - Income tax consequences of payments on financial instruments classified as equity (Amendments to PAS 12, *Income Taxes*). The amendments clarify that all income tax consequences of dividends, including payments on financial instruments classified as equity, are recognized consistently with the transactions that generated the distributable profits, i.e. in profit or loss, other comprehensive income or equity.
 - Borrowing costs eligible for capitalization (Amendments to PAS 23, *Borrowing Costs*). The amendments clarify that the general borrowings pool used to calculate eligible

borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale are included in that general pool.

Certain comparative amounts in the consolidated statements of financial position and consolidated statements of comprehensive income have been reclassified to better reflect the nature of accounts as disclosed in Note 1 to the consolidated financial statements.

Item 4. Cash and Cash Equivalents

Included in cash and cash equivalents as of March 31, 2024 are composed mainly of cash deposited at various banks.

Item 5. Receivables

This account consists:

	March 2024	December 2023
Trade – Net	24,454,420	45,208,122
Others	109,132,005	107,023,005
Total	133,586,425	152,231,127

Item 6. Inventories

This account consists:

	March 2024	December 2023
Food and Beverage	-	-
Operating Supplies	-	-
Others	762,424	762,424
Total	762,424	762,424

Item 7. Accounts Payable and Accrued Expenses

This account consists:

	March 2024	December 2023
Accrued Expenses	25,106,050	23,145,229
Trade Payables	295,977,500	301,499,435
Others	68,400	-
Total	321,151,950	324,644,664

Item 8. Related Party Transactions

The Company's related party transactions include transactions with WPI (the Company's parent), stockholders, its fellow subsidiaries and key management personnel.

In the ordinary course of business, companies within the group extend/obtain non interest bearing, collateral free cash advances to/from one another and other related parties to finance working capital requirements, as well as to finance the construction of certain hotel projects.

Item 9. Loan Payable

There is no currently existing loan.

Item 10. The earnings (loss) per share is computed as follows:

	March 2024	March 2023
Net Income (Loss)	(21,692,915)	(80,189,103)
Weighted Average Number of Shares Outstanding	344,747,520	344,747,520
Earnings (Loss) per share	(0.06)	(0.09)

- i. The Company is involved in a number of legal cases (labor and civil). However, adverse judgments on these will not affect the short-term liquidity of the Company. For such contingencies, management has provided adequate reserves.

Aside from the above-mentioned items, management does not know of trends and events that would have a material impact on the Company's liquidity.

- ii. On March 18, 2018, a fire broke out in the hotel property that damaged the lower floors of the main building as well as the Podium building occupied by the casino area that resulted to the suspension of the hotel operations.
- iii. The proceeds from the insurance claims shall be used to restore the hotel for its continued operation.
- iv. There are no off-balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated or other persons created during the reporting period.
- v. The business operation during the 2nd quarter of 2018 has temporary ceased due to the damages caused by fire to the property. By the end of 1st quarter of 2024, the business operation has not yet commenced.
- vi. For the first quarter of 2024, the material or significant elements of loss did not arise from the Company's operations, however, contributable to the non generation of any revenue brought by temporary closure.
- vii. Causes of material changes in the items in the financial statements from 2023 to 2024 have been discussed under management discussion and analysis above.
- viii. Causes of material changes in the items in the income statements for the 1st quarter of 2024 and 2023, and the balance sheets as of 31 March 2024 and 31 December 2023 have been discussed under management discussion and analysis above.
- ix. The hotel operation is currently suspended. This has a material effect on the financial condition and results of operations.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Below are the results of operations of the Company for the period ending September 30, 2022 and 2021 together with its financial conditions as of the same period.

RESULTS OF OPERATIONS

Quarter Ended 31 March 2024 and Quarter Ended 31 March 2023

No gross revenues registered in the same comparative period in 2024 and 2023. No room sales were reported due to the fire incident. There was zero occupancy in 1Q2024 same as 1Q2023. No room revenue contribution to the gross revenues for 1Q2024 and 1Q2023, respectively. Zero average room rate for both 1Q2024 and 1Q2023.

Zero Food and Beverage revenue was recorded in 1Q2024 and 1Q2023. Food and beverages sales have no contribution to gross revenues. Revenues generated by other operating departments including Telephone department went down completely in 1Q2024 and 1Q2023. Rent and other income have remained zero in 1Q2024 and in 1Q2023.

There was no F&B Revenue, thus, no cost of sales in both 1Q2024 and in 1Q2023. Payroll expenses decreased by 34.64% from P.66 million in 1Q2023 to P.43 million in 1Q2024. Permanent Lay Off has been filed at the DOLE NCR on November 24, 2018 due to the fire incident that occurred in the hotel last March 18, 2018. Other expenses increased from P.01 million in 1Q2023 to P.06 million in 1Q2024. The Energy cost was recorded at P.89 million in 1Q2024.

The Company posted a gross operating loss of P7.18 million in 1Q2024, representing increase of P1.25 million from that recorded in 1Q2023 of P8.43 million. Gross operating profit/loss ratio in 1Q2024 and 1Q2023 stood both at 0%.

Fixed financial, operating and other expenses increased from P15.88 million in 1Q2023 to P14.51 million in 1Q2024 with the major increase coming from general and administrative expenses. The general and administrative expenses increased from P10.71 million in 1Q2023 to P11.60 million in 1Q2024 due to increase in management fee and other taxes and licenses. Marketing and guest entertainment decreased from P.181 million in 1Q2023 to P.093 million in 1Q2024. P1.99 million corporate expenses were recorded in 1Q2024. Real estate tax decreased from P3.33 million in 1Q2023 to P3.16 million in 1Q2024. No recorded Fire insurance increased in 1Q2024. For 1Q2024, the Company posted a net loss of P21.69 million representing a decrease of 10.75% from loss of P24.31 million in 1Q2023.

FINANCIAL CONDITION

As of 31 March 2024, and Year Ended 31 December 2023

Total assets increased to P2.932 billion in 31 March 2024 as compared to P2.925 billion as of 31 December 2023. Current assets decreased from P.46 billion as of 31 December 2023 to P.44 billion as of end of 1Q2024, this is due to decrease in Cash and Cash Equivalents. Cash ending balance as of 30 March 2024 of P20.071 million posted a decrease of P.397 million. Trade receivables decreased by P20.75 million as of 31 March 2024 from P45.21 million as of 31 December 2023, this is due to collection from insurance. No changes have been noted from the Inventories from 31 December 2023 to 1Q 2024. Prepayments and other current assets increased to P.564 million as of 31 March 2024 from P206.09 million as of 31 December 2023.

Property and equipment account increased from P1.764 billion as of 31 December 2023 to P1.761 billion as of 31 March 2024. No changes have been noted from the Available for Sale investment account from 31 December 2023 to the 1Q2024. Other non-current assets of P714.34 million as of end of 1Q2024 increased by P28.52 million from P685.94 million as of 31 December 2023 due to decrease of Deposits to Contractors during the year.

Total liabilities increased from P1.13 billion as of 31 December 2023 to P1.16 billion as of 31 March 2024. Trade and other current payables decreased from P324.64 million as of 31 December 2023 to P321.15 million as of 31 March 2024. Non-current liabilities increased by P.055 million from P296.48 million as of 31 December 2023 to P296.54 million as of 31 March 2024.

TOP FIVE (5) PERFORMANCE INDICATORS

The top five (5) key performance indicators, as discussed herein, are presented on comparable basis and compared with figures attained from prior years operation, and are more fully explained as follows:

	March 2024	March 2023
Occupancy Rate	-	-
Average Room Rate	-	-
Revenues	-	-
Gross Operating Profit	-	-
Gross Operating Profit Ratio	-	-

- 1) Occupancy rate is the number of hotel room-nights sold for the period divided by the number of room-nights available for the period; 2) Average room rate is the total room revenue for the period divided by the total number of hotel room-nights sold for the period; 3) Revenues are broken down on a departmental basis; 4) Gross operating profit ratio is computed as a percentage of revenues; and 5) Total Fixed, Financial and Other Charges are presented in the comparative.

FINANCIAL RISK MANAGEMENT

Risk Management Structure

BOD

The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Group. It also has the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Group's approach to risk issues in order to make relevant decisions.

Risk Management Committee

Risk management committee is responsible for the comprehensive monitoring, evaluation and analysis of the Group's risks in line with the policies and limits set by the BOD.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of cash, trade receivables, AFS investment, trade payables and loan payable. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial instruments such as other current receivables, other current payables, and concessionaires' and deposits which arise directly from operations.

The main risks arising from the financial instruments of the Group are credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The Group's management reviews and approves policies for managing each of these risks, and these are summarized below.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and nontrade receivables. There has been no change to the Group's exposure to credit risk or the manner in which it manages and measures the risk since prior financial year.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition,

receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group grants advances to its affiliates after the BOD reassesses the Group's strategies for managing credits and views that they remain appropriate for the Group's circumstances.

The amounts presented in the statements of financial position are net of allowances for impairment losses on receivables, estimated by the Group's management based on prior experience and its assessment of the current economic environment.

With respect to credit risk from other financial assets of the Group, which comprise of cash and cash equivalents, trade and other current receivables, note receivable, due from a related party, equity securities - at FVOCI and other deposits, the exposure of the Group to credit risk arises from the default of the counterparty, with maximum exposure equal to the carrying amount of these financial instruments.

At the reporting date, other than the trade and other receivables, there were no significant concentrations of credit risk.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due because of an inability to liquidate assets or obtain adequate funding. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of the financial assets and financial liabilities. There has been no change o the Group's exposure to liquidity risk or the manner in which it manages and measures the risk since prior financial year.

The Group monitors and maintains a level of cash deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Additional short-term funding is obtained from related party advances and short-term bank loans, when necessary.

Ultimate responsibility for liquidity risk management rests with the BOD, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

For the Group's short-term funding, the Group's policy is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

Market Risks

Market risk is the risk that the fair value or cash flows of a financial instrument of the Group will fluctuate due to change in market prices. Market risk reflects interest rate risk, foreign currency risk, and other price risks.

The Group is primarily exposed to the financial risk of changes in equity prices of its equity securities - at FVOCI. The Group is not significantly exposed to changes in interest and foreign currency exchange rates.

Equity Price Risk

Equity price risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market

The Group is exposed to equity price risk because of its investment in shares of stock of WII held by the Group which is classified in the statements of financial position as AFS investment. These

securities are listed in the PSE. The Group has an outstanding investment in these securities equivalent to 86,710,000 shares as of September 30, 2022.

The Group is not exposed to commodity price risk.

The Group monitors the changes in the price of the shares of stock of WII. In managing its price risk, the Group disposes of existing or acquires additional shares based on the economic conditions.

Financial Instruments

Fair Value of Financial Assets and Liabilities

The carrying amount of cash, trade and other current receivables, amounts owed by related parties, loan payable, and trade and other current payables approximate their fair values due to the short-term maturity of these instruments.

The fair values of concessionaires and deposits approximate their carrying amount as these are carried at present values discounted using discount rates approximating average market rates as of reporting periods. Discount rates used ranged from 5.8% to 7.71% in 2011

Fair Value Hierarchy

The table below analyzes financial instruments carried at fair value by valuation levels. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The approximation of the fair value of the Company's AFS investment is based on Level 1.

Determination of Fair Value

Fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using another valuation technique. Where applicable, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable input and minimizing the use of unobservable inputs.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible.

The Group's investment is based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to Annex A.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Please refer to Annex B.

PART II—OTHER INFORMATION

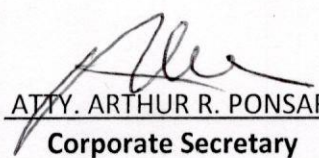
NONE

SIGNATURES


Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant: ACESITE (PHILS) HOTEL CORPORATION

Issuer:

Signature and Title  ATTY. ARTHUR R. PONSARAN
Corporate Secretary

Date _____

Signature and Title  RICHARD L. RICARDO
Compliance Officer

Date _____

ADDITIONAL REQUIREMENT (SRC Rule 68)

A schedule showing financial soundness indicators in two comparative period:

CURRENT / LIQUIDITY RATIO

Current Ratio	March 31, 2024	December 31, 2023
Current Assets	436,868,916	455,205,683
Current Liabilities	866,092,422	836,560,412
Ratio	0.5044	0.5441

Quick Ratio	March 31, 2024	December 31, 2023
Cash+AR+ST Mkt Securities	44,525,826	65,677,180
Current Liabilities	866,092,422	836,560,412
Ratio	0.0514	0.0785

Cash Ratio	March 31, 2024	December 31, 2023
Cash+ST Mkt Securities	20,071,407	20,469,058
Current Liabilities	866,092,422	836,560,412
Ratio	0.0232	0.0245

SOLVENCY RATIO

Current Liabilities to Equity Ratio	March 31, 2024	December 31, 2023
Current Liabilities	866,092,422	836,560,412
Total Equity	1,770,343,344	1,792,036,256
Ratio	0.4892	0.4668

Total Liabilities to Equity Ratio	March 31, 2024	December 31, 2023
Total Liabilities	1,162,629,109	1,133,042,344
Total Equity	1,770,343,344	1,792,036,256
Ratio	0.6567	0.6323

Fixed Assets to Equity Ratio	March 31, 2024	December 31, 2023
Fixed Assets	1,761,818,631	1,764,106,580
Total Equity	1,770,343,344	1,792,036,256
Ratio	0.9952	0.9844

Assets to Equity Ratio	March 31, 2024	December 31, 2023
Total Assets	2,932,972,453	2,925,078,600
Total Equity	1,770,343,344	1,792,036,256
Ratio	1.6567	1.6323

INTEREST COVERAGE RATIO

Interest Coverage Ratio	March 31, 2024	December 31, 2023
Net Income Before Tax + Interest Exp	(21,692,915)	(77,987,681)
Interest Expense	-	-
Ratio	-	-

PROFITABILITY RATIO

Interest Coverage Ratio	March 31, 2024	December 31, 2023
Net Income After Tax	(21,692,915)	(72,857,214)
Net Sales	-	-
Ratio	-	-

Return on Assets (ROA) Ratio	March 31, 2024	December 31, 2023
Net Income After Tax	(21,692,915)	(72,857,214)
Total Assets	2,932,972,453	3,014,095,780
Ratio	(0.0074)	(0.0242)

Return on Equity Ratio	March 31, 2024	December 31, 2023
Net Income After Tax	(21,692,915)	(72,857,214)
Total Equity	1,770,343,344	1,792,036,256
Ratio	(0.0123)	(0.0407)

Certification

I, RICHARD L. RICARDO, Compliance Officer of ACESITE (PHILS.) HOTEL CORPORATION, with SEC Registration Number 7199 with principal office at 8TH FLOOR WATERFRONT MANILA HOTEL AND CASINO, U.N. AVENUE CORNER MA. OROSA ST. ERMITA MANILA, on oath state:

- 1.) That on behalf of ACESITE (PHILS.) HOTEL CORPORATION, I have caused this SEC Form 17 Q1 to be prepared;
- 2.) That I read and understood its contents which are true and correct with my own personal knowledge and/or based on true records;
- 3.) That the company ACESITE (PHILS.) HOTEL CORPORATION, will comply with the requirements set forth by SEC for a complete and official submission of reports and/or documents through electronic mail; and
- 4.) That I am fully that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of processing fee.

IN WITNESS WHEREOF, I have hereunto set my hands this 14 MAY 2024 day of MAY, 2024.


RICHARD L. RICARDO
Affiant

SUBSCRIBED AND SWORN to before me this 14 MAY 2024 day of MAY, 2024.

NOTARY PUBLIC

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Page No. 77
Book No. ✓
Series of
2024

ATTY. FLORENTINO I. MONTEROSO
NOTARY PUBLIC, CITY OF MANILA
NOTARIAL COMMISSION NO. 2002-18
PTE NO. 0652804 issued on 1/4/2021 until 12/31/2024 MANILA
IBPN NO. 18492 issued on 1/4/2024 until 12/31/2024 Pasig City
MCLE COMPLIANCE V-0000168 valid until April 24, 2027
ROLL NO. 67842 issued on April 22, 2021
PRESTIGE TOWER 16 Floor Unit 1608
Emerald Avenue, Ortigas Center, Pasig City

ACESITE (PHILS.) HOTEL CORPORATION
(doing business under the name and style of Waterfront Manila Hotel and Casino)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31, 2024	December 31, 2023
ASSETS		
Current Assets		
Cash and cash equivalents	20,071,407	20,469,058
Trade and other current receivables - net	24,454,420	45,208,122
Note receivable	109,132,005	107,023,005
Due from a related party	75,794,420	75,652,997
Inventories	762,424	762,424
Due from parent company	-	-
Prepaid expenses and other current assets	206,654,240	206,090,077
Total Current Assets	436,868,916	455,205,683
Noncurrent Assets		
Property and equipment - net	1,761,818,631	1,764,106,580
Right-of-use assets - net	-	-
Investment in a subsidiary	-	-
Equity security - at fair value through other comprehensive income	19,943,300	19,943,300
Investment property	-	-
Deferred tax assets - net	-	-
Other noncurrent assets - net	714,341,606	685,823,038
Total Noncurrent Assets	2,496,103,537	2,469,872,917
	2,932,972,453	2,925,078,600
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other current payables	321,151,950	324,644,664
Due to related parties	544,940,472	511,915,749
Lease liability - current portion	-	-
Income tax payable	-	-
Total Current Liabilities	866,092,422	836,560,412
Noncurrent Liabilities		
Retirement benefits liability	5,929,700	5,929,700
Lease liability - net of current portion	-	0
Retention payables	88,436,120	88,381,364
Deferred tax liability - net	202,170,867	202,170,867
Total Noncurrent Liabilities	296,536,687	296,481,931
Total Liabilities	1,162,629,109	1,133,042,344
Equity		
Capital stock	346,100,578	346,100,578
Revaluation surplus on property and equipment	135,757,162	135,757,162
Retirement benefits reserve	62,260,724	62,260,724
Fair value reserve	7,692,830	7,692,830
Retained earnings	1,230,573,750	1,252,266,661
Treasury stock	(12,041,700)	(12,041,700)
Total Equity	1,770,343,344	1,792,036,256
	2,932,972,453	2,925,078,600

ACESITE (PHILS.) HOTEL CORPORATION
COMPARATIVE STATEMENTS OF INCOME
FOR THE QUARTER ENDING March 31, 2024
(With Comparative Figures for March 31, 2023)

	QUARTER ENDED 31-Mar-24	YEAR TO ENDED 31-Mar-24	QUARTER ENDED 31-Mar-23	YTD ENDED 31-Mar-23
INCOME				
Rooms		-	-	-
Food and Beverage		-	-	-
Telephone Exchange		-	-	-
Other Operated Departments		-	-	-
Rent and Other Income		-	-	-
		-	-	-
COST OF SALES AND SERVICES				
Cost of Sales:				
Food and Beverage		-	-	-
Telephone Exchange		-	-	-
Other Operated Departments		-	-	-
Rental and Other Income		-	-	-
		-	-	-
Payroll and Related Expenses	429,324	429,324	656,888	429,324
Other Expenses	198,872	198,872	83,393	198,872
	628,196	628,196	740,281	628,196
			-	-
Energy Cost	822,698	822,698	1,042,526	822,698
Property operations and maintenance	723,747	723,747	1,649,698	723,747
Depreciation on cost	5,008,985	5,008,985	4,997,554	5,008,985
Land rental		-		-
	6,555,430	6,555,430	7,689,778	6,555,430
	7,183,626	7,183,626	8,430,059	7,183,626
GROSS OPERATING PROFIT (LOSS)	(7,183,626)	(7,183,626)	(8,430,059)	(7,183,626)
FIXED, FINANCIAL, OPERATING AND OTHER EXPENSES				
General and Administrative Expenses	9,108,499	9,108,499	10,866,319	9,108,499
Marketing and Guest Entertainment	93,072	93,072	180,524	93,072
Foreign Exchange (Gain) Loss	-	-		-
Interest Expense	-	-		-
Corporate Expenses	1,994,687	1,994,687		1,994,687
Real Estate Tax	3,316,383	3,316,383	3,330,704	3,316,383
Insurance - Building and Contents	-	-	1,497,827	-
Interest and Other Charges/(Income)-Net	(3,353)	(3,353)		(3,353)
	14,509,289	14,509,289	15,875,374	14,509,289
INCOME (LOSS) BEFORE DEPRECIATION ON REVALUATION INCREMENT AND INCOME TAX	(21,692,915)	(21,692,915)	(24,305,433)	(21,692,915)
DEPRECIATION - REVALUATION INCREMENT	-	-	-	-
INCOME (LOSS) BEFORE INCOME TAX	(21,692,915)	(21,692,915)	(24,305,433)	(21,692,915)
PROVISION FOR INCOME TAX	-	-	-	-
NET INCOME (LOSS)	(21,692,915)	(21,692,915)	(24,305,433)	(21,692,915)
OTHER COMPREHENSIVE INCOME (LOSS)				
Appraisal increase in property and equipment for the year	-	-	-	-
Unrealized Loss on AFS investment recognized for the year	-	-	-	-
Income tax on other comprehensive income	-	-	-	-
	-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	(21,692,915)	(21,692,915)	(24,305,433)	(21,692,915)
			-	
Net Income(Loss)	(21,692,915)	(21,692,915)	(24,305,433)	(21,692,915)
No. of shares issued	344,747,520	344,747,520	344,747,520	344,747,520
INCOME(LOSS) PER SHARE	(0.06)	(0.06)	(0.07)	(0.06)

ACESITE (PHILS.) HOTEL CORPORATION
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THREE - MONTH ENDING Mar 31, 2024

	CAPITAL STOCK COMMON	TREASURY SHARES	REVALUATION INCREMENT IN PROPERTY AND EQUIPMENT	RETIREMENT BENEFITS RESERVE	UNREALIZED VALUATION LOSS ON AFS INVESTMENTS	RETAINED EARNINGS		TOTAL
Balance at December 31, 2023	346,100,578	-12,041,700	135,757,162	62,260,724	7,692,830	1,201,598,798	0	1,741,368,392.43
Transfer of revaluation increment deducted from operations through additional depreciation charges								
Net income (loss) for the three months						-21,098,653		-21,098,653
Balance at March 2024	346,100,578	-12,041,700	135,757,162	62,260,724	7,692,830	1,180,500,144		1,720,269,739
						-0		0
Balance at December 31, 2022	346,100,520	-12,041,700	150,433,612	61,892,073	7,692,830	1,312,514,315	0	1,866,591,650
Transfer of revaluation increment deducted from operations through additional depreciation charges								
Net income (loss) for the three months						-24,305,733		-24,305,733
Balance at March 31, 2023	346,100,520	-12,041,700	150,433,612	61,892,073	7,692,830	1,288,208,582		1,842,285,917

ACESITE (PHILS.) HOTEL CORPORATION
STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDINGS March 31, 2024
(With Comparative Figures for March 31, 2023)

	QUARTER ENDED 31-Mar-24	YEAR TO DATE 31-Mar-24	QUARTER ENDED 31-Mar-23	YEAR TO DATE 31-Mar-23
CASH FLOW FROM OPERATING ACTIVITIES				
Income(Loss) before income tax	(21,692,915)	(21,692,915)	(26,268,300)	(26,268,300)
Adjustments for:				
Depreciation	5,008,985	5,008,985	551,327	551,327
Interest Expense	-	-	-	-
Unrealized foreign exchange loss	-	-	-	-
Amortization of operating equipment	-	-	-	-
Provision for doubtful accounts	-	-	(3,645,204)	(3,645,204)
Interest Income	(3,353)	(3,353)	-	-
Loss on sale of equipment	-	-	-	-
Operating income before working capital changes	(16,687,283)	(16,687,283)	(29,362,177)	(29,362,177)
Decrease (increase) in:				
Receivables	20,753,702	20,753,702	7,694,050	7,694,050
Inventories	-	-	-	-
Prepaid expenses	(564,163)	(564,163)	924,662	924,662
Increase (decrease) in:				
Accounts payable and accrued expenses	(3,437,958)	(3,437,958)	(55,972,841)	(55,972,841)
Net Cash flow from Insurance claims	-	-	-	-
Retirement benefit plan obligation	(0)	(0)	1,500,000	1,500,000
Concessionaires and other deposits	-	-	-	-
Rental paid in advance	-	-	-	-
Net cash generated from operations	64,297	64,297	(75,216,306)	(75,216,306)
Interest received	3,353	3,353	-	-
Income taxes paid	-	-	-	-
Net cash from operating activities	67,651	67,651	(75,216,306)	(75,216,306)
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in receivable from affiliates	33,024,724	33,024,724	(2,724,898)	(2,724,898)
Note receivable	(2,250,423)	(2,250,423)	-	-
Proceeds from insurance claims on property damages	-	-	-	-
Other noncurrent assets	-	-	-	-
Acquisition of property and equipment	(2,721,037)	(2,721,037)	-	-
Decrease (increase) in other assets	(28,518,568)	(28,518,568)	63,010,565	63,010,565
Net cash from (used) in investing activities	(465,304)	(465,304)	60,285,667	60,285,667
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of loan	-	-	-	-
Interest paid	-	-	-	-
Increase (decrease) in contract payable	-	-	-	-
Increase (decrease) in lease rental payable (Cimar)	-	-	-	-
Cash used in financing activities	-	-	-	-
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS				
	-	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(397,654)	(397,654)	(14,930,639)	(14,930,639)
CASH AND CASH EQUIVALENTS, BEGINNING	20,469,058	20,469,058	468,895,455	468,895,455
CASH AND CASH EQUIVALENTS AT END OF PERIOD	20,071,404	20,071,404	453,964,816	453,964,816

ACESITE (PHILS) HOTEL CORPORATION
SCHEDULE OF AGING OF ACCOUNTS RECEIVABLE FOR SEC REPORTING
As of March 31, 2024

Trade Receivables	0-30 days	31-60 days	61-90 days	91-120 days	121 days over	Total
Acesite Leisure and Entertainment Corporation					2,361,296	2,361,296
Wellex Group					3,396,204	3,396,204
Wellex Mining					8,785,046	8,785,046
Image Travel & Tours Corporation					151,793	151,793
Various Guest					3,652,104	3,652,104
Total	-	-	-	-	18,346,443	18,346,443

PSE Disclosure Form 17-12-A - List of Top 100 Stockholders (Common Shares)
Reference: Section 17.12 of the Revised Disclosure Rules

Type of Securities

Common

**For the period
ended**

March 31, 2024

Description of the Disclosure

ACE PSE Disclosure List of Top 100 Stockholders

Number of Issued and Outstanding Common Shares	346,100,578
Number of Treasury Common Shares, if any	1,353,058
Number of Outstanding Common Shares	344,747,520
Number of Listed Common Shares	346,100,578
Number of Lodged Common Shares	132,578,977
PCD Nominee – Filipino	79,844,502
PCD Nominee – Non-Filipino	52,734,475
Number of Certificated Common Shares	213,521,601

Change from previous submission

ACE000000000 March 27, 2024

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

March 27, 2024

ACE000000000

BPNAME	QUANTITY
UPCC SECURITIES CORP.	14,182
A & A SECURITIES, INC.	615,000
ABACUS SECURITIES CORPORATION	983,810
PHILSTOCKS FINANCIAL INC	3,264,150
BA SECURITIES, INC.	2,214,000
AP SECURITIES INCORPORATED	91,500
ANSALDO, GODINEZ & CO., INC.	142,000
AB CAPITAL SECURITIES, INC.	378,267
SB EQUITIES, INC.	81,500
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	100,000
ASIASEC EQUITIES, INC.	100,000
CHINA BANK SECURITIES CORPORATION	5,943,000
BELSON SECURITIES, INC.	85,000
JAKA SECURITIES CORP.	50,250
BPI SECURITIES CORPORATION	377,116
CAMPOS, LANUZA & COMPANY, INC.	128,500
CTS GLOBAL EQUITY GROUP, INC.	308,698
TRITON SECURITIES CORP.	3,461,290
DAVID GO SECURITIES CORP.	5,700
DIVERSIFIED SECURITIES, INC.	7,350
E. CHUA CHIACO SECURITIES, INC.	28,783
EASTERN SECURITIES DEVELOPMENT CORPORATION	84,500
EVERGREEN STOCK BROKERAGE & SEC., INC.	336,000
FIRST ORIENT SECURITIES, INC.	10,500
F. YAP SECURITIES, INC.	6,000
GLOBALINKS SECURITIES & STOCKS, INC.	10,000
GUILD SECURITIES, INC.	87,184
HDI SECURITIES, INC.	4,854,001
I. B. GIMENEZ SECURITIES, INC.	52,157,527
IMPERIAL, DE GUZMAN, ABALOS & CO., INC.	5,600
INTRA-INVEST SECURITIES, INC.	170,000
LARRGO SECURITIES CO., INC.	88,000
COL Financial Group, Inc.	5,098,571
DA MARKET SECURITIES, INC.	18,000
MERCANTILE SECURITIES CORP.	6,000
MOUNT PEAK SECURITIES, INC.	15,000
OPTIMUM SECURITIES CORPORATION	5,000
RCBC SECURITIES, INC.	19,211

PAPA SECURITIES CORPORATION	4,000
MAYBANK SECURITIES, INC.	97,304
PNB SECURITIES, INC.	1,550
QUALITY INVESTMENTS & SECURITIES CORPORATION	150,000
R & L INVESTMENTS, INC.	10,000
R. COYIUTO SECURITIES, INC.	670,350
REGINA CAPITAL DEVELOPMENT CORPORATION	197,850
AAA SOUTHEAST EQUITIES, INCORPORATED	36,000
R. S. LIM & CO., INC.	475,000
S.J. ROXAS & CO., INC.	210,000
SECURITIES SPECIALISTS, INC.	9,047
SUMMIT SECURITIES, INC.	10,000
TANSENGCO & CO., INC.	101,876
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	40,710
TOWER SECURITIES, INC.	1,301,250
LANDBANK SECURITIES, INC.	7,250
FIRST METRO SECURITIES BROKERAGE CORP.	328,004
WEALTH SECURITIES, INC.	52,000
WESTLINK GLOBAL EQUITIES, INC.	40,353,400
YAO & ZIALCITA, INC.	362,500
BDO SECURITIES CORPORATION	383,350
EAGLE EQUITIES, INC.	86,000
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	70
SOLAR SECURITIES, INC.	300,000
G.D. TAN & COMPANY, INC.	3,565,287
UNICAPITAL SECURITIES INC.	4,000
SunSecurities, Inc.	7,000
ARMSTRONG SECURITIES, INC.	2,463,218
ACESITE (PHILS.) HOTEL CORP.	771
Total	132,578,977

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 03/31/2024

Page No. 1

Rank	Name	Holdings	Percentage
1	WATERFRONT PHILIPPINES, INC.	192,045,057	55.49%
2	PCD NOMINEE CORPORATION	79,844,502	23.07%
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	52,734,475	15.24%
4	NICKELL INTERNATIONAL LTD.	8,935,710	02.58%
5	ACESITE (PHILIPPINES) HOTEL CORPORATION	1,353,000	00.39%
6	ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394	00.25%
7	TANSECO, GENEROSO	714,857	00.21%
8	UNITED PHILIPPINE LINES	714,854	00.21%
9	TAN, JESUS M. (HEIRS OF)	595,728	00.17%
10	DIZON, WILLY O. DIZON OR NENE C.	500,000	00.14%
11	BAUTISTA, DOMINGO C.	476,574	00.14%
12	NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508	00.09%
13	WELLS AND PUMPS INC.	278,001	00.08%
14	MENZI, HANS (ESTATE OF)	278,001	00.08%
15	MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001	00.08%
16	ROSARIO, FRANCISCO DEL	258,146	00.07%
17	CARLOS, GLORIA S. (HEIRS OF)	218,428	00.06%
18	SANCHEZ, ANDREW A.	198,579	00.06%
19	WESTERN STEEL INC.	198,576	00.06%
20	TULIO, ERMINDA L.	198,576	00.06%
21	COJUANGCO, RAMON (HEIRS OF)	198,576	00.06%
22	LORENZO, LUISA DE R.	198,576	00.06%
23	ANUP TRADING	198,576	00.06%
24	PAILIAN, PETER GO	158,858	00.05%
25	BALUYUT, SISENANDO	148,928	00.04%
26	ARANETA, SALVADOR (HEIRS OF)	139,002	00.04%

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 03/31/2024

Page No. 2

Rank	Name	Holdings	Percentage
27	REYES, ALEX (HEIRS OF)	139,002	00.04%
28	RAZON, ENRIQUE JR.	139,002	00.04%
29	YU, MANUEL L.	119,140	00.03%
30	RADIOWEALTH INC.	99,291	00.03%
31	SHAU, MARGARET L.	99,291	00.03%
32	AQUINO, ERNESTO R.	99,291	00.03%
33	ANDRADA CONSTRUCTION & DEV. INC.	99,291	00.03%
34	CAPILITAN ANDRADA ENGINEERING CORP	99,291	00.03%
35	BUGARIN, JOLLY R.	79,432	00.02%
36	CANCIO, AGUSTIN S.	79,429	00.02%
37	GLORIA, ALFREDO S.	79,429	00.02%
38	SY, CELESTINO	79,429	00.02%
39	TANGCO, AMBROSIO	79,429	00.02%
40	MAKALINTAL, QUERUBIN F.	59,570	00.02%
41	CHUA, VICENTE YU	59,570	00.02%
42	DELGADO, JOSE MARI C.	59,570	00.02%
43	DELGADO, FEDERICO C.	59,570	00.02%
44	NICKELL INTERNATIONAL	55,601	00.02%
45	EFREN D. BAUTISTA OR SARAH ANGELA S. BAUTISTA	46,000	00.01%
46	RICARDO C. DELGADO	39,740	00.01%
47	JOSE MARI C. DELGADO	39,740	00.01%
48	ANA MARIA C, DELGADO	39,740	00.01%
49	LAUREL, MA. PAZ R.	39,714	00.01%
50	RUFINO, CARLOS	39,714	00.01%
51	NADAL, EDGARDO	39,714	00.01%
52	ORTEGA, MANUEL JIZ DE (HEIRS OF)	39,714	00.01%

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 03/31/2024

Page No. 3

Rank	Name	Holdings	Percentage
53	MARILEX REALTY DEVELOPMENT CORP.	39,714	00.01%
54	MOSQUEDA, JOSE O.	39,714	00.01%
55	PEDROSA, CARLOS A.	39,714	00.01%
56	RANOLA, CARMEN	39,714	00.01%
57	ROBERTO BORJA FURNITURE	39,714	00.01%
58	DELGADO, JESUS &/OR CARMEN (HEIRS OF)	39,714	00.01%
59	CRUZ, FERNANDO	39,714	00.01%
60	LAZARTE, GREGORIO (HEIRS OF)	39,714	00.01%
61	LICAROS, GREGORIO JR.	39,714	00.01%
62	LIM, CHOA	39,714	00.01%
63	BUSUEGO, ARACELI A.	39,714	00.01%
64	AURELIO, MANUEL &/OR LILIA	39,714	00.01%
65	CHAVARRIA, BENEDICTO	39,707	00.01%
66	CARPO, PIXIE R.	39,707	00.01%
67	CASTRO, FERNANDO L. (HEIRS OF)	39,707	00.01%
68	LAND, FREDERICK JR. (HEIRS OF)	39,707	00.01%
69	PHIL. INSTITUTE OF HOTEL ADMINISTRATION	39,707	00.01%
70	PEDROSA, PIO (HEIRS OF)	39,707	00.01%
71	SYCIP SALAZAR HERNANDEZ & GATMAITAN	25,977	00.01%
72	HARTSOCK, PAUL JEROME	20,051	00.01%
73	MARGARITA D. MAGSAYSAY	19,870	00.01%
74	FRANCISCO D. MAGSAYSAY	19,870	00.01%
75	MACASAET, AMADO P.	19,855	00.01%
76	VILLAR, BONIFACIO T.	19,855	00.01%
77	VERA, LUIS P.	19,855	00.01%
78	TY TEK SUAN	19,855	00.01%

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 03/31/2024

Page No. 4

Rank	Name	Holdings	Percentage
79	TATOY, ROSE	19,855	00.01%
80	TOLEDO, TOMAS	19,855	00.01%
81	PHILADELPHIA STEEL CORPORATION	19,855	00.01%
82	PUA, MARCIANA G.	19,855	00.01%
83	PUGAO, RAMON	19,855	00.01%
84	RAMOS, JANUARIO	19,855	00.01%
85	PECAYO, DOMINADOR	19,855	00.01%
86	PATERNIO, VICENTE	19,855	00.01%
87	ORTIZ, RICARDO L.	19,855	00.01%
88	TAN, BENITO AND/OR CYNTHIA	19,855	00.01%
89	RODRIGUEZ, ARTEMIO S.	19,855	00.01%
90	SOLIDUM, RODOLFO (HEIRS OF)	19,855	00.01%
91	SINGSON, VICENTE III	19,855	00.01%
92	SIOSON, LUCITO	19,855	00.01%
93	SY, FRED	19,855	00.01%
94	RUALO, BEETHOVEN	19,855	00.01%
95	SANDICO, FELIPITO	19,855	00.01%
96	SALES, ARTHUR	19,855	00.01%
97	SANTIAGO, JOSE A.	19,855	00.01%
98	LIM, LEONOR D.	19,855	00.01%
99	LIM, VICTOR Y.	19,855	00.01%
100	LUCIANO, VICTOR	19,855	00.01%

Total Top 100 Shareholders : 345,258,995 99.75%

Total Issued Shares 346,100,520

Fwd: SEC 17A REPORT_ACESITE (PHILS) HOTEL CORPORATION_2023 ICTD SUBMISSION

Irish Chara Lawas <i.lawas@waterfronthotels.net>

Thu 5/9/2024 10:51 PM

To: Abbie Claire Dulanias <a.dulanias@waterfronthotels.net>

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From: ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>

Sent: Thursday, May 9, 2024 10:51:09 PM

To: Irish Chara Lawas <i.lawas@waterfronthotels.net>

Subject: Re: SEC 17A REPORT_ACESITE (PHILS) HOTEL CORPORATION_2023 ICTD SUBMISSION

Thank you for reaching out to ictdsubmission@sec.gov.ph!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at <https://secexpress.ph/>. For further clarifications, please call (02) 8737-8888.

----- NOTICE TO
COMPANIES -----

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through <https://efast.sec.gov.ph/user/login>.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance

5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors
(Appointment)

6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the ictdsubmission@sec.gov.ph shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at
<https://efast.sec.gov.ph/user/login> :

1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link –
<https://apps010.sec.gov.ph/>

For your information and guidance.

Thank you.

**ACESITE
(PHILIPPINES)
HOTEL CORPORATION**

April 29, 2024

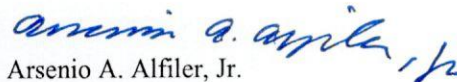
MS ALEXANDRA D. TOM WONG
OFFICER-IN-CHARGE, DISCLOSURE DEPARTMENT
4/F Philippine Stock Exchange, Inc.
PSE Centre, Exchange Road, Ortigas Center
Pasig City, Metro Manila

Dear Ms. Tom Wong,

We submit herewith the Annual Report (SEC 17-A) of ACESITE (PHILS.) HOTEL CORPORATION for the year ended December 31, 2023.

Thank you for your kind attention.

Very truly yours,


Arsenio A. Alfiler, Jr.
Assistant Corporate Secretary

Cc:

Securities and Exchange Commission
Mandaluyong City

8/F Waterfront Manila Hotel & Casino, United Nations Avenue Corner Ma. Orosa
St., Manila, 1000 Philippines
Tel.: (632) 8526-1212 Fax: (632)
8521-4150

SECURITIES AND EXCHANGE COMMISSION SEC FORM
17-A, AS AMENDED
ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the calendar year ended
DECEMBER 31, 2023

2. SEC Identification Number
7199

3. BIR Tax Identification No.
002-856-627-000

4. Exact name of issuer as specified in its charter
ACESITE (PHILS.) HOTEL CORPORATION

5. Province, country or other jurisdiction of incorporation or organization
PHILIPPINES

6. Industry Classification Code (SEC Use Only)

7. Address of principal office
UN AVE. COR. MA. OROSA ST. ERMITA, MANILA 1000

8. Issuer's telephone number, including area code
(02) 8526-12-12 / Temporary (02) 8231-10-73

9. Former name or former address, and former fiscal year, if changed since last report
NOT APPLICABLE

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares - P1.00 par value	344,747,520

11. Are any or all of registrant's securities listed on a Stock Exchange?
/ Yes
No

If yes, state the name of such stock exchange and the classes of securities listed therein:
PHILIPPINE STOCK EXCHANGE

346,100,578 of issued common shares of Acesite (Phi ls.) Hotel Corporation are listed in the Philippine Stock Exchange of which 1,353,058 shares are in treasury to date and the remainder of 344,747,520 common shares are outstanding.

12. Indicate by check mark whether the registrant:

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

/ Yes

No

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

/ Yes

No

13. Aggregate market value of the voting stock held by non-affiliates of the registrant.

Unaffiliated shares	:	152,692,263
Last Trading Price	:	Php 1.66 as of May 07, 2024
Aggregate Market Value	:	Php 253,469,156.58

**APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY
SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE
PRECEDING FIVE YEARS**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

/ Yes

No

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders

(b) Any information statement filed pursuant to SRC Rule 20

(c) Any prospectus filed pursuant to SRC Rule 8.1

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

ACESITE (PHILS.) HOTEL CORPORATION

PSE Disclosure Form 17-1 - Annual Report *References: SRC Rule 17 and Sections 17.2 and 17.8 of the Revised Disclosure Rules*

For the Calendar year ended	DECEMBER 31, 2023	
Currency (indicate units, if applicable)		
Balance Sheet		
	Year Ending	Previous Year Ending
	DECEMBER 31, 2023	DECEMBER 31, 2022
Current Assets	455,205,683	563,465,437
Total Assets	2,925,078,600	3,014,095,780
Current Liabilities	836,560,412	849,823,697
Total Liabilities	1,133,042,341	1,147,504,130
Retained Earnings/ (Deficit)	1,252,266,664	1,312,514,315
Stockholders' Equity	1,792,036,259	1,866,591,650
Stockholders' Equity - Parent	1,792,036,259	1,866,591,650
Book Value per Share	5.18	5.39
Income Statement		
	Year Ending	Previous Year Ending
	DECEMBER 31, 2023	DECEMBER 31, 2022
Operating Revenue	-	-
Other Revenue	-	-
Gross Revenue	-	-
Operating Expense	63,415,187	63,047,074
Other Expense	16,773,916	14,940,607
Gross Expense	80,189,103	77,987,681
Net Income/(Loss) Before Tax	(80,189,103)	(77,987,681)
Income Tax Expense	(5,265,060)	(5,130,467)
Net Income/(Loss) After Tax	(74,924,043)	(72,857,214)
Net Income Attributable to Parent Equity Holder	(74,555,391)	(72,526,852)
Earnings/(Loss) Per Share (Basic)	(0.22)	(0.21)
Earnings/(Loss) Per Share (Diluted)	(0.22)	(0.21)

Financial Ratios	Formula	Calendar Year Ended	Calendar Year Ended
		December 31, 2023	December 31, 2022
Liquidity Analysis Ratios:			
Current Ratio	Current Assets / Current Liabilities	0.54	0.66
Quick Ratio	(Current Assets - Inventory - Prepayments)/ Current Liabilities	0.21	0.42
Solvency Ratio	Total Assets / Total Liabilities	2.58	2.63
Debt Ratio	Total Debt / Total Assets	0.39	0.38
Debt-to-Equity Ratio	Total Debt / Total Stockholders' Equity	0.63	0.61
Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	0.00	0.00
Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	1.63	1.61
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service/ Sales	-	-
Net Profit Margin	Net Profit / Sales	-	-
Return on Assets	Net Income before Tax/ Total Assets	(0.03)	(0.03)
Return on Equity	Net Income before Tax / Total Stockholders' Equity	(0.04)	(0.04)
Price / Earnings Ratio	Price Per Share / Earnings Per Common Share	(1.92)	(2.19)

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Business Development

1. Acesite (Phils.) Hotel Corporation is a domestic corporation incorporated on 10 October 1952. The Company has been in the hotel business since 15 March 1968. At that time, the Hilton International Company provided for the management of its hotel property located at the corner of UN Avenue and Maria Y. Orosa Street. The Holiday Inn (Philippines) Inc. took over the management of the hotel on 01 January 1995 and took charge of the operations until 28 February 2003.

On June 24, 2004 Waterfront Philippines Inc. (WPI) established its ownership and majority control over Acesite (Phils.) Hotel Corporation. The Manila Pavilion Hotel is thus now part of one of the largest Filipino chain of hotel facilities, complementing the Waterfront hotels in Cebu City, Mactan and Davao.

2. The Company has not been involved in any bankruptcy, receivership or similar proceeding for the past three years.
3. The Company acquired 100% interest of CIMAR, a former subsidiary of Acesite Limited (BVI) or ALB, in October 2011. In July 2011, the Company and CIMAR executed a Memorandum of Agreement (MOA), which effectively settle all pending cases and controversies between the two parties. In fulfillment of all the terms and conditions of the MOA, CIMAR's stockholders including all their nominees, agreed to assign, sell, transfer and convey all existing shares of stocks of CIMAR to the Company. CIMAR has since been renamed and is now known as Acesite Realty, Inc.

Business of Issuer

1. DESCRIPTION OF REGISTRANT (a)

Principal Product or Service

The company operates the Waterfront Manila Hotel and Casino (formerly Manila Pavilion Hotel), located along United Nations Avenue, Ermita, Manila. Aside from hotel operations, business activities of the company include restaurant operations. In 2018, the operation has temporarily ceased due to the renovation project of the property.

There is no Revenue Contribution of Operations for 2023.

Product & Services	Amount (Php)	% Contribution
Food & Beverage (F&B)	0.00	-
Rooms	0.00	-
Rent	0.00	-
Operating Departments	0.00	-
Others	0.00	-
TOTAL	0.00	-

b) Room Sales to Foreigners [Percentage to Room Revenue]

In 2023, the Company remained non-operational. Moreover, none of the domestic and foreign market was captured in 2022 due to the temporary closure on business brought by renovation project.

Foreign Source	% Contribution to Total Room Nights	
	2023	2022
Asia	-	-
Middle East	-	-
North America	-	-
Europe	-	-
Australia	-	-
Africa	-	-
Philippines (Domestic Mkt)	-	-
TOTAL	-	-

(c) Distribution Methods of the Products or Services

Food and Beverage (F&B)

The hotel has several food and beverage outlets contributing revenue as follows:

Outlet	F&B Revenues (% Contribution)	
	2023	2022
Seasons		
El Rey (Concessionaire)	-	-
Patisserie	-	-
Room Service	-	-
Banquet	-	-
Mini Bar	-	-
Casino	-	-
TOTAL	-	-

Rooms

In 2023, the operations remained suspended resulting to non-generation of revenues. In 2022, there were also no segments due to suspended operation.

Market Segment	% Contribution	
	2023	2022
Marketing Promotions	-	-
Reservation System	-	-
Travel Trade Accounts	-	-
Corporate & FIT Accounts	-	-
TOTAL	-	-

d) Status of Any Publicly-Announced New Product or Service

There is no new product or service that has been announced 2023.

(e) Top Five (5) Performance Indicators

No occupancy of the hotel was recorded in 2023 and 2022. Gross operating loss is 63,612,481.

	2023	2022
Occupancy Rate	-	-
Average Room Rate	-	-
Revenues	-	-
Gross Operating Income	-	-
Gross Operating Income Ratio	-	-

(f) Sources and Availability of Raw Materials

The hotel sources all its raw materials (food, beverages, room cleaning items, bed and bath linen, soaps, office supplies, etc.) from various local suppliers.

(g) Major Customers

As the contract lease with PAGCOR has ended in December 2016. In 2023, PAGCOR has no subsisting contract with the Company.

(h) Transactions with Related Parties

The Corporation had invested in 86,710,000 shares of Wellex Industries, a related company listed on the Philippine Stock Exchange, at P0.50 per share or a total of P43,355,000.00.

Net transactions with WPI during the year amounted to Php 111.727 million in 2023. Transactions have decreased due to additional Management Fee. As of December 31, 2022, the hotel has an outstanding payable to WPI equivalent to Php 132.89 million; from a payable of Php 162.85 million as of December 31, 2021.

(i) Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions and Royalty Agreements

Not applicable.

(j) Government Approval of Principal Products or Services

The Company holds a BFAD License to Operate as evidence of full compliance with the requirements of the Bureau of Food and Drugs (BFAD). The Hotel is accredited with the Department of Tourism with a four-star rating in 2016.

(k) Effect of Existing or Probable Governmental Regulations on the Business

In management's opinion, there are no other existing or probable governmental regulations that would have significant impact on the business of the firm.

(l) Research and Development Activities

Not Applicable

(m) Compliance with Environmental Laws

The Hotel is compliant with the emission standard set by the Clean Air Act, the Solid Waste Management Act and the effluent standard of wastewater. The cost of compliance covers the application for certificates of environmental compliance and the regular monitoring and maintenance of engineering equipment and sewerage treatment plant (STP). The hotel obtained a clearance from the Pollution Control Department of the Laguna Lake Development Authority (LLDA). Permit fees for garbage collection, sewage cleaning and maintenance were complied.

(n) Manpower Count

	Actual Manpower as of	
	31 Dec 2023	31 Dec 2022
Department Head	8	11
Managerial and Supervisors	10	10
Line Staff	4	4
Casual Direct	-	-
Total	22	25

On November 24, 2018, the Company has filed Permanent Lay-off at Department of Labor and Employment. And also, this is the time when Labor Union ended as well as all existing Collective Bargaining Agreement (CBA).

On October 1, 2020, the Company has filed a Temporary Lay-off covering October 1, 2020 to March 31, 2021. The Company filed an extension for another six months from April 1, 2021 to September 30, 2021.

(o) There have been memorandum releases in terms of the casual employment. The hotel has introduced the outsourcing of labor through an agency.

(p) During the year, the Company retained its department heads, managers and supervisors.

Line staff had drastically reduced during 2018 because of resignations. This is due to the cease of operations caused by fire incident that happened in March 2018.

1. ADDITIONAL REQUIREMENTS AS TO CERTAIN ISSUES OR ISSUERS

As of 31 December 2023, the Company has a net worth of P2,441,501,472 and is not planning to issue any unsecured bonds for 2023.

Item 2. Property

The principal property of the Company is a 22-storey building known as Waterfront Manila Hotel and Casino (formerly known as the Manila Pavilion Hotel) located at the corner of United Nations Avenue and Maria Y. Orosa Street in Ermita, Manila. The total number of rooms

available for sale was reduced from 502 rooms to 486 rooms upon completion of the rooms renovation program as more rooms are reconfigured to become suites. Aside from the two category deluxe rooms: executive rooms and premier suites, new ambassador club rooms have been introduced. The 486 rooms and suites are equipped with controlled central air conditioning, multi-channel radio, color TV with cable channels and advanced telecommunications facilities. The hotel had approximately 2,200 sq. m. of meeting, banquet and conference facilities but decided to lease the areas to Pagcor per Contract of Lease dated December 20, 2007. The hotel also houses several restaurants, such as Seasons Cafe (coffee shop), the El Rey (bar & lounge) and the Patisserie (bakeshop and deli items). Other guest services and facilities include a chapel, swimming pool, gym, business center and a valet-service basement carpark. Concessionaires and tenants include travel agency, and flower shop. In addition, Casino Filipino -- Pavilion, owned and operated by PAGCOR, occupies part of the first, fourth floors and AHU area occupying from a total of 12,969.17sqm at the start of the year down to a total of

1,509.43sqm as of December 31, 2017. On March 18, 2018, a fire broke out in the Parent Company's hotel property that damaged the lower floors of the main building as well as the podium building occupied by the casino area and restaurants that resulted to the suspension of its hotel operations. Based on the Fire Certification issued by the Bureau of Fire Protection - National Headquarters on April 23, 2018, the cause of the subject fire has been declared and classified as "accidental in nature". The Parent Company incurred casualty losses amounting to P1.04 billion due to damages on its inventories and hotel property. The Parent Company has filed for property damage and business insurance claims amounting to P1.93 billion from its insurance company and, as at the auditors' report date, received reimbursements totaling to P1.64 billion. Further, in 2018, the Parent Company has started the reconstruction and restoration of the main hotel and podium buildings.

The company acquired 100% interest of CIMAR, a former subsidiary of Acesite Limited (BVI) or ALB, in October 2011. In July 2011, the Company and CIMAR executed a Memorandum of Agreement (MOA), which effectively settle all pending cases and controversies between the two parties. In fulfillment of all terms and conditions of the MOA, CIMAR's stockholders including all their nominees, agreed to sign, sell, transfer, and convey all existing shares of stocks of CIMAR to the Company. CIMAR has since been renamed and is now known as Acesite Realty, Inc (ARI).

The building as well as the land owned by CIMAR, was mortgaged in favor of the Metropolitan Bank and Trust Company-Trust Department, as the trustee for the Singapore Branch of the Industrial and Commercial Bank of China (ICBC), a banking corporation organized under the laws of the People's Republic of China (PROC), to secure a loan in the original principal amount of Fifteen Million United States Dollars (US\$15,000,000.00). The said loan has been completely settled in March 2016. The building as well as the land owned by ARI is currently free and clear of any liens.

Item 3. Legal Proceedings

1. *Acesite (Phils.) Hotel Corporation versus PAGCOR, et al.*

The case involved a Petition for Prohibition and Mandamus (the 1st petition), with application for the issuance of a Temporary Restraining Order (TRO) and writ of preliminary injunction filed by the Parent Company against PAGCOR and Vanderwood Management Corp. (VMC). The Parent Company filed this case to assail PAGCOR's award of VMC of a procurement project entitled "Lease Space for a Casino Gaming Facility in Manila for a Period of Fifteen (15) Years" under Invitation to Bid No. 09-16-2014 for being violative of the laws and rules on government procurement.

PAGCOR and VMC filed their respective comments/answers to the Parent Company's 1st petition. Subsequently, VMC filed its "Motion to Admit Attached Supplemental Comment/Answer with Compulsory Counterclaim" (the Motion to Admit) on August 10, 2015, to which the Parent Company filed an opposition to VMC's Motion to Admit. In an order dated September 5, 2016, the Court denied VMC's Motion to Admit. The Regional Trial Court of Manila, Group 36, (the Court) likewise denied the Motion for Reconsideration filed by VMC in an order dated February 28, 2017.

At the pre-trial conference on October 4, 2016, the Court referred the parties to the Philippine Mediation Center for mediation proceedings. After the termination of the mediation proceedings, the case was returned to the Court for the Judicial Dispute Resolution (JDR) proceedings. The JDR conference was set on May 2, 2017 and was reset to February 6, 2018.

In its order dated February 6, 2018, the Court terminated the JDR proceeding and forwarded the case to the Office of the Executive Judge for re-raffle. In its "Notice of Re-raffle" dated February 21, 2018, the Court informed the parties that the case was raffled to Group 20

On April 16, 2018, the Parent Company filed its "Amended Pre-Trial Brief" dated April 13, 2018. VMC and PAGCOR likewise filed their respective Amended Pre-trial Briefs. The pre-trial conference was terminated on June 1, 2018.

During the trial, the Parent Company presented its witnesses, Richard L. Ricardo and Arnie D. Juanico. On July 23, 2018, the Parent Company filed its "Formal Offer of Documentary Evidence" dated July 19, 2018. PAGCOR and VMC filed their respective comments on Parent Company's "Formal Offer of Documentary Evidence". The Court denied their objections and admitted Parent Company's documentary evidence.

Meanwhile, PAGCOR filed its "Demurrer to Evidence" dated October 17, 2018, which the court denied in its Order dated November 8, 2018 for being fatally defective. VMC, on the other hand, presented its witnesses, Maria Cristina L. Dorego and Cornelius M. Gaze. Thereafter, it rested its case. Thus, the Court ordered VMC to file its "Formal Offer of Exhibits".

In its Orders dated January 28 and February 18, 2019, the Court admitted VMC and PAGCOR's respective documentary evidence, despite the Parent Company's objections and comments. After the parties filed their respective memoranda, the case was submitted for decision.

In its decision dated June 28, 2019, the Court dismissed the Parent Company's Petition. The Parent Company filed its Motion for Reconsideration on August 12, 2019, which the Court denied in its Resolution dated October 11, 2019.

The Parent Company timely filed its Notice of Appeal with the Court on October 21, 2019 and was given due course.

The Parent Company appealed to the Court of Appeals (CA) on June 16, 2020 by filing its Memorandum dated June 15, 2020. PAGCOR and VMC likewise filed their separate Memoranda dated June 19, 2020, respectively.

On August 26, 2020, the CA noted the memoranda and submitted the case for decision. On February 21, 2022, the CA denied the appeal and the Company opted not to appeal the decision any further.

2. *Acesite (Phils.) Hotel Corporation versus Hon. Young, et al.*

In connection with the Parent Company versus PAGCOR, et al. case, the Court, in a resolution dated June 18, 2015, denied the Parent Company's application for TRO. The Parent Company thereafter filed a Motion for Reconsideration on July 6, 2015. The said motion for reconsideration was denied by the Court on August 1, 2016.

On October 21, 2016, the Parent Company filed with the CA a Petition for Certiorari (the 2nd petition), with application for TRO and/or writ of preliminary injunction, to assail the Court's resolutions dated June 18, 2015 and August 1, 2016. VMC and PAGCOR filed their respective comments to the 2nd petition, to which the Parent Company filed its Consolidated Reply on December 19, 2016.

In a resolution dated January 25, 2017, the CA denied the Parent Company's applications for the TRO and writ of preliminary injunction, and directed the parties to submit their respective memoranda. In compliance with the CA's directive, the Parent Company filed its memorandum on February 13, 2017. VMC also filed its memorandum dated February 16, 2017, while PAGCOR filed its memorandum dated February 14, 2017.

In a resolution dated March 3, 2017, the CA considered the Parent Company's Petition for Certiorari as submitted for decision.

In its decision dated February 27, 2018, the CA denied the Parent Company's Petition for Certiorari. The Parent Company moved for the reconsideration of said decision, which the CA denied in its resolution dated August 29, 2018. The Parent Company opted not to appeal the decision any further. The said decision became final and executory on September 30, 2018. In view thereof, the trial in the above the case, the Parent Company versus PAGCOR, et al., ensued..

Item 4. Submission of Matters to a Vote of Security Holders

1. The minutes of the Annual Meeting of Stockholders dated 06 August 2021 together with the Annual Report and Audited Financial Statements for the calendar year ended 31 December 2022 were furnished to vote on 02 December 2022.
2. The law firms of Corporate Counsels Philippines and Gancayco, Balasbas and Associates, which have acted as the legal counsels of the Company since 24 June 2004, stood for reelection at the 02 December 2022 stockholders' meeting. The accounting firm of R.G. Manabat & Co., formerly KPMG Manabat, Sanagustin & Co., has acted as the External Auditors since 2008, also were re• appointed by the shareholders.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Market Information

- The Company is listed on the Philippine Stock Exchange. The following are the trading prices (in Philippine Peso):

	2023		2022	
	High	Low	High	Low
1 st Quarter	1.60	1.32	1.67	1.37
2 nd Quarter	1.72	1.40	1.82	1.37
3 rd Quarter	1.92	1.61	1.72	1.36
4 th Quarter	1.89	1.73	1.67	1.32

The last trading price was P1.66 on 07 May 2024.

- Holders

The Company had 206 registered stockholders as of 31 December 2023. The top 20 stockholders are as follows:

Top 20 Stockholders as of 31 December 2023	No. Shares	% Holdings
WATERFRONT PHILIPPINES, INC.	192,045,057	55.49%
PCD NOMINEE CORPORATION	79,844,502	23.07%
PCD NOMINEE CORPORATION (NON-FILIPINO)	52,734,475	15.24%
NICKELL INTERNATIONAL LTD.	8,935,710	02.58%
ACESITE (PHILIPPINES) HOTEL	1,353,000	00.39%
ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394	00.25%
TANSECO, GENEROSO	714,857	00.21%
UNITED PHILIPPINE LINES	714,854	00.21%
TAN, JESUS M. (HEIRS OF)	595,728	00.17%
DIZON, WILLY O. DIZON OR NENE C.	500,000	00.14%
BAUTISTA, DOMINGO C.	476,574	00.14%
NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508	00.09%
MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001	00.08%
MENZI, HANS (ESTATE OF)	278,001	00.08%
WELLS AND PUMPS INC.	278,001	00.08%
ROSARIO, FRANCISCO DEL	258,146	00.07%
CARLOS, GLORIA S. (HEIRS OF)	218,428	00.06%
SANCHEZ, ANDREW A.	198,579	00.06%
TULIO, ERMINDA L.	198,576	00.06%
WESTERN STEEL INC.	198,576	00.06%

3. Dividends

The Board of Directors on its special meeting held on August 1, 2008 approved the declaration of three hundred percent stock dividends or three (3) common shares per one (1) outstanding common share, and subsequently approved by the stockholders in a special meeting held on September 26, 2008. However upon consultation with the Securities and Exchange Commission and the need to comply with the new SEC guidelines on the declaration of dividends, the stockholders, acting on the recommendation of the management during the annual stockholders meeting held on July 20, 2009 ratified and approved amendments to the resolution previously approved during a special stockholders meeting held on September 26, 2008, thus approving a 250% stock dividend instead of a 300% stock dividend.

On May 25, 2012, the application for the increase in the Company's authorized capital stock from P310 million to P1.21 billion was approved by SEC. Accordingly, the Company distributed the 250% stock dividends or 246,248,212 shares on July 19, 2012 for stockholders of record as of June 25, 2012.

Recent Sales of Unregistered Securities

Not applicable.

Item 6. Management's Discussion and Analysis or Plan of Operation

The top five (5) key performance indicators, as discussed herein, are presented on comparable basis and compared with figures attained from prior years operation, and are more fully explained as follows: 1) Occupancy rate is the number of hotel room-nights sold for the period divided by the number of room nights available for the period; 2) Average room rate is the room revenue for the period divided by the number of hotel room-nights sold for the period; 3) Revenues are broken down on a departmental basis; 4) Gross operating profit margin is computed as a percentage of revenues; and 5) Total Fixed, Financial and Other Charges are presented in the comparative.

Below are the results of operations of the Parent Company and its subsidiaries, for the years ending December 31, 2023, 2022 and 2021 together with its financial conditions as of the same period.

RESULTS OF OPERATION (Amount in P)

	2023	2022	2021
Revenues	-	-	-
Less: Costs and Expenses	63,415,187	63,047,074	65,912,961
Gross Income	-63,415,187	-63,047,074	-65,912,961
Other (Expenses) Income	-16,773,916	-14,940,607	-16,336,913
Net Income (Loss) Before Income Tax	-80,189,103	-77,987,681	-82,249,874
Income Tax Expense (Benefit)	-5,265,060	-5,130,467	-32,413,903
NET INCOME (LOSS)	-74,924,043	-72,857,214	-49,835,971
Earnings (Loss) Per Share	-0.216	-0.210	-0.140

FINANCIAL CONDITION (Amount in P)

	2023	2022	2021
ASSETS			
Current Assets	455,205,683	563,465,437	880,024,795
Noncurrent Assets	2,469,872,917	2,450,630,343	2,281,402,052
Total Assets	2,925,078,600	3,014,095,780	3,161,426,847
LIABILITIES			
Current Liabilities	836,560,412	849,823,697	942,065,094
Non-current Liabilities	296,481,929	297,680,433	280,243,251
Total Liabilities	1,133,042,341	1,147,504,130	1,222,308,345
Total Stockholders' Equity	1,792,036,259	1,866,591,650	1,939,118,502
Minority Interest	2,925,078,600	3,014,095,780	3,161,426,847
Total Liabilities & S/H Equity	2,925,078,600	3,014,095,780	3,161,426,847

Revenues from lease activities (Revenues – Rental): No rental revenues for the year 2023 same for the year 2022 due to the temporary cessation of operations starting March 2018.

❖ **Revenues from Rooms (Revenues – Rooms):** No room revenues for the year 2023 same for the year 2022 due to temporary cessation of operations starting March 2018.

❖ **Revenues from Food and Beverage (Revenues – F&B):** No F&B revenues for the year 2023 same for the year 2022. F&B revenue has been affected since the closure of the outlets due to the fire incident in March 2018.

❖ **Revenues from Others:** No Other revenues were recorded for the year 2023 same for the year 2022.

❖ **Cost of Sales (F&B):** No F&B cost of sales for 2023 same for the year 2022 due to the closure of outlets in March 2018.

❖ **Personnel:** Personnel costs for the year ended 31 December 2023 amounted to P25.03 million as compared to P21.81 million in the year 2022. The decreased in Personnel Cost was due to the lower number of manpower.

❖ **Energy Cost:** Energy cost for the year amounted to P3.91 million as compared to 2022 of P3.69 million. An increase of P.226 million was recorded due to decrease on charges for water and electricity.

❖ **OTHERS:** These are various cost and expenses under different departments which summed up to 34.48 million in the year 2023 as compared to 2022 of P37.55 million. A decrease of P3.07 million due to additional charges..

❖ **Depreciation:** Depreciation expense recorded at P19.82 million showing a decrease of P1.7 million in 2022. The increase was because of the additional office equipment.

❖ **Foreign Exchange Loss:** Foreign exchange Gain for the year 2023 is P0.015 while there is foreign exchange is NIL in 2022. No loan has been signed in 2023.

❖ **Due to a Related Party:** Due to related parties of 31 December 2023 amounted to P511.916 million as compared to that as of 31 December 2022 of P457.330 million.

- v. The company does not know of any seasonal aspects that had a material effect on the financial condition or results of operations.

Item 7. Financial Statements

1. The audited financial statements as of 31 December 2023 and 31 December 2022 and for the year ended 31 December 2022 and 31 December 2021 are incorporated herein by reference. A copy of the audited financial statements as of 31 December 2023 is attached.
2. The exhibits attached to the financial statements are in addition to the information disclosed in the annual reports for the year ended 31 December 2023 and for the year ended 31 December 2022.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Accounting Firm of R.G. Manabat & Co. is the elected External Auditor for Acesite (Phils.) Hotel Corporation. In compliance with SEC Memorandum Circular No. 8, Series of 2003, the financial statements for the year ended 31 December 2020 were audited by the accounting firm of R.G. Manabat & Co., while prior years financial statements for the years ended 31 December 2005, 31 December 2006 and 31 December 2007, were audited by the accounting firm of SGV and Company. Starting with the financial statements 31 December 2008 up to 31 December 2021 audit was undertaken by the accounting firm of R.G. Manabat & Co., formerly KPMG Manabat, Sanagustin & Co., and there have been no disagreements with the independent accountants.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Directors and Executive Officers

All directors joined the Board on 24 June 2004 except for Silvestre H. Bello, Jr., elected on July 2009, Sergio Ortiz-Luis, elected in August 2009, and Ruben Torres, elected in August 2006. Per recommendations of the Nominations Committee, all current directors, will be nominated to the Board again during the Company's annual stockholders' meeting. The qualifications (including the ages, nationalities, current and past position held and business experience for the past five years) of the nominees are as follows:

Office	Name	Age	Citizenship	Position in Other Listed Companies
Director	Arthur M. Lopez	76	Filipino	Principal Consultant of AML Hotel Consultants, an independent Hotel Consultancy engaged in Hotel Design Development/Technical Services, Hotel Feasibility Study, Pre and Post Hotel Opening Services and Asset Management/Owner's Representative. He is currently the Management

				<p>Consultant of the Bellevue Bohol Resort in Panglao, the Bellevue Hotel Manila, The B Hotel Manila; Director of Asia Pacific Top Management International Resources Corporation (Federal Land), owner of Marco Polo Cebu; Director of Philippine Estates Corporation, a public listed company - Philippine Stock Exchange (PSE); Chairman of Acesite Philippines Hotel Corporation, a public listed company - Philippine Stock Exchange (PSE), owner of Waterfront Manila Hotel and Casino (Formerly Manila Pavilion Hotel); Director of Waterfront Hotels and Casinos, a public company- Philippine Stock Exchange (PSE). He is currently working on several hotel developments in the Philippines.</p> <p>He was recently the Management Consultant and assisted in the management and technical services agreement negotiation of Federal Land's Grand Hyatt Project at the Fort Bonifacio, Taguig City; Owner's Representative and Advisor of Four Points by Sheraton Kuching, Sheraton Beach Resort Langkawi, Malaysia, Helang Airport Hotel Langkawi, Malaysia, Santubong Resort Langkawi, Malaysia and Four points by Sheraton Langkawi in Malaysia. He negotiated the management contract and conversion to franchise agreement with Starwood Hotels and Resorts of these properties in Malaysia.</p> <p>He was the Pre-Opening Hotel Management and Technical Services Consultant of Bloomberry Casino Hotels & Resorts/Solaire Hotel and Casino; Regional Director/Asia Pacific of Palmerston Hotels & Resorts; Senior Adviser of Department of Tourism, Philippines; General Manager of Sheraton Hotels in Melbourne, Darwin, Alice Springs and Ayers Rock in Australia, Sheraton Auckland, New Zealand and Westin Philippine Plaza. Resident Manager of Century Park Sheraton Manila, Vice President and Area Manager of ITT Sheraton Australia; Country Manager Philippines of Starwood Hotels and Resorts; Philippine Representative of Caesar's Palace; Management Consultant at the Rarotongan Beach Resort & Spa and the Aitutaki Lagoon Resort and Spa in Cook Islands. He was the Asia Pacific and Country Manager of CCA International Ltd., Managers of 45 clubs worldwide including the Tower Club Manila. He held various Management positions in Sales and Marketing, Rooms Division and Food & Beverage in ITT Sheraton Hotels and Hilton International. Mr. Lopez has also completed hotel and business club consultancy work in Japan, Palau, China, Vietnam and Indonesia.</p> <p>He holds a Bachelor of Science in Commerce degree, Major in Management, a Master's Degree in Business Administration (MBA), both from the University of Santo Tomas in the Philippines and Tourism Management at the East-West Center in Honolulu, Hawaii, USA.</p>
Director and Treasurer	Elvira A. Ting	62	Filipino	<p>Director and Treasurer of the Company since 24 June 2004. She earned her bachelor's degree in business administration, major in management, from the Philippine School of Business Administration. She has been a director of WPI since October 2000. She is concurrently, the vice-chairperson and a director of Forum Pacific Inc. She is president of Phil. Estates and vice president of Wellex Industries, Inc. She is a director of Orient Pacific Corporation, Crisanta Realty Development Corporation, Recovery</p>

				Development Corporation and the Wellex Group, Inc. She is the corporate treasurer of Pacific Rehouse Corp and the chairman and president of Rexlon Realty Group Inc and Heritage Pacific Corp.
Director and Corporate Secretary	Arthur R. Ponsaran	80	Filipino	Director and Corporate Secretary of the Company since 24 June 2004, earned his Bachelor of Laws from the University of the Philippines. He is also a Certified Public Accountant. He is the Managing Partner of Corporate Counsels, Philippines Law Office. He is also the Corporate Secretary of, among others, Waterfront Philippines, Inc., Chemrez Technologies, Inc. and director of D&L Industries and MRL Nickel Philippines, Inc. Mr. Ponsaran is a member of the Integrated Bar of the Philippines and the New York Bar as well as the Philippine Institute of Certified Public Accountants.
President and CEO	Kenneth T. Gatchalian	47	Filipino	Holds a degree in bachelor of science in architecture from the University of Texas. He was elected as one of the directors of the Company since 24 June 2004. He was elected President and CEO of the Company since June 25, 2007. He has been a director of WPI since February 2001. He is concurrently the President of WPI and a director of Forum Pacific, Inc. and Wellex Industries, Inc
	Sergio R. Ortiz-Luis, Jr.	80	Filipino	He has degrees of Bachelor of Arts and Bachelor of Science in Business Administration from De La Salle University; PhD Humanities from Central Luzon State University, PhD Business Technology from Eulogio "Amang" Rodriguez Institute of Science and Technology. He is the President of Philippine Exporters Confederation, Inc. An Honorary Chairman of Philippine Chamber of Commerce & Industry, Employers Confederation of the Philippines as well as Integrated Concepts & Solutions, Inc. He is the Chairman of National Center for Mediation. He is the Vice Chairman of the Alliance Global, Inc., Export Development Council and JARDELi Club Foundation. He is a Director of Manila Exposition Complex, Inc. Lasaltech Academy, Philippine Estate Corporation, BA Securities, Rural Bank of Baguio, PILAK Foundation, Universal Access Center Trade, Philippine International Training Corporation, Philippine Foundation, Inc. (Team Philippines), Forum Pacific, Inc., Calapan Ventures, Inc., and Jolliville Holdings Corporation. A Founding Director of International Chamber of Commerce of the Philippines and GSI. He is also a member of the Board of Advisers of Southville International School and Colleges. He is a commissioner of Patrol 117. He is also a Chairman of Rotary Club of Green Meadows Foundation. He is the past president of Rotary Club Green Meadows Quezon City RI District 3780; Private sector representative of the Philippine Bamboo Council, a senator of Philippine Jaycee Senate, Captain of Philippine Coastguard Auxiliary. He is the Honorary Consul General of Consulate of Romania in the Philippines, a Treasurer of Consular Corps of the Philippines and an Honorary Adviser of International Association of Education for World Peace. A BPLS Champion in National Competitiveness Council. Some Awards that he received were International Peace Award for Economic Development in 2005, Most Outstanding Citizen of Nueva Ecija in the field of business in 2005 also, Most Outstanding Pasigueno in 2006, Ulirang Arna also in 2006, Presidential Merit Award Medal in 2007 and ORAS Award in 2011. He became an Independent

				Director of Waterfront Philippines, Inc. since August 2009 to present and an Independent Director of Acesite (Phils) Hotel Corp since February 2013 to present.
	Lamberto B. Mercado, Jr.	58	Filipino	Vice-President for Legal of the Wellex Group, Inc. He was elected as one of the Directors of the Company since 24 June 2004. He is a graduate of the Ateneo de Manila University School of Law. Atty. Mercado is a certified public accountant. Prior to his post in Wellex Group, he was connected with the Subic Bay Metropolitan Authority (SBMA). From November 1993 to July 1997, he was the chief of staff of SBMA. He also served as president of the Freeport Service Corporation in SBMA from August 1996 to January 1998. He was appointed deputy administrator for administration in February 1997, a post he held until August 1998. Currently a Director of the following publicly listed companies: Waterfront Phils. Inc., Wellex Industries, Inc., Forum Pacific, Inc., Metro Alliance Holdings & Equities Corp. and Acesite (Phils.) Hotel Corporation.
Director	Pablo M. Gancayco	65	Filipino	Director of the Company since 24 June 2004, is a senior partner of the Gancayco, Balasbas & Associates Law Offices. He obtained his bachelor of arts in political science and bachelor of laws from the University of the Philippines. He took a masteral level intensive course on industrial property from the University Robert Schuman in Strasbourg, France. His expertise is in Intellectual Property Law and holds the posts of president and director of the Intellectual Property Association of the Philippines (the association of all intellectual property law practitioners in the Philippines) council member and country head of the Asian Patent Attorneys Association and councilor of the ASEAN Intellectual Property Association. He is the Philippine group head to the Association Internationale pour la Protection de la Propriete Industrielle. He is also adept in litigation and corporate law practice. At present, Atty. Pablo M. Gancayco is a director of the Freeport at Bataan, a Past District Governor of Rotary International District 3780, the past Chairman of the Board of Philippine College of Rotary Governors and the Philippine Rotary Magazine Foundation, an officer and member of other corporations, foundations and organizations. Representative of RI District 3780 to the 2016 Council on Legislation.
Director	Dee Hua Gatchalian	74	Filipino	Director of the Company since 19 July 2005. Mrs Gatchalian is the Executive Vice-President of the Wellex Group, Inc., and also the Executive Vice-President of Plastic City Corporation. She is concurrently a director in Philippine Estates Corporation, and Waterfront Philippines, Inc. Mrs. Gatchalian graduated with a degree in Medical Technology from the Far Eastern University in 1970. In addition to her numerous positions in business firms, she is the Chairperson of Jesus Our Life Ministries, Inc., a non-profit, non-stock organization duly registered with the Securities and Exchange Commission and a Chairperson of Dakilang Handog Foundation, a non-profit, non-stock

				organization.
	Ruben D. Torres	81	Filipino	Graduated in the University of the Philippines with a degree of Bachelor of Arts (Political Science) after which, he finished the degree of Bachelor of Laws at the same university. Presently he is also the President of BPO Workers Association of the Philippines and Senior Partner of Torres Caparas Torres Law Office. He is associated with the Integrated Bar of the Philippines and Philippine Academy of Professional Arbitrators. His former positions include being a Member of the House of Representatives of the 2nd District of Zambales, Executive Secretary of the Office of the President in Malacafiang, Secretary of the Department of Labor and Employment. Mr. Torres became an Independent Director of Waterfront Philippines, Inc. since August 2006-present. Member of Board of Advisers, TYTANA Colleges, Owner of Kitsie's Farms, Iba Zam bales and CEO of Optimus Medical Care and Trading Corporation.
	Renato C. Francisco	74	Filipino	Justice Renato Francisco graduated Bachelor of Laws at Ateneo de Manila University. From 1974 to 1987, he was involved in the private practice. In 1987, he started working as Assistant Provincial Prosecutor at the Office of the Provincial Prosecutor - Rizal and, later became Assistant City Prosecutor in Makati City. He became Executive Judge at the Regional Trial Court -- Branch 19 in Malolos, Bulacan. On May 31, 2012, he was appointed as Associate Justice of Court of Appeal. He Retired as Associate Justice on August 20, 2018.
	Noel M. Carinio	68	Filipino	Studied Bachelor of Science in AB Philosophy at the University of Sta. Tomas. He is the Founder and Former President of Fil• Estate Realty Corporation; Founder and President of War Against Poverty Foundation; Former Member and Commissioner of Presidential Consultative Commission; National President of Chamber of Real Estate and Builders Associations, Inc. (CREBA); Owner of Carino Development and Management Corporation (CDMC); Chairman and Founder of SunAsia Energy Inc.; Owner of Leon Philippe Industries, Inc.; Former Chairman of the Board of The Manila Time; Founder and Former Publisher of The Philippine

				Chronicles Media Corporation; Former Publisher of Punta; Founder and Former Publisher of Good Morning Philippines; Founder of Kilusan at Ugnayan ng Maralitang Pasiguenio, Inc. (KUMPAS); Founder of Lakas Pilipino; and Director of Metro Global Holdings Corporation.
	Aristeo R. Cruz	56	Filipino	Atty. Aristeo Cruz studied Bachelor of Commerce Major in Accounting from De La Salle University Manila and Bachelor of Laws from the New Era University. He is a member of the Philippine Bar and also a Certified Public Accountant. He is currently the Vice Chairman/Director Dean of Meycuayan College, Inc.; Vice President/Compiler of Liberty Bank (A Rural Bank), Inc; Founding and Managing Partner of Cruz Altares & Associates Law Office (formerly Cruz, Castro & Altares Law Office); President and Chief Operating Officer (COO) of Idealand Realty & Development Corporation, and Statosphere Realty & Development Corporation; Director and Corporate Secretary of Philstar Innovation Realty Corporation; President of Jose & Luz Locsin Foundation, and Waterstreet Realty Corporation; Corporate Secretary of Justino Emilia Realty and Management & Development Corporation; and Director of Metro Alliance Holdings and Equities Corp.

Mr. Arthur Lopez, Mr. Ruben D. Torres and Mr. Sergio R. Ortiz-Luiz, Jr. are currently independent directors, and will continue to serve as such upon re-election. Per recommendation of the Nominations Committee headed by Atty. Lamberto B. Mercado, Jr., the following will be nominated as executive officers at the Organizational Meeting of the Board of Directors:

Mr. Arthur M. Lopez	- Chairman
Mr. Sergio R. Ortiz-Luiz, Jr.	- Vice-Chairman
Mr. Kenneth T. Gatchalian	- President and Chief Executive Officer
Ms. Elvira A. Ting	- Treasurer and Chief Financial Officer
Mr. Richard L. Ricardo	- Vice-President for Corporate Affairs and Compliance Officer
Atty. Arthur R. Ponsaran	- Corporate Secretary
Atty. Arsenio A. Alfiller, Jr.	- Assistant Corporate Secretary
Atty. Lamberto B. Mercado, Jr.	- Chief Risk Officer
Ms. Aiza L. Pasayloon - Famador-	Chief Audit Executive
Mr. Joson Lim	- Data Protection Officer

Family Relationships

Mr. Kenneth T. Gatchalian is the son of Ms. Dee Hua Gatchalian. Ms. Elvira A. Ting is a sister of Ms. Dee Hua Gatchalian, and is a maternal aunt of Mr. Kenneth T. Gatchalian. Aside from them, no family relationship up to the fourth degree of consanguinity or affinity exists among the directors and executives.

Involvement in Legal Proceedings of Control Persons

Messrs. Arthur M. Lopez, Kenneth T. Gatchalian, Lamberto M. Mercado, Arthur Ponsaran, Sergio R. Ortiz-Luiz, Jr., and Ruben D. Torres and Ms. Elvira A. Ting and Ms. Dee Hua Gatchalian are directors of WPI. None of the directors or officers has been involved in any legal, administrative or criminal proceedings for the past five years.

Item 10. Executive Compensation

General

Ms. Elvira A. Ting, an executive officer elected on 18 August 2004 and has not been remunerated with a compensation package. Mr. Richard Ricardo, Vice-President for Corporate Affairs is a regular employee and will receive remuneration for the year. Hotel executives are also regular employees of the Company and will similarly receive compensation package for the year. In addition, Mr. Ricardo and the executive officers of the hotel can receive whatever gratuity pay the Board may extend to the managerial, supervisory and rank and file employees. Mr. David Nowak, the General Manager, tendered his resignation

COMPENSATION TABLE

Name	Position	2023	2022
Richard Ricardo	VP, Corporate Affairs	1,322,748.06	1,284,221.42
All other Officers and Directors as group unnamed		904,582.38	878,235.32
Bonus & Compensation		-	-

For the ensuing year, the aggregate compensation is expected to decrease by approximately 18%.

Compensation Plan of Directors

The members of the Board of Director are elected for a term of one year. Director per diems are pegged at a rate of P10,000.00 per board meeting. Except for the Chairman and the CEO, Directors, are not entitled to compensation package. Except as herein mentioned, no director received bonuses or profit sharing plans for the years ended 31 December 2023 and 31 December 2022.

External Audit Fees

a. Audit Related Fees

1. The aggregate fees for the audit of the registrant's annual financial statements or services that are provided by the external auditor in connection with statutory and regulatory filings amount to P0.45 million for 2023 and 2022.
2. There are no other assurance and related services rendered by the external auditor for the years 2023 and 2022.

b. Tax Advisory Fees

1. There are no Tax Advisory Fees for 2023 and 2022.

c. All Other Fees

None

d. Audit Committee Procedures

The Audit Committee invites several auditing firms to provide information on their scope of audit services and their quotations on fee structure. An initial screening is made to determine if such firms can handle the scope of audit required by the Corporation. Desired firms are short-listed and considerations on comparative strengths of these candidates are evaluated by the Audit Committee. The quoted fee structure is similarly discussed to determine the best candidate for endorsement to the board of directors of the Corporation, which in turn, endorses the nominated audit firm to the stockholders for approval at the regular stockholder's meeting of the Corporation.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

No director or officer has a compensatory contract in case of resignation, retirement, termination or change in control except for Mr. Richard Ricardo. As regular employees, Mr. Ricardo is eligible to receive the benefits under the company's retirement plan upon separation.

Warrants and Options Outstanding: Repricing

There are no outstanding warrants or options held by the Company's directors or executives.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners

As of 31 December 2023, the stock transfer book of the corporation showed the following record owners:

Title of Class	Name and Address of Record	Beneficial Owner	Citizenship	Number of Shares	%
Common Shares	Waterfront Philippines, Inc. No. 1 Waterfront Drive Off Salinas Drive Lahug, Cebu City 6000	Owner	Filipino	192,045,057	55.49%
Common Shares	PCD Nominee Corporation MSE Building, Ayala Avenue, Makati City	Various Clients	Filipino	132,624,977	38.32%

'WPI' is a publicly listed corporation on the Philippine Stock Exchange. The board of directors of WPI, as a group of natural persons acting together, directs the voting disposition of shares by WPI. The following are directors of WPI: Messrs. Arthur M. Lopez, Kenneth T. Gatchalian, Lamberto B. Mercado, Arthur Ponsaran, Sergio Ortiz-Luis Jr., Ruben D. Torres, Ms. Dee Hua Gatchalian, and Ms. Elvira A. Ting.

pCD Nominee Corporation has various beneficial owners. Majority holder is the I.B. Gimenez Securities, Inc with 15.07% of the total Acesite shares. Westlink Global Equities, Inc followed at 9.62% of the total shares. COL Financial Group, Inc. is next at 2.82% of the total shares and the rest of the owners have below 2% ownership.

Security Ownership of Management

As of 31 March 2023, the following are the record and beneficial ownership of directors and management:

Title of Class	Name Beneficial Owner	Position	Citizenship	Nature and Amount of Ownership		%
Common	Arthur M. Lopez*	Chairman	Filipino	D	350	0.00%
Common	Kenneth T. Gatchalian	President	Filipino	D	350	0.00%
Common	Elvira A. Ting	Treasurer	Filipino	D	350	0.00%
Common	Ruben D. Torres*	Director	Filipino	D	100	0.00%
Common	Sergio R. Ortiz-Luiz, Jr.*	Director	Filipino	D	350	0.00%
Common	Pablo M. Gancavco	Director	Filipino	D	350	0.00%
Common	Lamberto B. Mercado, Jr.	Director	Filipino	D	350	0.00%
Common	Renato C. Francisco	Director	Filipino	D	100	0.00%
Common	Noel M. Carino	Director	Filipino	D	100	0.00%
Common	Aristeo R. Cruz	Director	Filipino	D	3,500	0.00%
Common	Arthur R. Ponsaran	Director	Filipino	D	350	0.00%
Common	Dee Hua Gatchalian	Director	Filipino	D	3,850	0.00%
Total Beneficial Ownership					10,100	0.00%

*Independent Director D – Director I - Indirect

The beneficial ownership of directors and executive officers as a group amount to 10,100 shares or 0.0029% of the Company shares. No director has any warrants, stock rights or options that would give the right to acquire additional shares.

Voting Trust Holders of 5% or More

The Company knows of no voting trust holders of 5% or more.

Changes in Control

There are no arrangements that may result in a change in control of the Company.

Item 12. Certain Relationships and Related Transactions

Direct or Material Interests

1. Mr. Richard L. Ricardo, Vice-President for Corporate Affairs (Acesite) and Director of Acesite Realty Inc. Also holds a director position for Mayo Bonanza, Philippine Estates Corporation, Wellex Industries, Inc. and Director and Corporate Secretary of The Wellex Group, Inc.
2. The Corporation had invested in 86,710,000 shares of stock in Wellex Industries, Inc., an affiliated company listed on the Philippine Stock Exchange, at P0.50 per share or a total of P43,355,000.00.
 - a. The Corporation invested in the above marketable security in order to diversify its current asset portfolio in listed companies with a broad upside potential.
 - b. Waterfront Philippines, Inc., parent company of the Corporation, is majority owned by the Wellex Group, Inc., which also controls Wellex Industries, Inc.
 - c. The acquisition price of P0.50 per share represents a 13.7% discount to the net book value of P0.58 per share of Wellex Industries, Inc. as of 31 December 2005.
 - d. The Risk Management Committee has evaluated the transaction in accordance with certain norms, including investment risk, market liquidity, projected price-earnings ratio, net asset value and control ability, and has concluded that the investment is fair and reasonable at the acquisition price and volumes.
 - e. There are no other transactions with parties that fall outside the definition of "related parties" but with whom the Corporation may have a relationship that enables the parties to come to terms in a different manner as compared to independent parties on an arm's length basis.
 - f. The Corporation made a policy on Material Related Party Transactions that serves as the Company Code to govern the approval of related party transactions in compliance with Philippine Accounting Standards, the Revised Corporation Code, the Securities Regulations Code and other rules promulgated by the Securities and Exchange Commission regarding the matter.

Parents of the Registrant

1. Waterfront Phils., Inc., which, as of 31 March 2023 held 55.49% of the Company, is an investment holding company for the hotel, leisure and tourism businesses registered with the SEC on 23 September 1994.

Transactions with Promoters

Not applicable.

PART IV - CORPORATE GOVERNANCE

1. The Company has in place a continuing evaluation program on the level of compliance of the Board of Directors and top-level management with its manual of Corporate Governance. The Compliance Officer identifies, monitors, and together with the Corporation's Legal Counsel, controls compliance risk. On a continuing basis, findings thereof are immediately reported to the Chairman of the Board for appropriate action.
2. Several measures are practiced by the Corporation to fully comply with its Manual of Corporate Governance. The Corporation has adopted Anti-Money Laundering Guidelines, a Code of Business Ethics and a Policy Manual for Business Conduct which all employees, officers and directors are expected to follow. Upon assumption of office, directors take note of and signify their assent to their individual responsibilities under the Company's Manual of Corporate Governance. Committees are formed on the basis of each director's area of expertise. The Board considers the need for the appointment of, and may subsequently commission, independent experts to examine, validate and/or audit any matter coming to its attention. Furthermore, the accounting system and the preparation of financial statements are made compliant with Statements of International Accounting Standards (SFAS)/International Accounting Standards (IAS) in the manner specified by law. Results of the annual audit and the report of the external auditors are reviewed by the Audit Committee before final approval by the Board of Directors.
3. For the year ended 31 December 202, there have been no deviations from the Company's Manual of Corporate Governance.
4. The Company has in place a policy on the continuing development and improvement of the Manual of Corporate Governance. Board members and senior executives are encouraged to propose amendments that may be beneficial. The Board reviews such proposals and may implement amendments that, upon discussion and consideration, are finally deemed beneficial.

PART V - EXHIBITS AND SCHEDULES

Item 13. Exhibits and Reports on SEC Form 17-C

Exhibits

1. PLAN OF ACQUISITION, REORGANIZATION, ARRANGEMENT, LIQUIDATION OR SUCCESSION

The Company does not have plans to acquire or liquidate assets or reorganize its structure.

2. INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS, INCLUDING INDENTURES

The pertinent portion of the Amended Articles of Incorporation was attached under a previous submission of SEC Form 11-A and is incorporated herein by reference.

3. VOTING TRUST AGREEMENT

The Company is not aware of any voting trust agreement among stockholders.

4. MATERIAL CONTRACTS

Acquisition of CIMA Realty has been disclosed last July 7 & 12, 2011.

5. LETTER REGARDING CHANGE IN CERTIFYING

ACCOUNTANT Not applicable.

6. REPORT FURNISHED TO SECURITY HOLDERS

The SEC shall be sent copies of the printed Annual Report to shareholders.

7. SUBSIDIARIES OF THE
REGISTRANT

Pavilion Leisure and Entertainment Corporation (PLEC) is a 85.71 % owned subsidiary of the Company established on 29 June 1998. Of the P5,000,000.00 (5,000,000 shares with a par value of P1.00 each) authorized capital stock, P2,187,500.00 has been subscribed and P2,187,500.00 has been paid up. PLEC was organized to manage and operate hotels, restaurants, cafes, bars, theaters, amusement parks, leisure and entertainment enterprises for the general public. PLEC, however has not yet commenced commercial operations to date.

Pavilion Enterprises Corporation (PEC) is a 100% wholly-owned subsidiary of the Company. It was organized on 29 June 1998 to operate hotels, bars, restaurants, cafes, to construct such facilities in connection with the same, and to engage in the processing and selling of food products. It has an authorized capital stock of P5,000,000.00 divided into 5,000,000 shares with a par value of P1.00 each. P2,187,500.00 of the authorized shares have been subscribed and P2,187,500.00 has been paid up. PEC, however has not commenced operations to date.

8. PUBLISHED REPORT REGARDING MATTERS SUBMITTED TO VOTE OF
SECURITY HOLDERS

The following reports, copies of which will be duly furnished to stockholders without charge, will be submitted for stockholders approval at the Annual Meeting of Stockholders on 02 December 2022:

- ❖ Minutes of the Annual Meeting of Stockholders dated 06 August 2021.
- ❖ Annual Report and Audited Financial Statements for the year ended 31 December 2021.

9. CONSENTS OF EXPERTS AND INDEPENDENT COUNSEL

The report of the auditors, R.G. Manabat & Co., containing the financial statements as of 31 December 2023 and as of 31 December 2021 is attached.

10. POWER OF ATTORNEY

Not applicable.

11. ADDITIONAL EXHIBITS

The SEC Letter Authorizing the Reporting of Salaries in the Aggregate was attached under a previous submission of SEC Report 17-A and is incorporated herein by reference.

Item 12. Certain Relationships and Related Transactions

The Directors by virtue of their interest in the shares of the Company are deemed to have interests in the shares of its subsidiary companies and associated companies to the extent the Company have an interest.

During the fiscal year, no director of APHC has received or become entitled to receive any benefit by reason of:

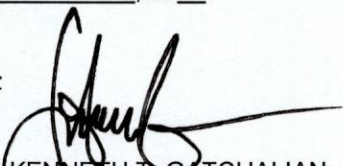
- i) a contract made with APHC or
- ii) a contract made with a related corporation or
- iii) a contract made with a firm of which the director is a member or
- iv) a contract made with a company in which the director has a substantial financial interest.

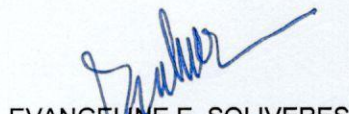
Item 13. Exhibits and Reports on SEC Form 17-C


- (a) Exhibits
- (b) Reports on SEC Form 17-C

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Manila on _____, 20__.

By:


 KENNETH T. GATCHALIAN
 President/Director


 EVANGELINE E. SOLIVERES
 Corporate Finance Director


 ARTHUR R. PONSARAN
 Corporate Secretary

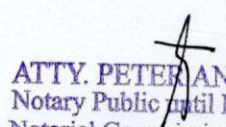
APR 30 2024

SUBSCRIBED AND SWORN to before me this _____ day of _____ 20__ affiant(s) exhibiting to me his/their Residence Certificates, as follows:

NAMES	RES. CERT. NO.	DATE OF ISSUE	PLACE OF ISSUE
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

 Notary Public

DOC. NO. 45;
 PAGE NO. 19;
 BOOK NO. 10;
 SERIES OF 2024


 ATTY. PETER ANTHONY T. MALLARI
 Notary Public until December 31, 2024
 Notarial Commission # 2023-210
 1155 Gen. Luna St., Ermita Manila
 IBP # 317318, Rolli# 77587 TIN: 133-031-552
 PTR# 1527774 / 1-02-2024 Mla.
 MCLE VIII# 0002695

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
Stockholder MasterList
As of 12/31/2023

Count	Name	Holdings
1	WATERFRONT PHILIPPINES, INC.	192,045,057
2	PCD NOMINEE CORPORATION	79,844,502
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	52,734,475
4	NICKELL INTERNATIONAL LTD.	8,935,710
5	ACESITE (PHILIPPINES) HOTEL CORPORATION	1,353,000
6	ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394
7	TANSECO, GENEROSO	714,857
8	UNITED PHILIPPINE LINES	714,854
9	TAN, JESUS M. (HEIRS OF)	595,728
10	DIZON, WILLY O. DIZON OR NENE C.	500,000
11	BAUTISTA, DOMINGO C.	476,574
12	NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508
13	WELLS AND PUMPS INC.	278,001
14	MENZI, HANS (ESTATE OF)	278,001
15	MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001
16	ROSARIO, FRANCISCO DEL	258,146
17	CARLOS, GLORIA S. (HEIRS OF)	218,428
18	SANCHEZ, ANDREW A.	198,579
19	WESTERN STEEL INC.	198,576
20	TULIO, ERMINDA L.	198,576
21	COJUANGCO, RAMON (HEIRS OF)	198,576
22	LORENZO, LUISA DE R.	198,576
23	ANUP TRADING	198,576
24	PAILIAN, PETER GO	158,858
25	BALUYUT, SISENANDO	148,928
26	ARANETA, SALVADOR (HEIRS OF)	139,002
27	REYES, ALEX (HEIRS OF)	139,002
28	RAZON, ENRIQUE JR.	139,002
29	YU, MANUEL L.	119,140
30	RADIOWEALTH INC.	99,291
31	SHAU, MARGARET L.	99,291
32	AQUINO, ERNESTO R.	99,291
33	ANDRADA CONSTRUCTION & DEV. INC.	99,291
34	CAPILITAN ANDRADA ENGINEERING CORP	99,291
35	BUGARIN, JOLLY R.	79,432
36	CANCIO, AGUSTIN S.	79,429
37	GLORIA, ALFREDO S.	79,429
38	SY, CELESTINO	79,429
39	TANGCO, AMBROSIO	79,429
40	MAKALINTAL, QUERUBIN F.	59,570
41	CHUA, VICENTE YU	59,570
42	DELGADO, JOSE MARI C.	59,570
43	DELGADO, FEDERICO C.	59,570
44	NICKELL INTERNATIONAL	55,601
45	EFREN D. BAUTISTA OR SARAH ANGELA S. BAUTISTA	46,000
46	RICARDO C. DELGADO	39,740
47	JOSE MARI C. DELGADO	39,740
48	ANA MARIA C, DELGADO	39,740
49	LAUREL, MA. PAZ R.	39,714
50	RUFINO, CARLOS	39,714
51	NADAL, EDGARDO	39,714
52	ORTEGA, MANUEL JIZ DE (HEIRS OF)	39,714
53	MARILEX REALTY DEVELOPMENT CORP.	39,714
54	MOSQUEDA, JOSE O.	39,714
55	PEDROSA, CARLOS A.	39,714
56	RANOLA, CARMEN	39,714
57	ROBERTO BORJA FURNITURE	39,714
58	DELGADO, JESUS &/OR CARMEN (HEIRS OF)	39,714
59	CRUZ, FERNANDO	39,714
60	LAZARTE, GREGORIO (HEIRS OF)	39,714
61	LICAROS, GREGORIO JR.	39,714
62	LIM, CHOA	39,714
63	BUSUEGO, ARACELI A.	39,714
64	AURELIO, MANUEL &/OR LILIA	39,714

65	CHAVARRIA, BENEDICTO	39,707
66	CARPO, PIXIE R.	39,707
67	CASTRO, FERNANDO L. (HEIRS OF)	39,707
68	LAND, FREDERICK JR. (HEIRS OF)	39,707
69	PHIL. INSTITUTE OF HOTEL ADMINISTRATION	39,707
70	PEDROSA, PIO (HEIRS OF)	39,707
71	SYCIP SALAZAR HERNANDEZ & GATMAITAN	25,977
72	HARTSOCK, PAUL JEROME	20,051
73	MARGARITA D. MAGSAYSAY	19,870
74	FRANCISCO D. MAGSAYSAY	19,870
75	MACASAET, AMADO P.	19,855
76	VILLAR, BONIFACIO T.	19,855
77	VERA, LUIS P.	19,855
78	TY TEK SUAN	19,855
79	TATOY, ROSE	19,855
80	TOLEDO, TOMAS	19,855
81	PHILADELPHIA STEEL CORPORATION	19,855
82	PUA, MARCIANA G.	19,855
83	PUGAO, RAMON	19,855
84	RAMOS, JANUARIO	19,855
85	PECAYO, DOMINADOR	19,855
86	PATERNO, VICENTE	19,855
87	ORTIZ, RICARDO L.	19,855
88	TAN, BENITO AND/OR CYNTHIA	19,855
89	RODRIGUEZ, ARTEMIO S.	19,855
90	SOLIDUM, RODOLFO (HEIRS OF)	19,855
91	SINGSON, VICENTE III	19,855
92	SIOSON, LUCITO	19,855
93	SY, FRED	19,855
94	RUALO, BEETHOVEN	19,855
95	SANDICO, FELIPITO	19,855
96	SALES, ARTHUR	19,855
97	SANTIAGO, JOSE A.	19,855
98	LIM, LEONOR D.	19,855
99	LIM, VICTOR Y.	19,855
100	LUCIANO, VICTOR	19,855
101	CARINO, DANILO	19,855
102	GARCIA, VERONICA	19,855
103	KATIGBAK, MARIO O.	19,855
104	JACINTO, MAMERTO JR.	19,855
105	FELICIANO JR., GUILLERMO	19,855
106	FELICIANO, GRACE K.	19,855
107	FELICIANO, ROSA H.	19,855
108	FIDELINO, CONCEPCION S.	19,855
109	COSIO, REYNALDO F.	19,855
110	COMMON TRADE INC.	19,855
111	CARLOS, MA. NELIA	19,855
112	CATO, BENJAMIN	19,855
113	COLAYCO, FRANCISCO J.	19,855
114	CABANEZ, LORETO	19,855
115	BONDOC, ANGELITA L.	19,855
116	BENITEZ, CONRADO II	19,855
117	CASTILLO, DOMINGO	19,855
118	CASTRILLO, EDUARDO	19,855
119	CABANERO, REBECCA S.	19,855
120	CABANERO, GILDA	19,855
121	CABANERO, LORNA	19,855
122	CABANERO, MA. CECILIA	19,855
123	CABANERO, LEONARDO	19,855
124	CABANERO, NORBERTO S.	19,855
125	CHICO, PACIFICO	19,855
126	BARREDO, LUISA	19,855
127	ANTONIO, SILVINO JR.	19,855
128	ARROYO, TOMAS	19,855
129	ANTONIO, ARTURO	19,855
130	AGUILA, ARTHUR	19,855
131	ABAD SANTOS, VICTOR E.	19,855
132	AGUAS, FORTUNATO	19,855
133	GONZALEZ, MANUEL J.	18,487
134	FLOIRENDO, ANTONIO	16,328
135	REGINA CAPITAL DEV. CORP. 020485	10,500

136	MANILA SANDS HOTEL & CASINO, INC.	10,000
137	MARIA INES D. PRIETO	9,936
138	JUAN MIGUEL T. DELGADO	9,936
139	ROSE MARIE T. DELGADO	9,935
140	FRANCISCO BENIGNO T. DELGADO IV	9,935
141	ROXAS, JUAN ROBERTO R.	9,926
142	COSME, ELIAS V.	7,945
143	GAPUZ, CO KIAN CHAY &/OR RITA A.	7,000
144	TAN, ELIZABETH H.	6,751
145	COSME, JOSE MARI	5,957
146	COSME, ANGELO JOSE L.	5,957
147	UY, WILLIAM CARLOS	5,673
148	GOZUM, ATILANO G.	5,271
149	CUSTODIA SANCIANGCO OR CUSTODIA PARKER	5,271
150	TUAZON, ALELI T.	5,271
151	VERGARA, WILFRIDO	4,538
152	GATCHALIAN, DEE HUA T.	3,850
153	ATILANO, VICENTE C.	3,500
154	BELLO JR., SILVESTRE H.	3,500
155	CRUZ, ARISTEO R.	3,500
156	ASIAMERIT SECURITIES, INC. FAO MC142	1,984
157	YEUNG, LAP HO N.	1,750
158	AVENDANO, ANTONIO	1,298
159	CORDERO, VICENTE	1,298
160	GO, GEORGE	1,113
161	SER VINCENT ROMARATE &/OR LILIA HUELGAS &/OR VIOLETA PUNZALAN	1,050
162	VALENCIA, JESUS SAN LUIS	1,000
163	YOUNG, BARTHOLOMEW D.	1,000
164	LUCOT III, ISMAEL EUFEMIO S.	1,000
165	PE, HARRY C.	794
166	JAMES WATT (A.K.A WATT KA PO)	759
167	FU LIANG	700
168	ACOSTA, FRANCISCO P.	700
169	LI HUI	700
170	CHIU KWOK SHING	700
171	CHEN PENG JING	700
172	KENNETH NG (A.K.A. NG HANG YIU)	700
173	CHOI, DAVIS	600
174	SOLIVEN, STEPHEN G.	500
175	PHILIPPINE TA SECURITIES, INC.	399
176	YU PUN HOI	392
177	ORTIZ-LUIZ JR., SERGIO R.	350
178	MAGADIA, RENATO B.	350
179	MERCADO JR., LAMBERTO B.	350
180	PONSARAN, ARTHUR R.	350
181	TING, ELVIRA A.	350
182	SALAZAR, MARIANO S.	350
183	LOPEZ, ARTHUR M.	350
184	UMALI, ANGEL T.	350
185	PALAD JR., ABELARDO C.	350
186	GREGORIO, PATRICK C.	350
187	GATCHALIAN, KENNETH T.	350
188	GATCHALIAN, REXLON T.	350
189	GILI JR., GUILLERMO F.	350
190	GANCAICO, PABLO M.	350
191	GONZALES, ALEXANDRIA P.	350
192	DIAZ, ELIZABETH L.	290
193	NALDOZA, JOHN CLARK L.	199
194	LAM, FRANCIS B.	196
195	LACSON, ALEXANDER	196
196	GREGORIO, VICENTE G.	196
197	PELAEZ JR., EMMANUEL	196
198	WAI KA CHEUNG (GERRY KA CHEUNG WAI)	196
199	FELICIANO, GWENDOLYN P.	196
200	AZORES, NORMA T.	196
201	HO, ANDREW	196
202	CHAN, JEANIE	196
203	YIU KIN WAI	129
204	PELAEZ, EMMANUEL	129
205	TORRES, RUBEN D.	100
206	RENATO C. FRANCISCO	100

207 NOEL MABUNAY CARIÑO

100

Total Stockholders :

346,100,520
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PSE Disclosure Form 17-12-A - List of Top 100 Stockholders (Common Shares)
Reference: Section 17.12 of the Revised Disclosure Rules

Type of Securities

Common

**For the period
ended**

December 31, 2023

Description of the Disclosure

ACE PSE Disclosure List of Top 100 Stockholders

Number of Issued and Outstanding Common Shares	346,100,578
Number of Treasury Common Shares, if any	1,353,058
Number of Outstanding Common Shares	344,747,520
Number of Listed Common Shares	346,100,520
Number of Lodged Common Shares	132,578,977
PCD Nominee – Filipino	79,844,502
PCD Nominee – Non-Filipino	52,734,475
Number of Certificated Common Shares	213,521,601

Change from previous submission

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 12/31/2023

Page No. 1

Rank	Name	Holdings	Percentage
1	WATERFRONT PHILIPPINES, INC.	192,045,057	55.49%
2	PCD NOMINEE CORPORATION	79,844,502	23.07%
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	52,734,475	15.24%
4	NICKELL INTERNATIONAL LTD.	8,935,710	02.58%
5	ACESITE (PHILIPPINES) HOTEL CORPORATION	1,353,000	00.39%
6	ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394	00.25%
7	TANSECO, GENEROSO	714,857	00.21%
8	UNITED PHILIPPINE LINES	714,854	00.21%
9	TAN, JESUS M. (HEIRS OF)	595,728	00.17%
10	DIZON, WILLY O. DIZON OR NENE C.	500,000	00.14%
11	BAUTISTA, DOMINGO C.	476,574	00.14%
12	NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508	00.09%
13	MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001	00.08%
14	MENZI, HANS (ESTATE OF)	278,001	00.08%
15	WELLS AND PUMPS INC.	278,001	00.08%
16	ROSARIO, FRANCISCO DEL	258,146	00.07%
17	CARLOS, GLORIA S. (HEIRS OF)	218,428	00.06%
18	SANCHEZ, ANDREW A.	198,579	00.06%
19	TULIO, ERMINDA L.	198,576	00.06%
20	WESTERN STEEL INC.	198,576	00.06%
21	COJUANGCO, RAMON (HEIRS OF)	198,576	00.06%
22	ANUP TRADING	198,576	00.06%
23	LORENZO, LUISA DE R.	198,576	00.06%
24	PAILIAN, PETER GO	158,858	00.05%
25	BALUYUT, SISENANDO	148,928	00.04%
26	ARANETA, SALVADOR (HEIRS OF)	139,002	00.04%

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 12/31/2023

Page No. 2

Rank	Name	Holdings	Percentage
27	RAZON, ENRIQUE JR.	139,002	00.04%
28	REYES, ALEX (HEIRS OF)	139,002	00.04%
29	YU, MANUEL L.	119,140	00.03%
30	SHAU, MARGARET L.	99,291	00.03%
31	RADIOWEALTH INC.	99,291	00.03%
32	AQUINO, ERNESTO R.	99,291	00.03%
33	ANDRADA CONSTRUCTION & DEV. INC.	99,291	00.03%
34	CAPILITAN ANDRADA ENGINEERING CORP	99,291	00.03%
35	BUGARIN, JOLLY R.	79,432	00.02%
36	CANCIO, AGUSTIN S.	79,429	00.02%
37	GLORIA, ALFREDO S.	79,429	00.02%
38	TANGCO, AMBROSIO	79,429	00.02%
39	SY, CELESTINO	79,429	00.02%
40	CHUA, VICENTE YU	59,570	00.02%
41	MAKALINTAL, QUERUBIN F.	59,570	00.02%
42	DELGADO, FEDERICO C.	59,570	00.02%
43	DELGADO, JOSE MARI C.	59,570	00.02%
44	NICKELL INTERNATIONAL	55,601	00.02%
45	EFREN D. BAUTISTA OR SARAH ANGELA S. BAUTISTA	46,000	00.01%
46	ANA MARIA C, DELGADO	39,740	00.01%
47	JOSE MARI C. DELGADO	39,740	00.01%
48	RICARDO C. DELGADO	39,740	00.01%
49	ROBERTO BORJA FURNITURE	39,714	00.01%
50	RUFINO, CARLOS	39,714	00.01%
51	AURELIO, MANUEL &/OR LILIA	39,714	00.01%
52	BUSUEGO, ARACELI A.	39,714	00.01%

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 12/31/2023

Page No. 3

Rank	Name	Holdings	Percentage
53	DELGADO, JESUS &/OR CARMEN (HEIRS OF)	39,714	00.01%
54	CRUZ, FERNANDO	39,714	00.01%
55	MOSQUEDA, JOSE O.	39,714	00.01%
56	NADAL, EDGARDO	39,714	00.01%
57	MARILEX REALTY DEVELOPMENT CORP.	39,714	00.01%
58	ORTEGA, MANUEL JIZ DE (HEIRS OF)	39,714	00.01%
59	RANOLA, CARMEN	39,714	00.01%
60	PEDROSA, CARLOS A.	39,714	00.01%
61	LAUREL, MA. PAZ R.	39,714	00.01%
62	LAZARTE, GREGORIO (HEIRS OF)	39,714	00.01%
63	LICAROS, GREGORIO JR.	39,714	00.01%
64	LIM, CHOA	39,714	00.01%
65	PEDROSA, PIO (HEIRS OF)	39,707	00.01%
66	PHIL. INSTITUTE OF HOTEL ADMINISTRATION	39,707	00.01%
67	LAND, FREDERICK JR. (HEIRS OF)	39,707	00.01%
68	CARPO, PIXIE R.	39,707	00.01%
69	CASTRO, FERNANDO L. (HEIRS OF)	39,707	00.01%
70	CHAVARRIA, BENEDICTO	39,707	00.01%
71	SYCIP SALAZAR HERNANDEZ & GATMAITAN	25,977	00.01%
72	HARTSOCK, PAUL JEROME	20,051	00.01%
73	FRANCISCO D. MAGSAYSAY	19,870	00.01%
74	MARGARITA D. MAGSAYSAY	19,870	00.01%
75	VILLAR, BONIFACIO T.	19,855	00.01%
76	TAN, BENITO AND/OR CYNTHIA	19,855	00.01%
77	SY, FRED	19,855	00.01%
78	TATOY, ROSE	19,855	00.01%

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 12/31/2023

Page No. 4

Rank	Name	Holdings	Percentage
79	TY TEK SUAN	19,855	00.01%
80	TOLEDO, TOMAS	19,855	00.01%
81	VERA, LUIS P.	19,855	00.01%
82	RUALO, BEETHOVEN	19,855	00.01%
83	SALES, ARTHUR	19,855	00.01%
84	RODRIGUEZ, ARTEMIO S.	19,855	00.01%
85	SINGSON, VICENTE III	19,855	00.01%
86	SIOSON, LUCITO	19,855	00.01%
87	SOLIDUM, RODOLFO (HEIRS OF)	19,855	00.01%
88	SANDICO, FELIPITO	19,855	00.01%
89	SANTIAGO, JOSE A.	19,855	00.01%
90	JACINTO, MAMERTO JR.	19,855	00.01%
91	GARCIA, VERONICA	19,855	00.01%
92	LIM, LEONOR D.	19,855	00.01%
93	LIM, VICTOR Y.	19,855	00.01%
94	KATIGBAK, MARIO O.	19,855	00.01%
95	LUCIANO, VICTOR	19,855	00.01%
96	MACASAET, AMADO P.	19,855	00.01%
97	ORTIZ, RICARDO L.	19,855	00.01%
98	PATERNIO, VICENTE	19,855	00.01%
99	PHILADELPHIA STEEL CORPORATION	19,855	00.01%
100	PECAYO, DOMINADOR	19,855	00.01%

Total Top 100 Shareholders :	345,258,995	99.75%
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Total Issued Shares	346,100,520
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ACE000000000 December 29, 2023

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

December 29, 2023

ACE000000000

BPNAME	QUANTITY
UPCC SECURITIES CORP.	14,182
A & A SECURITIES, INC.	615,000
ABACUS SECURITIES CORPORATION	983,810
PHILSTOCKS FINANCIAL INC	3,334,033
BA SECURITIES, INC.	2,214,000
AP SECURITIES INCORPORATED	91,500
ANSALDO, GODINEZ & CO., INC.	142,000
AB CAPITAL SECURITIES, INC.	401,810
SB EQUITIES, INC.	91,500
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	100,000
ASIASEC EQUITIES, INC.	100,000
CHINA BANK SECURITIES CORPORATION	5,943,000
BELSON SECURITIES, INC.	85,000
JAKA SECURITIES CORP.	67,750
BPI SECURITIES CORPORATION	377,873
CAMPOS, LANUZA & COMPANY, INC.	128,500
CTS GLOBAL EQUITY GROUP, INC.	308,698
TRITON SECURITIES CORP.	3,461,290
DAVID GO SECURITIES CORP.	5,700
DIVERSIFIED SECURITIES, INC.	7,350
E. CHUA CHIACO SECURITIES, INC.	105,783
EASTERN SECURITIES DEVELOPMENT CORPORATION	84,500
EVERGREEN STOCK BROKERAGE & SEC., INC.	336,000
FIRST ORIENT SECURITIES, INC.	10,500
F. YAP SECURITIES, INC.	6,000
GLOBALINKS SECURITIES & STOCKS, INC.	10,000
GUILD SECURITIES, INC.	117,501
HDI SECURITIES, INC.	4,876,001
I. B. GIMENEZ SECURITIES, INC.	52,157,527
INVESTORS SECURITIES, INC,	24,000
IMPERIAL, DE GUZMAN, ABALOS & CO., INC.	5,600
INTRA-INVEST SECURITIES, INC.	170,000
LARRGO SECURITIES CO., INC.	88,000
COL Financial Group, Inc.	5,497,571
DA MARKET SECURITIES, INC.	18,000
MERCANTILE SECURITIES CORP.	6,000
MOUNT PEAK SECURITIES, INC.	15,000
OPTIMUM SECURITIES CORPORATION	5,000
RCBC SECURITIES, INC.	19,211
PAPA SECURITIES CORPORATION	4,000
MAYBANK SECURITIES, INC.	100,304

PNB SECURITIES, INC.	1,550
QUALITY INVESTMENTS & SECURITIES CORPORATION	150,000
R & L INVESTMENTS, INC.	10,000
R. COYIUTO SECURITIES, INC.	670,350
REGINA CAPITAL DEVELOPMENT CORPORATION	207,850
AAA SOUTHEAST EQUITIES, INCORPORATED	85,000
R. S. LIM & CO., INC.	475,000
S.J. ROXAS & CO., INC.	210,000
SECURITIES SPECIALISTS, INC.	9,047
SUMMIT SECURITIES, INC.	10,000
TANSENGCO & CO., INC.	115,876
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	40,710
TOWER SECURITIES, INC.	1,301,250
LANDBANK SECURITIES, INC.	7,250
FIRST METRO SECURITIES BROKERAGE CORP.	330,004
WEALTH SECURITIES, INC.	52,000
WESTLINK GLOBAL EQUITIES, INC.	39,531,400
YAO & ZIALCITA, INC.	362,500
BDO SECURITIES CORPORATION	203,350
EAGLE EQUITIES, INC.	86,000
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	70
SOLAR SECURITIES, INC.	300,000
G.D. TAN & COMPANY, INC.	3,815,287
UNICAPITAL SECURITIES INC.	4,000
SunSecurities, Inc.	7,000
ARMSTRONG SECURITIES, INC.	2,463,218
ACESITE (PHILS.) HOTEL CORP.	771

Total	132,578,977
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ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022

With Independent Auditors' Report



R.G. Manabat & Co.
The KPMG Center, 6/F
6787 Ayala Avenue, Makati City
Philippines 1209
Telephone +63 (2) 8885 7000
Fax +63 (2) 8894 1985
Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Acesite (Phils.) Hotel Corporation
8th Floor, Waterfront Manila Hotel and Casino
United Nations Avenue corner Maria Orosa Street
Ermita, Manila

Opinion

We have audited the consolidated financial statements of Acesite (Phils.) Hotel Corporation (the Parent Company) and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of profit or loss and other comprehensive (loss) income, changes in equity and cash flows for each of the three years in the period ended December 31, 2023, and notes, comprising summary of material accounting policies and other explanatory information.

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

Basis for Opinion

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

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



Emphasis of Matter - Status of Operation

We draw attention to Note 1 to the consolidated financial statements which describes the effects of a fire on March 18, 2018 that damaged the Parent Company's podium and the hotel buildings that resulted to the suspension of its operations. As stated in Note 1, the Parent Company filed in 2018 for property damage and business insurance claims from its insurance companies for which in 2020, the insurance claims recoverable amounting to P1.72 billion was confirmed. It is further stated in Note 1 that the Parent Company has started in 2018 the reconstruction and restoration of the podium and the hotel buildings, which are still ongoing as at December 31, 2023, with 36.21% completed. The Phase 1 is expected to be completed by the 4th quarter of 2024, while Phase 2 by the 2nd quarter of 2025 and Phase 3 by the 4th quarter of 2025. Note 1 indicates as well that a related party that has a long-term sublease contract with Philippine Amusement and Gaming Corporation, entered into a long-term lease contract with the Parent Company for the operation of the casino until 2025. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Capitalization of Costs on Construction

(P933.10 million, see consolidated statement of financial position and Note 7 to the consolidated financial statements).

The Risk

The Parent Company has incurred significant costs in relation to the reconstruction and restoration project of its hotel property. Costs amounting to P933.10 million have been capitalized as construction-in-progress under property and equipment as at December 31, 2023. We focused on this area because there is a risk that costs are not appropriately capitalized in accordance with the relevant accounting standards, including the requirement to only capitalize overheads and other charges which are directly attributable to the construction activities.

Our response

As part of our audit procedures, we evaluated the design and implementation of relevant management controls to address the risk of inappropriate capitalization of costs. We obtained the certified progress report from the Parent Company's engineering department and vouched on a sampling basis capitalized costs to supporting documents such as progress billings from contractors. We also considered the adequacy of the disclosures in the consolidated financial statements and determined whether they met the disclosure requirements of relevant accounting standards.



Other Information

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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



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

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

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

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



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

The engagement partner on the audit resulting in this independent auditors' report is Darwin P. Virocel.

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read 'Darwin P. Virocel', written over a horizontal line.

DARWIN P. VIROCEL

Partner

CPA License No. 0094495

Tax Identification No. 912-535-864

BIR Accreditation No. 08-001987-031-2022

Issued June 27, 2022; valid until June 27, 2025

PTR No. MKT 10075206

Issued January 2, 2024 at Makati City

May 9, 2024

Makati City, Metro Manila



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REPORT OF INDEPENDENT AUDITORS ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
Acesite (Phils.) Hotel Corporation
8th Floor, Waterfront Manila Hotel and Casino
United Nations Avenue corner Maria Orosa Street
Ermita, Manila

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Acesite (Phils.) Hotel Corporation and Subsidiaries (the Group) as at and for the years ended December 31, 2023 and 2022, included in this Form 17-A, on which we have rendered our report thereon dated May 9, 2024.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements of the Group taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards and may not be comparable to similarly titled measures presented by other companies.

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024
financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)
BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024
financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 and is not a required part of the Group's consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the years ended December 31, 2023 and 2022 and no material exceptions were noted.

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read 'D. Virocel', with a stylized flourish at the end.

DARWIN P. VIROCEL

Partner

CPA License No. 0094495

Tax Identification No. 912-535-864

BIR Accreditation No. 08-001987-031-2022

Issued June 27, 2022; valid until June 27, 2025

PTR No. MKT 10075206

Issued January 2, 2024 at Makati City

May 9, 2024

Makati City, Metro Manila



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REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

The Board of Directors and Stockholders
Acesite (Phils.) Hotel Corporation
8th Floor, Waterfront Manila Hotel and Casino
United Nations Avenue corner Maria Orosa Street
Ermita, Manila

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Acesite (Phils.) Hotel Corporation and Subsidiaries (the Group) as at and for the year ended December 31, 2023, included in this Form 17-A, on which we have rendered our report thereon dated May 9, 2024.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements of the Group taken as a whole. The supplementary information included in the following accompanying additional components is the responsibility of the Group's management.

- Reconciliation of Retained Earnings Available for Dividend Declaration (*Annex A*)
- Map of Conglomerate (*Annex B*)
- Supplementary Schedules of Annex 68-J (*Annex C*)

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



The supplementary information is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not a required part of the Group's consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the Group's consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements of the Group taken as a whole.

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read 'D. Virocel', with a stylized flourish at the end.

DARWIN P. VIROCEL

Partner

CPA License No. 0094495

Tax Identification No. 912-535-864

BIR Accreditation No. 08-001987-031-2022

Issued June 27, 2022; valid until June 27, 2025

PTR No. MKT 10075206

Issued January 2, 2024 at Makati City

May 9, 2024

Makati City, Metro Manila

**ACESITE (PHILS.) HOTEL CORPORATION
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31		
			December 31, 2022 (As restated - Note 11)	January 1 , 2022 (As restated - Note 11)
	Note	2023		
ASSETS				
Current Assets				
Cash and cash equivalents	17	P20,469,058	P142,474,210	P468,895,455
Trade and other current receivables - net	4, 17	45,208,122	117,900,146	145,347,468
Note receivable	10, 17	107,023,005	98,701,816	91,616,907
Inventories	5	762,424	762,424	762,424
Due from related party	10	75,652,997	-	-
Prepaid expenses and other current assets	6	206,090,077	203,626,841	173,402,541
Total Current Assets		455,205,683	563,465,437	880,024,795
Noncurrent Assets				
Property and equipment - net	7	1,764,106,580	1,742,130,688	1,515,520,653
Equity securities - at fair value through other comprehensive income	10, 17	19,943,300	19,943,300	19,943,300
Other noncurrent assets - net	8	685,823,037	688,556,355	745,938,099
Total Noncurrent Assets		2,469,872,917	2,450,630,343	2,281,402,052
		P2,925,078,600	P3,014,095,780	P3,161,426,847
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other current payables	9, 17	P324,644,663	P392,492,729	P460,181,258
Due to related parties	10, 17	511,915,749	457,330,968	481,883,836
Total Current Liabilities		836,560,412	849,823,697	942,065,094
Noncurrent Liabilities				
Retention payables	9, 17	88,381,362	85,907,565	62,628,812
Retirement benefits liability	14	5,929,700	4,426,570	5,212,370
Deferred tax liabilities - net	15	202,170,867	207,346,298	212,402,069
Total Noncurrent Liabilities		296,481,929	297,680,433	280,243,251
Total Liabilities		1,133,042,341	1,147,504,130	1,222,308,345
Equity				
Capital stock	11, 18	346,100,578	346,100,578	346,100,578
Revaluation surplus on property and equipment	7	135,757,162	150,433,612	165,110,062
Fair value reserve		7,692,830	7,692,830	7,629,830
Treasury shares		(12,041,700)	(12,041,700)	(12,041,700)
Retained earnings	11	1,252,266,664	1,312,514,257	1,370,695,021
Retirement benefits reserve		62,260,725	61,892,073	61,561,711
Total Equity		1,792,036,259	1,866,591,650	1,939,055,502
		P2,925,078,600	P3,014,095,780	P3,161,363,847

See Notes to the Consolidated Financial Statements.

**ACESITE (PHILS.) HOTEL CORPORATION
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE (LOSS) INCOME**

		Years Ended December 31		
	<i>Note</i>	2023	2022	2021
REVENUES		P -	P -	P -
COSTS AND EXPENSES OTHER THAN DEPRECIATION, FINANCING AND INCOME TAX EXPENSE (BENEFIT)				
Personnel	14	25,025,898	21,811,080	20,519,070
Energy		3,912,540	3,686,177	3,792,924
Others	12	34,476,749	37,549,817	41,600,967
		63,415,187	63,047,074	65,912,961
LOSS BEFORE (LOSSES) GAIN, DEPRECIATION, FINANCING AND INCOME TAX (BENEFIT) EXPENSE		(63,415,187)	(63,047,074)	(65,912,961)
(LOSSES) GAIN, DEPRECIATION AND FINANCING				
Financing income - net	13	3,060,394	6,623,697	4,199,351
Depreciation	7	(19,819,109)	(21,564,304)	(20,537,740)
Foreign exchange losses - net		(15,201)	-	1,476
		16,773,916	(14,940,607)	(16,336,913)
LOSS BEFORE INCOME TAX BENEFIT		(80,189,103)	(77,987,681)	(82,249,874)
INCOME TAX BENEFIT	15	(5,265,060)	(5,130,467)	(32,413,903)
NET LOSS		(P74,924,043)	(P72,857,214)	(P49,835,971)

Forward

Years Ended December 31				
	Note	2023	2022	2021
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will never be reclassified to profit or loss				
Unrealized gain on equity securities - at fair value through other comprehensive income	10	P -	P -	P520,260
Remeasurement gains (losses) on defined benefit plan	14	491,536	440,482	3,318,641
Deferred tax effect	15	(122,884)	(110,120)	15,094,289
		368,652	330,362	18,933,190
TOTAL COMPREHENSIVE LOSS		(P74,555,391)	(P72,526,852)	(P30,902,781)
LOSS EARNINGS PER SHARE - Basic and Diluted	16	(P0.22)	(P0.21)	(P0.14)

See Notes to the Consolidated Financial Statements.

**ACESITE (PHILS.) HOTEL CORPORATION
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Year Ended December 31						
	Capital Stock (Note 11)	Revaluation Surplus on Property and Equipment (Note 7)	Retirement Benefits Reserve (Note 14)	Fair Value Reserve	Retained Earnings (Note 11)	Treasury Stock (Note 11)	Total
Balance at beginning, as previously stated	P346,100,520	P150,433,612	P61,892,073	P7,692,830	P1,312,514,315	(P12,041,700)	P1,866,591,650
Effect of restatement	58	-	-	-	(58)	-	-
Balance at beginning, as restated	346,100,578	150,433,612	61,892,073	7,692,830	1,312,514,257	(12,041,700)	1,866,591,650
Net loss for the year	-	-	-	-	(74,924,043)	-	(74,924,043)
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	(14,676,450)	-	-	14,676,450	-	-
Other comprehensive income - net of tax effect	-	-	368,652	-	-	-	368,652
	-	(14,676,450)	368,652	-	(60,247,593)	-	(74,555,391)
Balance at December 31, 2023	P346,100,578	P135,757,162	P62,260,725	P7,692,830	P1,252,266,664	(P12,041,700)	P1,792,036,259

See Notes to the Consolidated Financial Statements.

**ACESITE (PHILS.) HOTEL CORPORATION
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year Ended December 31

	Capital Stock (Note 11)	Revaluation Surplus on Property and Equipment (Note 7)	Retirement Benefits Reserve (Note 14)	Fair Value Reserve	Retained Earnings (Note 11)	Treasury Stock (Note 11)	Total
Balance at beginning, as previously stated	P346,100,520	P165,110,062	P61,561,711	P7,692,830	P1,370,695,079	(P12,041,700)	P1,939,118,502
Effect of restatement	58	-	-	-	(58)	-	-
Balance at beginning, as restated	346,100,578	165,110,062	61,561,711	7,692,830	1,370,695,021	(12,041,700)	1,939,118,502
Total Comprehensive Loss for the Year							
Net loss for the year	-	-	-	-	(72,857,214)	-	(72,857,214)
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	(14,676,450)	-	-	14,676,450	-	-
Other comprehensive income - net of tax effect	-	-	330,362	-	-	-	330,362
	-	(14,676,450)	330,362	-	(58,180,764)	-	(72,526,852)
Balance at December 31, 2022	P346,100,578	P150,433,612	P61,892,073	P7,692,830	P1,312,514,257	(P12,041,700)	P1,866,591,650

See Notes to the Consolidated Financial Statements.

**ACESITE (PHILS.) HOTEL CORPORATION
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year Ended December 31

	Capital Stock (Note 11)	Revaluation Surplus on Property and Equipment (Note 7)	Retirement Benefits Reserve (Note 14)	Fair Value Reserve	Retained Earnings (Note 11)	Treasury Stock (Note 11)	Total
Balance at beginning, as previously stated	P346,100,520	P167,800,745	P55,134,548	P7,172,570	P1,405,854,600	(P12,041,700)	P1,970,021,283
Effect of restatement	58	-	-	-	(58)	-	-
Balance at January 1, 2021	346,100,578	167,800,745	55,134,548	7,172,570	1,405,854,542	(12,041,700)	1,970,021,283
Total Comprehensive (Loss) Income for the Year							
Net loss for the year	-	-	-	-	(49,835,971)	-	(49,835,971)
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	(14,676,450)	-	-	14,676,450	-	-
Other comprehensive income - net of tax effect	-	-	3,318,641	520,260	-	-	3,838,901
Effect of CREATE Law	-	11,985,767	3,108,522	-	-	-	15,094,289
	-	(2,690,683)	6,427,163	520,260	(35,159,521)	-	(30,902,781)
Balance at December 31, 2021	P346,100,578	P165,110,062	P61,561,711	P7,692,830	P1,370,695,021	(P12,041,700)	P1,939,118,502

See Notes to the Consolidated Financial Statements.

**ACESITE (PHILS.) HOTEL CORPORATION
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31				
	Note	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax benefit		(P80,189,103)	(P77,987,681)	(P82,249,874)
Adjustments for:				
Depreciation	7	19,819,109	21,564,304	20,537,740
Retirement benefits expense	14	1,163,168	1,154,682	1,357,339
Foreign exchange gains - net		(15,201)	-	(1,476)
Interest income	13	(3,063,281)	(6,626,267)	(4,201,955)
Loss before working capital changes		(62,285,308)	(61,894,962)	(64,558,226)
Changes in:				
Trade and other current receivables		72,692,024	20,631,260	(1,911,734)
Inventories		-	-	76,800
Prepaid expenses and other current assets		(2,496,491)	(30,259,723)	(5,628,853)
Trade and other current payables		(65,374,267)	(45,909,775)	(28,978,506)
Due from related party	10	(75,652,997)	-	-
Cash absorbed by operations		(133,117,039)	(117,433,200)	(101,000,519)
Interest received		3,063,281	6,623,697	4,201,955
Benefits paid	14	(120,949)		-
Net cash used in operating activities		(130,174,707)	(110,806,933)	(96,798,563)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash payment to note receivable	10	(8,321,189)	(7,084,909)	(6,898,407)
Changes in other noncurrent assets		3,685,763	57,381,744	(57,264,102)
Proceeds from insurance claims on property damages	1	-	6,816,060	6,816,060
Additions to property and equipment	7	(41,795,001)	(248,174,339)	(67,832,054)
Net cash used in investing activities		(46,430,427)	(191,061,444)	(125,178,503)

Forward

Years Ended December 31				
	Note	2023	2022	2021
CASH FLOW FROM A FINANCING ACTIVITY				
Cash receipts from (payments to) related parties	10	P54,584,781	(P24,552,868)	(P8,834,792)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(122,020,353)	(326,421,245)	(230,811,858)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		15,201	-	1,476
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17	142,474,210	468,895,455	699,705,837
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	P20,469,058	P142,474,210	P468,895,455

See Notes to the Consolidated Financial Statements.

**ACESITE (PHILS.) HOTEL CORPORATION
AND SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting Entity

Acesite (Phils.) Hotel Corporation (the Parent Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on October 10, 1952 primarily to engage in the business of operating a hotel, or other accommodations, for the general public and to construct such facilities as may be reasonably necessary or useful in connection with the same. The Parent Company is a 55.70%-owned subsidiary of Waterfront Philippines, Inc. (WPI).

The Parent Company amended its Articles of Incorporation for the change in the Parent Company's trade name from Manila Pavilion Hotel to Waterfront Manila Hotel and Casino and address from 7th Floor, Manila Pavilion Hotel, United Nations Avenue, Ermita, Manila to 8th Floor, Waterfront Manila Hotel and Casino, United Nations Avenue corner Maria Orosa Street, Ermita, Manila. The amended Articles of Incorporation was approved by the SEC on July 7, 2020.

The Parent Company is the owner and operator of Waterfront Manila Hotel and Casino (the Hotel). The corporate life of the Parent Company has been extended up to 2052. The Parent Company's shares have been listed on the Philippine Stock Exchange (PSE) since December 5, 1986.

The details of the equity interest of the Parent Company in its subsidiaries as at December 31, 2023 and 2022 are as follows:

	Percentage of Ownership	
	Direct	Indirect
Real Estate		
Acesite Realty, Inc. (formerly CIMA Realty Phils., Inc.) (ARI)	100	-
Hotel Management and Operation		
Pavillion Leisure and Entertainment Corp.* (PLEC)		
<i>(Through Direct Ownership in ARI)</i>	86	14
Pavillion Enterprises Corp.* (PEC)	100	-

**nonoperating entities*

The Company and all of the above subsidiaries (collectively referred to as the Group) were incorporated in the Philippines.

Status of Operation

On March 18, 2018, a fire broke out in the Parent Company's hotel property damaging the podium and hotel building and suspending its hotel operations. Based on the Fire Certification issued by the Bureau of Fire Protection - National Headquarters on April 23, 2018, the cause of the subject fire was declared and classified as "accidental in nature". The Company incurred casualty losses due to damages ~~on~~ to its inventories and hotel property. The Parent Company filed for property damage and business insurance claims which were finalized in 2020 amounting to P1.72 billion.

The Parent Company has started in 2018 the reconstruction and restoration of the podium and the hotel buildings. Although, the project completion has been extended due to some delays, the construction activities have not been totally stopped and are still ongoing as of December 31, 2023, with 36.21% completed. The management expects to complete the Phase 1 of a reconstruction project by the 4th quarter of 2024. The Phase 1 of the project includes the public areas including the lobby, some food and beverage outlets, and the casino area at the ground floor level up to the third floor.

A related party, who has a long-term sublease contract with Philippine Amusement and Gaming Corporation (PAGCOR), entered into a long-term lease contract with the Parent Company for the operation of a casino until 2025. The entire proceeds from insurance coverage claims have been allotted to complete the Phase 1 of the reconstruction work with additional funding expected to be coming from bank borrowings to be guaranteed by an affiliate.

The amenities, guest facilities, and the remaining rooms of the hotel building are expected to be completed in Phases 2 and 3 of the reconstruction project. Phase 2 is expected to be completed by the 2nd quarter of 2025 while Phase 3 is by the 4th quarter of 2025. These two latter phases will be funded by the cash flows generated by the operations of Phase 1 and, when necessary, bank borrowings.

2. Basis of Preparation

Basis of Accounting

These consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs). The accompanying consolidated financial statements were approved and authorized for issuance by the Chief Finance Officer on May 9, 2024, as designated and authorized by the Board of Directors (BOD) on April 30, 2024.

Details of the Group's material accounting policies are included in Note 20.

Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis of accounting except for the following items, which are measured on an alternative basis on each reporting date:

Items	Measurement Bases
<ul style="list-style-type: none">▪ Hotel building and equipment and furniture and fixtures▪ Equity securities - at fair value through other comprehensive income (FVOCI)▪ Retirement benefits liability	<ul style="list-style-type: none">▪ Revalued amount less accumulated depreciation and impairment losses▪ Fair value▪ Present value of the defined benefits obligation (DBO) less fair value of plan assets (FVPA)

Functional and Presentation Currency

The consolidated financial statements are presented in Philippine peso (PHP), which is the Parent Company's functional currency. All amounts have been rounded to the nearest peso, unless otherwise indicated.

3. Use of Judgments and Estimates

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

Recognizing Insurance Claims

The Parent Company recognizes gain on insurance from its damaged property and business interruption claims when it is determined that the amount to be received from the insurance recovery is virtually certain and recognition in the period is appropriate considering the following:

- There is a valid insurance policy for the incident;
- The status of the Parent Company's discussion with the adjuster and the insurance company regarding the claim; and
- The subsequent information that confirm the status of the claim as of the reporting date.

Going Concern

The management has made an assessment of the Group's ability to continue as going concern for at least 12 months from the yearend date of the consolidated financial statements. The Group filed for property damage and business insurance claims and from its insurance companies totaling to P1.72 billion which has been allotted for the reconstruction of the hotel property. Additional bank borrowing, to be guaranteed by an affiliate (Note 1) will be made to fund the Phase 1 of the reconstruction project which are ongoing since 2018.

Although the various community quarantines implemented in Metro Manila have caused some delays, construction activities have not been totally stopped and management expects to complete Phase 1 of reconstruction project by the 4th quarter of 2023. A soft opening of the podium, which houses the public areas including the lobby, some food and beverage outlets and the casino area at the ground floor level up to the third floor, is expected by the 4th quarter of 2023. The hotel rooms are expected to be partially completed in Phase 1 and the remaining amenities, guest facilities and rooms of the hotel building are expected to be completed over Phase 2 and Phase 3 of the reconstruction project. Phases 2 and 3 are expected to be completed by the 2nd quarter of 2024, respectively. These two latter phases will be funded by the cash flows generated by the operations and, when necessary, bank borrowings.

The phased opening of the hotel is based on the management's assumption that the travel and hospitality sectors will return to pre-pandemic levels starting 2023 given the decreasing number of COVID-19 related cases, the relaxation of guidelines for domestic and international travels, as well as the de-escalation from Alert Level 2 to Alert Level 1 in most areas in the Philippines. As the hospitality industry comes to a full recovery, management expects to attract a good share of the incoming tourist markets with the completion of phases 2 and 3.

Management has determined that there is no material uncertainty in respect of the Group's ability to continue as a going concern therefore, the consolidated financial statements continue to be prepared on a going concern basis.

Classifying Financial Instruments

The Group exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual agreement and the definition of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statement of financial position.

Distinguishing Investment Properties and Owner-occupied Properties

The Group determines whether a property qualifies as an investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the properties but also to the other assets used in the delivery of services.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the delivery of services or for administrative purposes. If these portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the delivery of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group has classified its properties as owner-occupied (see Notes 7).

Transactions with PAGCOR

The Group has significant transactions with PAGCOR. Under Presidential Decree (PD) No. 1869, otherwise known as the PAGCOR Charter, PAGCOR is exempted from payment of any form of taxes other than the 5% franchise tax imposed on the gross revenue or earnings derived by PAGCOR from its operations under the franchise. The amended Revenue Regulations (RR) No. 16-2005 which became effective in 2006, however, provides that gross receipts of PAGCOR shall be subject to the 12% value-added tax (VAT). In February 2007, the Philippine Congress amended PD No. 1869 to extend the franchise term of PAGCOR for another 25 years but did not include any revocation of PAGCOR's tax exemption privileges as previously provided for in PD No. 1869. In accounting for the Group's transactions with PAGCOR, the Group's management and its legal counsel have made a judgment that the amended PD No. 1869 prevails over the amended RR No. 16-2005 (see Note 19).

Operating Lease - Group as Lessor

The Group has entered into commercial property leases on the commercial spaces located in the Hotel. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these commercial spaces and accounts for the contracts as operating leases.

Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is as follows:

Provision for Expected Credit Losses on Financial Assets

The Group uses the expected credit loss (ECL) model in estimating the level of allowance which includes forecasts of future events and conditions. A credit loss is the difference between the cash flows that are expected to be received discounted at the original effective interest rate (EIR). PFRS 9, *Financial Instruments*, requires the Group to record ECL on all of its financial instruments, either on a 12-month or lifetime basis. The Group applied the simplified approach to receivables from third parties and recorded the lifetime ECL. The model represents a probability-weighted estimate of the difference over the remaining life of the receivables. Lifetime ECL is calculated by multiplying the lifetime Probability of Default by Loss Given Default (LGD) and Exposure at Default (EAD). LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty. The EAD of a financial asset is its gross carrying amount at the time of default.

Further details on the carrying amount of trade and other current receivables are disclosed in Note 4.

Fair Value Measurement of Financial Instruments

If the financial instruments are not traded in an active market, the fair value is determined using valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the created them.

All models are certified before they are used and are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data, however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Change in assumptions about these factors could affect reported fair values of financial instruments.

Further details on the fair value measurement of financial instruments are disclosed in Note 17.

Revaluation of Property and Equipment

The Group carries certain classes of property and equipment at fair value, with changes in fair value being recognized in other comprehensive income (OCI). The Group engaged independent valuation specialists to assess fair value. Fair value is determined with references to transactions involving properties of a similar nature, location and condition.

The key assumptions used to determine the fair value of properties are provided in Note 7.

Useful Lives of Property and Equipment

The Group estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed at each reporting date and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment is based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned. The amounts and timing of recording of expenses for any period would be affected by changes in these factors and circumstances.

A reduction in the estimated useful lives of the property and equipment would increase depreciation and decrease the property and equipment account.

Further details on the carrying amount of property and equipment are disclosed in Note 7.

Impairment of Nonfinancial Assets

The Group's policy on estimating the impairment of nonfinancial assets is discussed in Note 20. The Group assesses at each reporting date whether there is an indication that the carrying amount of nonfinancial assets may be impaired or that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to the expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

The Group assessed that the carrying amounts of its nonfinancial assets approximate their recoverable amounts. Further details on the carrying amount of nonfinancial assets are disclosed in Notes 5, 6, 7 and 8.

Retirement Benefits

The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a DBO is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The discount rate assumption is based on the Bankers Association of the Philippines PHP Bloomberg Valuation Reference Rates benchmark reference curve for the government securities market considering average years of remaining working life of the employees as the estimated term of the DBO.

Further details about pension obligations are provided in Note 14.

Deferred Tax Assets

Deferred tax assets are recognized for financial statement and tax differences to the extent that it is probable that taxable profit will be available against which these differences can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Further details on deferred taxes are disclosed in Note 15.

4. Trade and Other Current Receivables

This account consists of:

	Note	2023	2022
Trade receivables		P18,345,114	P18,346,443
Insurance receivable	1	18,394,446	102,394,426
Others		28,379,949	17,070,664
	17	65,119,509	137,811,533
Less: allowance for impairment losses on guests, concessionaires and other patrons and other receivables	17	19,911,387	19,911,387
		P45,208,122	P117,900,146

Insurance receivable pertains to insurance claims for the property damage and business interruption (Notes 1 and 20).

Others include advances by the Group to officers and employees and reimbursable from suppliers.

In assessing the lifetime ECL of the Group's receivables, the Group excluded in its assessment all receivables that were related to long outstanding third party accounts as these were already specifically identified as uncollectible, hence, impaired. There is no impairment loss on receivables recognized in 2023, 2022, and 2021.

5. Inventories

The Group's inventories are carried at cost, which is lower than the net realizable value (NRV), as at December 31, 2023 and 2022 which amounted to P0.76 million.

The cost recognized as an expense for operating supplies amounting to P0.1 million, P0.26 million and P0.09 million in 2023, 2022 and 2021, respectively, is included as part of "Supplies" under "Others" account in the consolidated statement of profit or loss and other comprehensive (loss) income (Note 12).

6. Prepaid Expenses and Other Current Assets

This account consists of:

	2023	2022
Input VAT - net	P170,766,780	P166,187,466
Creditable withholding taxes	23,046,433	23,079,688
Prepaid insurance	189,165	384,380
Others	12,087,699	13,975,307
	P206,090,077	P203,626,841

Others consists of prepaid maintenance, deposits and prepaid subscription charges.

7. Property and Equipment

The balances and movements in this account are as follows:

As at and for the Year Ended December 31, 2023					
	Land	Hotel Building	Furniture, Fixtures and Equipment	Construction- in-Progress	Total
<i>Measurement Basis:</i>	<i>At Cost</i>	<i>Revalued</i>	<i>Revalued</i>	<i>At Cost</i>	
Cost					
Beginning balance	P650,000,000	P471,046,928	P14,854,179	P891,302,029	P2,027,203,136
Additions	-	-	-	41,795,001	41,795,001
Ending balance	650,000,000	471,046,928	14,854,179	933,097,030	2,068,998,137
Accumulated Depreciation					
Beginning balance	-	270,468,778	14,603,670	-	285,072,448
Depreciation for the year	-	19,568,600	250,509	-	19,819,109
Ending balance	-	290,037,378	14,854,179	-	304,891,557
Carrying Amount	P650,000,000	P181,009,550	P -	P933,097,030	P1,764,106,580

As at and for the Year Ended December 31, 2022					
	Land	Hotel Building	Furniture, Fixtures and Equipment	Construction- in-Progress	Total
<i>Measurement Basis:</i>	<i>At Cost</i>	<i>Revalued</i>	<i>Revalued</i>	<i>At Cost</i>	
Cost					
Beginning balance	P650,000,000	P471,046,928	P13,633,905	P644,347,964	P1,779,028,797
Additions	-	-	1,220,274	246,954,065	248,174,339
Ending balance	650,000,000	471,046,928	14,854,179	891,302,029	2,027,203,136
Accumulated Depreciation					
Beginning balance	-	250,900,178	12,607,966	-	263,508,144
Depreciation for the year	-	19,568,600	1,995,704	-	21,564,304
Ending balance	-	270,468,778	14,603,670	-	285,072,448
Carrying Amount	P650,000,000	P200,578,150	P250,509	P891,302,029	P1,742,130,688

Prior to the fire incident (see Note 1), the Group engaged an independent firm of appraisers to determine the fair value of certain classes of its property and equipment, specifically hotel building and furniture, fixtures and equipment, which are carried at revalued amounts. Fair value was determined by reference to market-based evidence, which is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In determining fair value, an estimate was made in accordance with the prevailing prices for materials, equipment, labor, and contractor's overhead and all other costs associated with acquisition while taking into account the depreciation resulting from physical deterioration, functional and economic obsolescence. The date of the latest revaluation was as at July 4, 2016.

After the fire incident, the Parent Company engaged an independent firm of appraisers to determine the fair value of certain classes of its property and equipment, specifically hotel building and furniture, fixtures and equipment, that were damaged by fire. The appraisal results show that the estimated market value of property and equipment after the fire (excluding land) amounted to P293.53 million. The date of the revaluation was as at January 9, 2019.

As at December 31, 2023 and 2022, no revaluation was performed due to the ongoing reconstruction of the Parent Company's hotel property.

Had the following classes of property and equipment been carried at cost less accumulated depreciation, their carrying amounts as at December 31 would have been as follows:

	2023	2022
Hotel building	P1,503,527	P1,503,527
Furniture, fixtures and equipment	13,633,905	13,633,905
	15,137,432	15,137,432
Less: Accumulated depreciation	10,156,292	9,905,783
	P4,981,140	P5,231,649

Depreciation on cost charged to profit or loss amounted to P19.82 million, P21.56 and P20.54 million in 2023, 2022, and 2021, respectively.

8. Other Noncurrent Assets

This account consists of:

	Note	2023	2022
Advances to contractors		P723,596,126	P726,196,527
Other deposits	17	7,539,918	7,672,835
		731,136,044	733,869,362
Less: allowance for impairment losses on advances to contractors		45,313,007	45,313,007
		P685,823,037	P688,556,355

Advances to contractors are deposits for the reconstruction and restoration of the Parent Company's hotel property and equipment (Note 1).

There was no additional impairment losses on advances to contractors recognized for 2023, 2022 and 2021.

9. Trade and Other Current Payables and Retention Payables

This account consists of:

	<i>Note</i>	2023	2022
Trade payables	17	P315,680,836	P378,255,727
Accruals:			
Utilities	17	1,152,409	1,566,329
Other accruals	17	2,372,052	4,338,071
Withholding taxes		1,493,742	2,855,479
Others		3,945,624	5,477,123
		P324,644,663	P392,492,729

Trade payables are noninterest-bearing and are normally on a 30-day term.

Other payables include commissions, unclaimed wages, sponsorships, Social Security System, Philippine Health Insurance Corporation and Housing Development Mutual Fund and sundry payables.

Retention payables pertain to amounts withheld from contractors which are payable one year from the date of final turnover and acceptance.

10. Related Party Transactions

Identity of Related Parties

The Group has related party relationships with its key management personnel (KMP) and the following entities:

<u>Related Party</u>	<u>Relationship</u>
WPI	Ultimate Parent Company
ARI	Subsidiary
PLEC	Subsidiary
PEC	Subsidiary
Waterfront Cebu City Casino Hotel, Incorporated (WCCCHI)	Under Common Control
Waterfront Mactan Casino Hotel, Incorporated (WMCHI)	Under Common Control
Davao Insular Hotel Company, Inc. (DIHCI)	Under Common Control
Waterfront Hotel Management Corporation (WHMC)	Under Common Control
Acesite Leisure Entertainment Corporation (ALEC)	Under Common Control
Wellex Industries Incorporated (WII)	Affiliate

Significant Transactions and Balances with Related Parties

The summary of significant transactions and balances with the related parties is as follows:

Category/ Transaction	Year	Note	Amount of the Transaction	Outstanding Balance			Due to Related Parties	Terms	Conditions
				Due from a Related Party	Note Receivable	Equity Securities - at FVOCI			
WPI									
▪ Advances	2023	a	(P21,155,093)	P -	P -	P -	P111,726,559	Noninterest-bearing, and payable on demand	Unsecured
	2022	a	(29,964,886)	-	-	-	132,881,652		
	2021	a	(15,896,666)	-	-	-	162,846,538		
ALEC									
▪ Note receivable	2023	c	8,321,188	-	107,023,005	-	-	Due in one year; interest-bearing	Unsecured; no impairment
	2022	c	7,084,909	-	98,701,816	-	-		
	2021	c	6,898,407	-	91,616,907	-	-		
WCCCHI									
▪ Advances	2023	d	148,753,087	-	-	-	158,742,286	Noninterest-bearing, and payable on demand	Unsecured
	2022	d	5,330,690	-	-	-	9,702,898		
	2021	d	4,036,986	-	-	-	4,372,208		
WMCHI									
▪ Advances	2023	d	(816,347)	-	-	-	241,446,904	Noninterest-bearing, and payable on demand	Unsecured
	2022	d	(262,916)	-	-	-	242,263,251		
	2021	d	(21,381,404)	-	-	-	242,526,167		
DIHCI									
▪ Advances	2023	d	(77,748,565)	5,265,398	-	-	-	Noninterest-bearing, and payable on demand	Unsecured
	2022	d	344,244	-	-	-	72,483,167		
	2021	d	24,406,292	-	-	-	72,138,923		
WHMC									
▪ Advances	2023	e	2,552,799	2,552,799	-	-	-	Noninterest-bearing, payable on demand; impaired	Unsecured
	2022	e	-	2,551,338	-	-	-		
	2021	e	-	2,551,338	-	-	-		
▪ Allowance for impairment losses	2023	e	-	-	-	-	-		
	2022	e	-	(2,551,338)	-	-	-		
	2021	e	-	(2,551,338)	-	-	-		
WII									
▪ Equity security - at FVOCI	2023	f	-	-	-	19,943,300	-		
	2022	f	-	-	-	19,943,300	-		
	2021	f	520,260	-	-	19,943,300	-		
▪ Advances	2023		67,834,800	67,834,800	-	-	-		
	2022		-	-	-	-	-		
	2021		-	-	-	-	-		
KMP									
▪ Short-term employee benefits	2023		-	-	-	-	-		
	2022		1,284,221	-	-	-	-		
	2021		3,185,834	-	-	-	-		
▪ Post-employment benefits	2023		-	-	-	-	-		
	2022		290,000	-	-	-	-		
	2021		290,000	-	-	-	-		
TOTAL	2023			P75,652,997	P107,023,005	P19,943,300	P511,915,749		
TOTAL	2022			P -	P98,701,816	P19,943,300	P457,330,968		

- The transactions with WPI pertain to various noninterest-bearing and unsecured short-term advances which include WPI-allocated share in the common operating expenses.
- In the ordinary course of business, the Parent Company obtained noninterest-bearing, collateral-free cash and non-cash advances from ARI for shared corporate expenses and working capital purposes. The above advances are due on demand.

Further, the Parent Company has entered into a lease with ARI for use of the latter's land where the Hotel is situated. This noncancellable lease commenced on November 1, 2011 and has a term of 20 years with escalation rate of 5% per annum. Also, the contract provides for two (2) months of free rental.

From July 1, 2019 until the operational, the Parent Company was granted a temporary suspension of lease payments by ARI due to the current non-operating status of the Parent Company's hotel.

- c. In 2017, the Group extended a loan to ALEC payable on December 31, 2018, and bear interest at 4% per annum. In 2018, the Group extended another interest-bearing loan at 4% per annum to ALEC payable at the end of 2019. At the end of 2019, the Group extended the loan, with the same terms as the original loan, to mature at the end of 2020. At the end of 2021, the Group extended another interest-bearing loan at 4% per annum to ALEC payable at the end of 2022. At the end of 2022, the Company extended another interest-bearing loan at 4% per annum to ALEC payable at the end of 2023. At the end of 2023, the Company extended another interest-bearing loan at 4% per annum to ALEC payable at the end of 2024. The related interest income recognized in profit or loss amounted to P3.06 million, P6.62 million and P4.20 million in 2023, 2022 and 2021, respectively (Note 13).

Further, the Parent Company and ALEC entered into a seven-year operating lease contract for use of hotel premises. The lease will commence once the planned soft opening of the podium building happens (see Note 1).

- d. In the ordinary course of business, the Parent Company obtains noninterest-bearing, collateral-free cash and non-cash advances from related parties for shared corporate expenses. In 2023, the excess payment amounting to P5.27 million is classified as receivables from DIHCI. The above advances are due and demandable at anytime.
- e. The Parent Company has noninterest-bearing advances to WHMC for shared corporate expenses and working capital purposes.

In 2019, advances specifically identified as impaired amounted to P2.55 million, recognized and presented as part of "Impairment losses" under "Others" account in the consolidated statement of profit or loss and other comprehensive (loss) income (see Note 12).

- f. In July and August 2005, the BOD approved the conversion of the Parent Company's net receivables from related parties amounting to P43.30 million into 86.71 million shares of stock of WII, an affiliate. The shares of WII are listed on the PSE. The fair market value of the shares based on closing market price as at December 31, 2023 and 2022 amounted to P19.94 million, resulting in a valuation gain of nil, nil, and P0.52 million in 2023, 2022 and 2021, respectively.

All outstanding related party transactions are generally settled in cash.

11. Equity

Common Shares

Details of the common stock of the Parent Company as at December 31 are as follows:

	2023	2022
Authorized - P1 par value	P1,200,000,000	P1,200,000,000
Issued	346,100,578	346,100,578
Outstanding	344,747,520	344,747,520

Date of Registration/Listing	Securities
December 5, 1986	1,760,000 common shares
January 26, 1998	73,351,197 common shares This is after SEC approval on October 16, 1997 of the change in authorized capital stock from 1,777,400 no par value common shares to 6,595,214 common shares with P1 par value per share.
May 19,1999	19,970,461 common shares These represented dividends declared which was approved by the SEC on March 24, 1999.
May 28, 2012	246,248,212 common shares Dividend declared after SEC approval on May 28, 2012 of the increase in authorized capital stock from P310.00 million to P1.21 billion (including P10.00 million preferred shares).

On July 14, 2014, the BOD approved the amendment of the entitlement ratio of stock rights offering from 0.58 common share for every one share held to 1 common share to every one share held.

As at December 31, 2023 and 2022 the Parent Company has 152,692,263 and 152,692,463 shares, respectively, held by the public or 44.29% of the total outstanding capital stock and a total of 206 stockholders. The Parent Company has not sold any unregistered securities for the past 5 years.

Other Information

In February 1993, common shares of the Parent Company representing 75% of the total issued outstanding shares previously held by Acesite Limited (BVI) (ALB), were pledged by ALB in favor of Equitable PCI Bank Hong Kong Group (EPCIB) for the latter's loan to an affiliate of ALB.

On February 17, 2003, EPCIB foreclosed the said shares and sold them to WPI as a block sale in the PSE. ALB contested the foreclosure, and on February 20, 2003, filed a case for the annulment of the sale, with application for issuance of a writ of preliminary injunction and a prayer for a temporary restraining order with the Regional Trial Court (RTC) of Makati City. On August 15, 2003, the RTC of Makati City granted ALB's request for preliminary injunction upon posting of the necessary injunction bond.

On June 3, 2004, for failure of ALB to post the full amount of the injunction bond, the RTC of Makati City ordered the stock transfer agent of the Parent Company to transfer the 74,889,231 shares to EPCIB and, in accordance with the Deed of Assignment of Shares of Stock dated February 17, 2003, the shares were transferred to WPI. Subsequently, ALB filed a motion for reconsideration of the order dissolving the writ of injunction issued by the RTC of Makati City.

On June 24, 2004, at the annual stockholders' meeting of the Parent Company pursuant to the order of the SEC, WPI, as the registered majority stockholder of record, elected new directors to serve as such until the next annual stockholders' meeting.

On August 10, 2004, the Court of Appeals (CA) gave due course to EPCIB's petition and set aside the questioned Orders on ALB request for preliminary injunction bond. On the same date, ALB filed a Motion for Reconsideration which the CA denied on November 24, 2004.

On December 22, 2004, ALB questioned the said Resolutions of the CA by filing a Petition for Review on Certiorari at the Supreme Court (SC). On January 19, 2005, the SC denied the Petition for Review on Certiorari on the decision and resolution of the CA dated August 10, 2004 and November 24, 2004, respectively, for failure of ALB to state the material date showing when notice of judgment thereof was received. On March 1, 2005, ALB filed a motion for reconsideration of the said denial by the SC. The petition for reconsideration filed by ALB has been denied with finality by the SC on March 14, 2005.

In March 2006, ALB commenced proceedings in Hong Kong against EPCIB and WPI to pursue its claim. In view of the Memorandum of Agreement signed in July 2011, ALB forever renounces its claim against WPI and EPCIB.

Preferred Shares

The Parent Company's authorized and unissued preferred shares as at December 31, 2023 and 2022 amounted to P10.00 million, consisting of 20,000 shares with a par value of P500 per share.

The Parent Company's preferred shares have the following attributes:

- a. non-voting;
- b. non-convertible to common shares;
- c. redeemable at a premium of 5%; and
- d. entitled to cumulative dividends of 9% per annum.

Treasury Stock

On November 13, 2007, the BOD approved the creation of a share buyback program involving the Parent Company's common stock. As at December 31, 2023 and 2022, the Parent Company has bought back 1,353,058 shares for a total cost of P12.04 million.

Retained Earnings

In accordance with Section 42 of the Revised Corporation Code of the Philippines, stock corporations are prohibited from retaining surplus profits in excess of one hundred (100%) percent of their paid-in capital stock, except: (1) when justified by definite corporate expansion projects or programs approved by the BOD; or (2) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or (3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies.

The Group has retained earnings in excess of the one hundred percent of its paid-in capital stock. As at December 31, 2023 and 2022, no appropriation has been made.

As discussed in Note 1, the hotel operation has been suspended as the hotel building is under ongoing construction as at December 31, 2023 with 36.21% completed. The Company will focus its resources to the reconstruction and restoration of the podium and hotel building until its completion in 2025.

Effect of Restatement

In 2023, the Philippine Stock Exchange (PSE) raised concerns on the discrepancy of the number of outstanding shares between records of the PSE and the Parent Company's audited financial statements. The Management determined that the said discrepancy could have been the result of the accumulated fractional shares from the stock dividend declaration in 2012. The stock dividends recorded in the books were 246,258,212 shares, while 246,258,270 shares were reported in the PSE in 2012, or a discrepancy of 58 shares. In order to correct and align the number of outstanding shares with what is recorded by the PSE, the Parent Company restated its 2022 consolidated financial statements to recognize an outstanding stock covering the adjusted 246,258,270 shares. The restatement resulted to increase in capital stock and decrease in retained earnings by P58 as at January 1, 2022 and December 31, 2022 and has no effect on EPS in 2022..

12. Other Costs and Expenses

This account consists of:

	<i>Note</i>	2023	2022	2021
Taxes and licenses		P14,068,860	P14,906,295	P14,942,467
Security and other services		6,802,012	10,497,597	10,581,514
Other services		339,597		563,717
Insurance		5,344,707	4,355,000	170,598
Professional fees		1,409,593	2,708,215	151,925
Data processing		1,324,555	1,323,241	3,833,558
Repairs and maintenance		1,054,107	1,077,589	-
Directors' fees		-	668,059	-
Rent		289,474	415,441	-
Advertising		276,891	317,869	3,678,047
Laundry, valet and other hotel services		-	284,356	-
Supplies	5	99,731	258,933	97,798
Communications		258,452	248,629	755,882
Meeting expenses		628,036	-	-
Transportation and travel		147,160	180,194	117,189
Head office and corporate costs		1,787,928	47,590	4,380,919
Representation and entertainment		573,152	15,234	1,134,336
Fuel and oil		-	-	256,499
Restructuring fee on loan		-	-	277,136
Miscellaneous		72,494	245,575	659,382
		P34,476,749	P37,549,817	P41,600,967

Rent pertains to the temporary office space occupied by the Parent Company after the fire incident (see Note 1).

Miscellaneous includes recruitment expense, donations, and employee association dues.

13. Financing Income

This account consists of:

	<i>Note</i>	2023	2022	2021
Bank charges		P2,887	P2,570	P2,604
Interest income	10, 17	(3,063,281)	(6,626,267)	(4,201,955)
		(P3,060,394)	(P6,623,697)	(P4,199,351)

14. Retirement Benefits Cost

The Group has a funded, noncontributory retirement plan (the Plan) covering substantially all of its regular employees with at least five years of continuous service. The retirement benefits are based on percentage of the employees' final monthly salary for every year of continuous service depending on the length of stay. Contributions and costs are determined in accordance with the actuarial studies made for the Plan.

The latest independent actuarial valuation of the Plan was as at April 25, 2024, which was prepared using the projected unit credit method (PUCM). The Plan is administered by independent trustees (the Retirement Plan Trustee) with assets held consolidated from those of the Group.

The Plan is registered with the Bureau of Internal Revenue (BIR) as a tax-qualified plan under Republic Act (R.A.) No. 4917, As Amended, *Retirement Pay Law*.

The Plan exposes the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

The reconciliation of the present value of the DBO and the FVPA to the recognized liability presented as "Retirement benefits liability" in the consolidated statement of financial position is as follows:

	FVPA	DBO	Retirement Benefits Liability
2023			
At January 1	P3,871,074	(P8,297,644)	(P4,426,570)
Included in Profit or Loss			
Current service cost	-	(804,391)	(804,391)
Net interest income (cost)	273,685	(632,462)	(358,777)
	273,685	(1,436,853)	(1,163,168)
Included in OCI			
Remeasurement gains:			
1. Actuarial gains (losses) arising from:			
▪ Financial assumptions	-	(882,594)	(882,594)
▪ Demographic assumptions	-	-	-
▪ Experience adjustments	-	1,123,097	1,123,097
2. Return on plan assets excluding interest income	(732,039)	-	(732,039)
	(732,039)	240,503	(491,536)
Benefits paid	(120,949)	120,949	-
Contributions paid	120,949	-	120,949
Transferred obligation	-	30,625	30,625
At December 31	P3,412,720	(P9,342,420)	(P5,929,700)

2022	FVPA	DBO	Retirement Benefits Liability
At January 1	P3,945,329	(P9,157,699)	(P5,212,370)
Included in Profit or Loss			
Current service cost	-	(896,670)	(896,670)
Net interest income (cost)	195,294	(453,306)	(258,012)
	195,294	(1,349,976)	(1,154,682)
Included in OCI			
Remeasurement gains:			
1. Actuarial gains (losses) arising from:			
▪ Financial assumptions	-	2,918,554	2,918,554
▪ Demographic assumptions	-	-	-
▪ Experience adjustments	-	(2,208,523)	(2,208,523)
2. Return on plan assets excluding interest income	(269,549)	-	(269,549)
	(269,549)	710,031	440,482
Benefits paid	-	1,500,000	1,500,000
At December 31	P3,871,074	(P8,297,644)	(P4,426,570)

Retirement benefits expense is included in "Personnel" account in the consolidated statement of profit or loss and other comprehensive (loss) income.

The personnel account comprise the following:

	2023	2022	2021
Salaries and wages	P23,034,906	P19,926,204	P18,313,608
Retirement benefits expense	1,163,168	1,154,682	1,357,339
Other employee benefits	827,824	730,194	848,123
	P25,025,898	P21,811,080	P20,519,070

The Group's plan assets consist of the following:

	2023	2022
Cash and cash equivalents	P1,622,102	P2,481,934
Debt instruments - government bonds	1,771,361	746,883
Unit investment trust funds	-	587,604
Others	19,257	54,653
	P3,412,720	P3,871,074

Asset-liability Matching

The Retirement Plan Trustee has no specific matching strategy between the plan assets and the plan liabilities.

Funding Policy

The Group is not required to pre-fund the future defined benefit liability under the Plan before they become due. For this reason, the amount and timing of contributions to the Plan are at the Group's discretion. However, in the event a benefit claim arises and the Plan is insufficient to pay the claim, the shortfall will then be due and payable from the Group to the employee. Hence, there is no expected contribution to the Plan in 2023.

The December 31 actuarial valuation uses these principal actuarial assumptions at the reporting date:

	2023	2022
Discount rate	6.04%	7.07%
Future salary increases	3.00%	3.00%

Assumptions regarding the mortality and disability rates are based on the 2001 CSO Table - Generational (Scale AA, Society of Actuaries) and the Disability Study, Period 2, Benefit 5 (Society of Actuaries), respectively.

The weighted-average duration of the DBO is 7.68 years and 7.04 years as at December 31, 2023 and 2022, respectively.

Maturity analysis of the benefit payments over the period of 10 years as at December 31 follows:

	Carrying Amount	Contractual Cash Flows	Within 1 Year	Within 1 - 5 Years	Within 6 - 10 Years
2023	P9,373,044	P10,174,206	P374,690	P3,947,591	P5,851,925
2022	P8,297,644	P10,259,672	P519,348	P2,047,256	P7,693,068

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have increased (decreased) the DBO by the amounts shown below:

2023	+ 1%	- 1%
Discount rate	(P858,568)	P975,548
Expected rate of salary increases	1,004,493	(905,517)
2022	+ 1%	- 1%
Discount rate	(P848,198)	P971,463
Expected rate of salary increases	1,010,183	(900,160)

15. Income Taxes

The components of the income tax (benefits) expense are as follows:

	2023	2022	2021
Recognized in Profit or Loss			
Current tax expense	P33,255	P35,425	P33,887
Deferred Tax (Benefit)			
Current	(5,298,315)	(5,165,892)	(5,047,715)
Impact of change in tax rate	-	-	(27,400,075)
	(5,298,315)	(5,165,892)	(32,447,790)
	(P5,265,060)	(P5,130,467)	(P32,413,903)
Recognized in OCI			
Deferred Tax (Benefit) Expense			
Current	(P122,884)	(P110,120)	(P829,660)
Impact of change in tax rate	-	-	15,923,949
	(P122,884)	(P110,120)	P15,094,289

The reconciliation of the income tax (benefit) expense computed at the statutory tax rate to the actual expense (benefit) shown in profit or loss is as follows:

	2023	2022	2021
Loss before income tax benefit	(P80,189,103)	(P77,987,681)	(P82,249,874)
Statutory tax rate for income tax expense	25.00%	25.00%	25.00%
Income tax benefits	(20,047,276)	(P19,496,920)	(P20,562,469)
Additions to (reductions in) income tax due to the effects of:			
Unrecognized deferred tax asset on NOLCO and MCIT	14,687,370	15,133,597	15,635,837
Nondeductible expenses	860,666	3,809	116,058
Interest income already subjected to final tax	(765,820)	(770,953)	(203,254)
Change in corporate tax	-	-	(27,400,075)
	(P5,265,060)	(P5,130,467)	(P32,413,903)

The movements of the deferred tax assets and deferred tax liabilities are as follows:

December 31, 2023	Balance January 1, 2023	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2022
Deferred tax liability:				
Revaluation surplus on property and equipment	P208,827,941	(P5,178,451)	P -	P203,649,490
Deferred tax assets:				
Retirement benefits liability	1,481,643	123,665	(122,884)	1,482,424
Unrealized foreign exchange loss	-	(3,801)	-	(3,801)
	1,481,643	119,864	(122,884)	1,478,623
	P207,346,298	(P5,298,315)	P122,884	P202,170,867

December 31, 2022	Balance January 1, 2022	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2022
Deferred tax liability:				
Revaluation surplus on property and equipment	P213,720,091	(P4,892,150)	P -	P208,827,941
Deferred tax assets:				
Retirement benefits liability	1,303,093	288,671	(110,121)	1,481,643
Unrealized foreign exchange loss	14,929	(14,929)	-	-
	1,318,022	273,742	(110,121)	1,481,643
	P212,402,069	(P5,165,892)	P110,121	P207,346,298

Deferred tax assets in respect of possible future taxable benefit arising from NOLCO and MCIT are not recognized because management has assessed that the future taxable profits will not be available against which the Group can utilize the benefits thereon.

On March 26, 2021, the President of the Philippines approved the Corporate Recovery and Tax Incentives for Enterprises or the CREATE Act, with nine (9) provisions vetoed by the President. Below are the salient features of the CREATE Act that are relevant to the Group.

- a) Corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding P5.00 million and with total assets not exceeding P100.00 million. All other domestic corporations and resident foreign corporations will be subject to 25% income tax. Said reductions are effective July 1, 2020.
- b) MCIT rate is reduced from 2% to 1% effective July 1, 2020 to June 30, 2023.

On April 8, 2021, the BIR issued the following implementing RRs that are effective immediately upon publication:

- BIR RR No. 2-2021, *Amending Certain Provisions of RR No. 2-98, As Amended, to Implement the Amendments Introduced by R.A. No. 11534, or the CREATE Act, to the National Internal Revenue Code (NIRC) of 1997, As Amended, Relative to the Final Tax on Certain Passive Income;*
- BIR RR No. 3-2021, *Rules and Regulations Implementing Section 3 of R.A. No. 11534, Otherwise Known as the CREATE Act, Amending Section 20 of the NIRC of 1997, As Amended;*
- BIR RR No. 4-2021, *Implementing the Provisions on VAT and Percentage Tax Under R.A. No. 11534, Otherwise Known as the CREATE Act, Which Further Amended the NIRC of 1997, As Amended, As Implemented by RR No. 16-2005 (Consolidated VAT Regulations of 2005), As Amended; and*
- BIR RR No. 5-2021, *Implementing the New Income Tax Rates on the Regular Income of Corporations, on Certain Passive Incomes, Including Additional Allowable Deductions from Gross Income of Persons Engaged in Business or Practice of Profession Pursuant to R.A. No. 11534 or the CREATE Act, Which Further Amended the National Internal Revenue Code of 1997, As Amended.*

The corporate income tax rates of the subsidiaries were lowered from 30% to 25% on which the Group qualified, effective July 1, 2021.

The BIR issued RR No. 25-2020 to implement Section 4 (b) of R.A. No. 11494, *Bayanihan to Recover as One Act*, which provides that the NOLCO incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next 5 consecutive taxable years immediately following the year of such loss. The said RR also defined taxable years 2020 and 2021 to include those corporations with fiscal years ending on or before June 30, 2021 and June 30, 2022, respectively.

Details of the Parent Company's NOLCO are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2022	P14,483,139	P -	P -	P14,483,139	2027
2021	59,520,609	-	-	59,520,609	2026
	P74,003,748	P -	P -	P74,003,748	

Details of the Subsidiary's NOLCO are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2021	P2,887,194	P -	P -	P2,887,194	2026

Details of the Parent Company's MCIT are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2022	P35,425	P -	P -	P35,425	2025
2021	33,387	-	-	33,387	2024
	P68,812	P -	P -	P68,812	

16. Loss Per Share

Loss per share (LPS) is computed by dividing the net loss for the year by the weighted average number of outstanding shares of common stock during the year.

	2023	2022	2021
Net loss	(P75,292,695)	(P72,857,214)	(P49,835,972)
Weighted average number of outstanding shares of common stock (net of treasury stock)	344,747,520	344,747,520	344,747,520
LPS - basic/diluted	(P0.22)	(P0.21)	(P0.14)

There are no potential dilutive common shares for the years ended December 31, 2023, 2022 and 2021.

17. Financial Instruments - Risk Management and Fair Values

Risk Management Structure

BOD

The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Group. It also has the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Group's approach to risk issues in order to make relevant decisions.

Risk Management Committee

Risk Management Committee is responsible for the comprehensive monitoring, evaluation and analysis of the Group's risks in line with the policies and limits set by the BOD.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of cash and cash equivalents, trade and other current receivables, note receivable, due from a related party, equity securities - at FVOCI, other deposits (presented under "Other noncurrent assets"), trade and other current payables (excluding statutory payables), due to related parties and retention payables. The main purpose of these financial instruments is to finance the Group's operations.

The main risks arising from the financial instruments of the Group are credit risk, liquidity risk, market risk and equity price risk. The Group's management reviews and approves policies for managing each of these risks, as summarized below.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other current receivables. There has been no change to the Group's exposure to credit risk or the manner in which it manages and measures the risk since prior financial year.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group grants advances to its related parties after the BOD reassesses the Group's strategies for managing credits and views that they remain appropriate for the Group's circumstances.

The amounts presented in the consolidated statement of financial position are net of allowances for impairment losses on receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

With respect to credit risk from other financial assets of the Group, which comprise of cash and cash equivalents, trade and other current receivables, note receivable, due from a related party, equity securities - at FVOCI and other deposits, the exposure of the Group to credit risk arises from the default of the counterparty, with maximum exposure equal to the carrying amount of these financial instruments.

At the reporting date, other than the trade and other current receivables and due from a related party, there were no significant concentrations of credit risk.

The tables below show the credit quality of the Group's financial assets (amounts are in thousands):

	2023			
	At Amortized Cost			
	FVOCI	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P19,943	P267,936	P -	P -
Grade B	-	-	-	-
Grade C	-	-	-	-
Gross carrying amount	19,943	267,936	-	-
Loss allowance	-	-	-	-
Carrying amount	P19,943	P267,936	P -	P -

	2022			
	At Amortized Cost			
	FVOCI	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P19,943	P386,643	P -	P -
Grade B	-	-	-	-
Grade C	-	22,462	-	-
Gross carrying amount	19,943	409,105	-	-
Loss allowance	-	22,462	-	-
Carrying amount	P19,943	P386,643	P -	P -

The credit grades used by the Group in evaluating the credit quality of its receivables to customers and other parties are the following:

Grade A financial assets pertain to financial assets that are neither past due nor impaired which have good collection status. These financial assets are those which have high probability of collection, as evidenced by counterparties having ability to satisfy their obligations.

Grade B financial assets are those past due but not impaired financial assets and with fair collection status. These financial assets include those for which collections are probable due to the reputation and the financial ability to pay of the counterparty but have been outstanding for a length of time.

Grade C financial assets are those which have continuous default collection issues. These financial assets have counterparties that are most likely not capable of honoring their financial obligations

As at December 31, the Group's maximum exposure to credit risk, without considering the effects of collateral, credit enhancements and other credit risk mitigation techniques are as follows (in thousands):

	Note	2023	2022
Cash and cash equivalents*		P20,419	P142,474
Trade and other current receivables	4	65,120	137,812
Note receivable	10	107,023	98,702
Due from a related party	10	-	-
Equity securities - at FVOCI	10	19,943	19,943
Other deposits	8	7,540	7,673
		220,045	406,604
Less allowance for impairment losses	4	19,911	19,911
		P200,134	P386,693

*Excluding cash on hand

Cash and cash equivalents consist of:

	2023	2022
Cash on hand	P50,000	P50,000
Cash in banks	20,419,058	15,274,760
Cash equivalents	-	127,149,450
	P20,469,058	P142,474,210

Cash in banks earn interest based on prevailing deposit rates.

Related interest income recognized in profit or loss amounted to P3.06, P6.62 million and P4.20 million in 2023, 2022 and 2021, respectively (see Note 13).

The aging analysis of the Group's financial assets are as follows (in thousands):

December 31, 2023	Total	Neither Past Due nor Impaired	Past Due but not Impaired					Past Due and Impaired
			< 30 Days	30 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days	
Cash and cash equivalents*	P20,419	P20,419	P -	P -	P -	P -	P -	P -
Trade and other current receivables	126,023	106,112	-	-	-	-	-	19,911
Note receivable	113,954	113,954	-	-	-	-	-	-
Due from a related party	-	-	-	-	-	-	-	-
Equity securities - at FVOCI	19,943	19,943	-	-	-	-	-	-
Other deposits	7,540	-	-	-	-	-	7,540	-
Total	P287,879	P260,428	P -	P -	P -	P -	P7,540	P19,911

December 31, 2022	Total	Neither Past Due nor Impaired	Past Due but not Impaired					Past Due and Impaired
			< 30 Days	30 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days	
Cash and cash equivalents*	P142,424	P142,424	P -	P -	P -	P -	P -	P -
Trade and other current receivables	166,994	147,083	-	-	-	-	-	19,911
Note receivable	98,702	98,702	-	-	-	-	-	-
Due from a related party	7,931	7,931	-	-	-	-	-	-
Equity securities - at FVOCI	20,464	20,464	-	-	-	-	-	-
Other deposits	7,673	99	-	-	-	-	7,574	-
Total	P444,188	P416,703	P -	P -	P -	P -	P7,574	P19,911

*Excluding cash on hand

Information on the Group's receivables that are impaired as at December 31, 2023 and 2022 and the movements in the impairment losses are disclosed in Notes 4 and 10 to the consolidated financial statements.

The main considerations for impairment assessment include whether any payments are overdue or if there are any known difficulties in the cash flows of the counterparties. The Group assesses impairment in two ways: individual assessment and collective assessment.

The Group determines allowance for each significant receivable on an individual basis. Among the items that the Group considers in assessing impairment is the inability to collect from the counterparty based on the contractual terms of the receivables. Receivables included in the specific assessment are the accounts that have been endorsed to the legal department, non-moving accounts receivable, accounts of defaulted agents and corporate accounts.

For collective assessment, allowances are assessed for receivables that are not individually significant and for individually significant receivables where there is no objective evidence yet of individual impairment. Impairment losses are estimated by taking into consideration the age of the receivables, past collection experience and other factors that may affect collectability.

The total impairment losses on the financial assets recognized in the consolidated statement of profit or loss and other comprehensive (loss) income amounted to nil in 2023, 2022 and 2021 (Notes 4 and 10), which were determined and measured through the Group's individual assessment procedures.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due because of an inability to liquidate assets or obtain adequate funding. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of the financial assets and financial liabilities. There has been no change to the Group's exposure to liquidity risk or the manner in which it manages and measures the risk since prior financial year.

The Group monitors and maintains a level of cash deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Additional short-term funding is obtained through related party advances and short-term bank loans, when necessary.

Ultimate responsibility for liquidity risk management rests with the BOD, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have adequate funding available at all times to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

For the Group's short-term funding, the Group's policy is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

The following tables summarize the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (in thousands):

December 31, 2023	Note	Total Carrying Amount	Contractual Undiscounted Payments			
			Total	On Demand	Less than 1 Year	1 to 5 Years
Trade and other current payables*	9	P319,205	P319,205	P5,316	P313,889	P -
Due to related parties	10	511,916	511,916	511,916	-	-
Retention payables		88,381	88,381	88,381	-	-
		P919,502	P919,502	P605,613	P313,889	P -

*Excluding statutory payables

December 31, 2022	Note	Total Carrying Amount	Contractual Undiscounted Payments			
			Total	On Demand	Less than 1 Year	1 to 5 Years
Trade and other current payables*	9	P384,160	P384,160	P6,398	P377,762	P -
Due to related parties	10	457,331	457,331	457,331	-	-
Retention payables		85,908	85,908	85,908	-	-
		P927,399	P927,399	P549,637	P377,762	P -

*Excluding statutory payables

Market Risk

Market risk is the risk that the fair value or cash flows of a financial instrument of the Group will fluctuate due to change in market prices. Market risk reflects interest rate risk, foreign currency risk, and other price risks.

The Group is primarily exposed to the financial risk of changes in equity prices of its equity securities - at FVOCI. The Group is not significantly exposed to changes in interest and foreign currency exchange rates.

Equity Price Risk

Equity price risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group is exposed to equity price risk because of its investment in shares of stock of WII which are listed on the PSE totaling to 86.71 million shares as at December 31, 2023 and 2022.

The Group monitors the changes in the price of the shares of stock of WII. In managing its price risk, the Group disposes of existing or acquires additional shares based on the economic conditions.

The sensitivity of the Company's equity to a reasonably possible change in equity price. These changes are considered to be reasonably possible based on past equity price performance of the Company's equity security - at FVOCI and macroeconomic forecast for 2023 and 2022. This analysis assumes an increase of 10% for 2023 and 2022 and a decrease of 10% for 2023 and 2022 of the equity price of the Company's equity security - at FVOCI. All other variables are held constant. There are no fair value change in other comprehensive income in 2023 and 2022.

Fair Value Measurement

The carrying amount of cash and cash equivalents, trade and other current receivables, note receivable, due from a related party, trade and other current payables (excluding statutory payables) and due to related parties approximate their fair values due to the short-term maturity of these instruments.

The discussions on the fair value of equity security - at FVOCI are disclosed in Note 10 to the consolidated financial statements.

The carrying values of other deposits and retention payables approximate their fair value because these are not subject to significant risk of change in value.

The approximation of the fair values of the Company's financial assets and liabilities are based on Level 3, except for equity securities - at FVOCI which is based on Level 1 of the fair value hierarchy.

18. Capital Management

The primary objective of the Group's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group's overall strategy remains unchanged since prior financial year.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or process in 2023 and 2022. For purposes of the Group's capital management, capital includes all equity items that are presented in the consolidated statement of changes in equity, except for revaluation surplus on property and equipment, retirement benefits reserve and fair value reserve.

The Group is not subject to externally-imposed capital requirements.

19. Significant Contingencies

Legal Cases

The Parent Company is also a defendant in other legal and labor cases which are still pending resolution. Management and its legal counsels believe that the outcome of these cases will not have any material effect on the Parent Company's consolidated financial position and results of operations.

20. Summary of Material Accounting Policies

Adoption of New or Revised Standards, Amendments to Standards and Interpretations

The Group has adopted the amendments to standards starting January 1, 2023 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption did not have any significant impact on the Group's financial statements.

- *Definition of Accounting Estimates (Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors)*

To clarify the distinction between changes in accounting policies and changes in accounting estimates, the amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an accounting estimate is developed to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both selecting a measurement technique and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged. The amendments also provide examples on the application of the new definition.

The amendments will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the amendments are applied.

- *Disclosure of Accounting Policies (Amendments to PAS 1 and PFRS Practice Statement, 2 Making Materiality Judgements)*

The amendments are intended to help companies provide useful accounting policy disclosures. The key amendments to PAS 1 include:

- requiring companies to disclose their *material* accounting policies rather than their *significant* accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a group's financial statements.

The amendments to PFRS Practice Statement 2 includes guidance and additional examples on the application of materiality to accounting policy disclosures.

The Group reviewed the accounting policies and although the amendments did not result in any changes to the accounting policies themselves, updates were made to the accounting policy information disclosed in Note 20 Summary of Material Accounting Policies in certain instances in line with the amendments.

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, Income Taxes)*

The amendments clarify that the initial recognition exemption does not apply to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning obligations. The amendments apply for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

For leases and decommissioning liabilities, the associated deferred tax assets and liabilities will be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other appropriate component of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

Standards Issued but Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2023. However, the Group has not early adopted the following new or amended standards in preparing these financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Group's financial statements.

Effective January 1, 2024

- *Lease Liability in a Sale and Leaseback (Amendments to PFRS 16, Leases)*. The amendments confirm the following:
 - On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
 - After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. For example, the seller-lessee could determine the lease payments to be deducted from the lease liability as expected lease payments or as equal periodic payments over the lease term, with the difference between those payments and amounts actually paid recognized in profit or loss.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Under PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of PFRS 16.

- *Classification of Liabilities as Current or Noncurrent (Amendments to PAS 1, Presentation of Financial Statements)*. To promote consistency in application and clarify the requirements on determining whether a liability is current or noncurrent, the amendments:
 - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

- clarified that a right to defer settlement exists only if an entity complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarified that settlement of a liability includes transferring an entity's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or noncurrent.

The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2024, with early application permitted. Entities that have early applied the 2020 amendments may retain application until the 2022 amendments are applied. Entities that will early apply the 2020 amendments after issue of the 2022 amendments must apply both amendments at the same time.

Effective January 1, 2025

▪ *PFRS 17, Insurance Contracts*

PFRS 17 replaces the interim standard, PFRS 4, *Insurance Contracts*. Reflecting the view that an insurance contract combines features of both a financial instrument and a service contract, and considering the fact that many insurance contracts generate cash flows with substantial variability over a long period, PFRS 17 introduces a new approach that:

- (a) combines current measurement of the future cash flows with the recognition of profit over the period services are provided under the contract;
- (b) presents insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses; and
- (c) requires an entity to make an accounting policy choice portfolio-by-portfolio of whether to recognize all insurance finance income or expenses for the reporting period in profit or loss or to recognize some of that income or expenses in other comprehensive income.

Under PFRS 17, groups of insurance contracts are measured based on fulfilment cash flows, which represent the risk-adjusted present value of the entity's rights and obligations to the policy holders, and a contractual service margin, which represents the unearned profit the entity will recognize as it provides services over the coverage period. Subsequent to initial recognition, the liability of a group of insurance contracts represents the liability for remaining coverage and the liability for incurred claims, with the fulfilment cash flows remeasured at each reporting date to reflect current estimates.

Simplifications or modifications to the general measurement model apply to groups of insurance contracts measured using the 'premium allocation approach', investment contracts with discretionary participation features, and reinsurance contracts held.

PFRS 17 brings greater comparability and transparency about the profitability of new and in-force business and gives users of financial statements more insight into an insurer's financial health. Separate presentation of underwriting and financial results will give added transparency about the sources of profits and quality of earnings.

PFRS 17 is effective for annual periods beginning on or after January 1, 2025. Full retrospective application is required, unless it is impracticable, in which case the entity chooses to apply the modified retrospective approach or the fair value approach. However, if the entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, then it applies the fair value approach. There is also a transition option allowing presentation of comparative information about financial assets using a classification overlay approach on a basis that is more consistent with how PFRS 9 will be applied in future reporting periods. Early application is permitted for entities that apply PFRS 9 *Financial Instruments* on or before the date of initial application of PFRS 17.

Deferral of the Local Implementation of Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to PFRS 10 Consolidated Financial Statements and PAS 28 Investments in Associates and Joint Ventures).* The amendments address an inconsistency between the requirements in PFRS 10 and in PAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Originally, the amendments apply prospectively for annual periods beginning on or after January 1, 2016 with early adoption permitted. However, on January 13, 2016, the FRSC decided to postpone the effective date of these amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition

Financial instruments are recognized in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates these classifications at each reporting date.

All regular way purchases and sales of financial assets are recognized on the trade date, i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Measurement at Initial Recognition

Financial instruments are recognized initially at fair value of the consideration given (in case of an asset) or received (in case of a liability). Except for financial instruments at FVTPL, the initial measurement of financial instruments includes transaction costs.

Financial Assets

On initial recognition, a financial asset is classified as measured at amortized cost, FVOCI or FVTPL, based on their contractual cash flow characteristics and the business model for managing the financial assets.

Debt Instruments

Financial Assets Measured at Amortized Cost

A financial asset that is a debt instrument, other than those that are designated at FVTPL, which meet both of the following conditions:

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

Included in this category are the Group's cash and cash equivalents, trade and other current receivables, note receivable and due from a related party.

Equity Instruments

Financial assets that are equity instruments shall be classified under any of the following categories:

- Financial assets measured at FVTPL which shall include financial assets held for trading; or
- Financial assets at FVOCI which shall consist of equity instruments that are irrevocably designated at FVOCI at initial recognition that are neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which PFRS 3, *Business Combinations*, applies. This election is made on an instrument-by-instrument basis.

As at December 31, 2023 and 2022, the Group has equity securities - at FVOCI as financial assets measured at FVOCI.

Business Model Assessment

Business model pertains to the manner by which a portfolio of financial assets will be managed to generate cash flows such as by collecting contractual cash flows or by both collecting contractual cash flows and selling the financial assets, among others.

The Group makes an assessment of the objective of the business model for the financial assets because this best reflects the way the financial assets are managed. The information considered includes:

- the stated policies and objectives for the financial assets and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, earning dividend income, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash outflows through the sale of assets;

- the risks that affect the performance of the business model and how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales of financial assets in prior periods, the reason for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose financial performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether Contractual Cash Flows are SPPI

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. nonrecourse features).

Prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired for a discount or premium to its contractual face amount, a feature that permit or requires prepayment that an amount that substantially represents the contractual face amount plus accrued (but unpaid) contractual interest (which may include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent Measurement of Financial Assets

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Amounts recognized in OCI are not classified to profit or loss.

Classification and Measurement of Financial Liabilities

Financial Liabilities

Financial liabilities are initially recognized at fair value. Transaction costs are deducted from the initial measurement of the Group's financial liabilities except for debt instruments classified at FVTPL.

Financial liabilities are subsequently measured as follows:

- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in a business combination.

As at December 31, 2023 and 2022, other financial liabilities at amortized cost include trade and other current payables (excluding statutory payables), due to related parties and retention payables in the consolidated statement of financial position (see Notes 9, 10 and 17). There are no financial liabilities measured at FVTPL.

Other Financial Liabilities at Amortized Cost

Issued financial instruments or their components which are not classified as financial liabilities at FVTPL are classified as other financial liabilities at amortized cost, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder or lender, or to satisfy the obligation other than by the exchange of a fixed amount of cash. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Derecognition of Financial Instruments

Financial Assets

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

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

Where the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to pay.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts recognized in consolidated statement of profit or loss and other comprehensive (loss) income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is generally not the case with master netting agreements, thus, the related assets and liabilities are presented at gross amounts in the consolidated statement of financial position.

As at December 31, 2023 and 2022, only due to/from related party transactions were offset in the consolidated financial statements. The said accounts were being set-off because the management intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Determination and Measurement of Fair Value

The Group measures financial instruments at fair value at each consolidated statement of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to market participant that would use the asset in its highest and best use.

The Group uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated statement of financial position on a recurring basis, the Group determines whether transfer have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of Financial Assets

Impairment of Financial Instruments

At the date of initial application of PFRS 9, the Group uses reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that a financial instrument was initially recognized and compared that to the credit risk at the date of initial application.

Lifetime ECLs result from all possible default events over the expected life of a financial instruments while 12-month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period of the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Movement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the EIR of the financial assets.

Credit-impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. The financial asset is “credit impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as default or being more than the normal credit terms of the Group;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group determines and presents operating segments based on the information that is internally provided to the BOD, who is the Group's chief operating decision maker. The Group assessed that its hotel operations represent one segment. Accordingly, the Group does not present segment information in these consolidated financial statements.

Inventories

Inventories are stated at the lower of cost and NRV. Cost comprises all cost of purchase and other direct costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method.

NRV represents the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. NRV of operating supplies and engineering and maintenance supplies is the estimated replacement cost.

Prepaid Expenses

Prepaid expenses represent expenses not yet incurred but are already paid. Prepaid expenses are initially recorded as assets and measured at the amount of cash paid. Subsequent to initial recognition, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepaid expenses are classified in the consolidated statement of financial position as current assets when the cost of goods or services related to the prepayment are expected to be incurred within one year or the Group's normal operating cycle, whichever is longer. Otherwise, they are classified as noncurrent assets.

Property and Equipment

Measurement at Recognition

Upon recognition, items of property and equipment are measured at cost which comprises the purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use. For land which is acquired as part of business combination, it is originally measured at deemed cost (fair value at the acquisition date). No depreciation is provided on land.

Measurement Subsequent to Recognition

Operating equipment is carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Hotel building and furniture, fixtures and equipment are carried at revalued amounts, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Fair values are determined through the appraisal of an independent firm of appraisers. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in the carrying amount resulting from a revaluation (revaluation increase) is recognized in OCI and accumulated in equity. However, the increase shall be recognized in profit or loss to the extent that the increase reverses a revaluation decrease of the same asset previously recognized in profit or loss.

Any decrease in the carrying amount resulting from a revaluation (revaluation decrease) is recognized in profit or loss. However, the decrease shall be recognized in OCI to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in OCI reduces the amount accumulated in equity.

Subsequent Costs

Subsequent costs that can be measured reliably are added to the carrying amount of the asset when it is probable that future economic benefits associated with the asset will flow to the Group. The costs of day-to-day servicing of an asset are recognized as an expense in the period in which they are incurred.

Depreciation

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Number of Years
Hotel building	15 - 50
Furniture, fixtures and equipment	3 - 5

The useful lives and depreciation method are reviewed at each reporting date to ensure that such useful lives and depreciation method are consistent with the expected pattern of economic benefits from those assets.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

Construction-in-progress is stated at cost. This includes cost of construction, equipment and other direct costs. Construction-in-progress is not depreciated until such time the relevant assets are completed and put into operational use.

When an asset is disposed of, or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal is recognized in profit or loss.

Impairment of Nonfinancial Assets

The carrying amount of the Group's property and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the impaired asset is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss, unless the asset is carried at revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset.

The recoverable amount is the greater of the asset's fair value less costs of disposal and value in use. Fair value less cost of disposal is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, less the costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset being evaluated. If an asset does not generate cash inflows that are largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized. Reversals of impairments are recognized in profit or loss, unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

After such reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Revenue Recognition

Revenue from Contracts with Customers

The Group's business is primarily engaged in offering hotel rooms and facilities such as restaurants, function halls, coffee shops and all adjuncts and accessories thereto.

The Group recognizes revenue when it transfers control over a product or service to a customer. Revenue is measured based on the consideration specified in a contract with a customer.

The following is a description of principal activities from which the Group generates its revenue. Revenue is disaggregated by major products/service lines as reflected in the consolidated statement of profit or loss and other comprehensive (loss) income.

Hotel Rooms and Function Halls

Revenue from hotel rooms and function halls is recognized at the point in time when control of the asset is transferred to a customer, generally on actual occupancy. The normal credit terms for lease of hotel rooms and function halls is 30 days, when payment is made on credit.

Food and Beverage

Revenue from food and beverage is recognized at the point in time when the goods have been delivered.

Rent and Related Income

Rental income on leased areas of the Group is accounted for on a straight-line basis over the term of the lease.

Other Operating Departments

Revenue from other operating departments is recognized at the point in time when the service has been rendered. This includes guest, laundry and valet, parking fees, among others.

Interest Income

Interest income is recognized on a time proportion basis on the principal outstanding and at the rate applicable.

Other Income

Other income is recognized at the point in time when the service has been rendered.

Determination of whether the Group is Acting as a Principal or an Agent

The Group assesses its revenue arrangements against the following criteria to determine whether it is acting as a principal or an agent:

- whether the Group has primary responsibility for providing the goods and services; and
- whether the Group has discretion in establishing prices.

If the Group has determined it is acting as a principal, the Group recognizes revenue on a gross basis with the amount remitted to the other party being accounted as part of costs and expenses. If the Group has determined it is acting as agent, only the net amount retained is recognized as revenue.

The Group assessed its revenue arrangements and concluded that it is acting as principal in all arrangements.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss upon utilization of the service or at the date they are incurred. Interest expense is recognized in profit or loss in the period in which they are incurred using the effective interest method.

Income Taxes

Income tax comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized in OCI or directly in equity, in which case they are recognized respectively therein.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

Current Tax

Current tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the end of each reporting period.

Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided, using the liability method, on all temporary differences at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic subsidiaries, associates and interest in joint ventures. With respect to investments in other subsidiaries, associates and interests in joint ventures, deferred tax liabilities are recognized except when the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred tax asset to be recovered. It is probable that sufficient future taxable profits will be available against which a deductible temporary difference can be utilized when there are sufficient taxable temporary difference relating to the same taxation authority and the same taxable entity which are expected to reverse in the same period as the expected reversal of the deductible temporary difference. In such circumstances, the deferred tax asset is recognized in the period in which the deductible temporary difference arises.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rate and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognized in OCI or directly in equity is recognized in the consolidated statement of other comprehensive (loss) income and consolidated statement of changes in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if there is a legally enforceable right to offset current income tax assets against current income tax liabilities and they relate to income taxes levied by the same tax authority and the Group intends to settle its current income tax assets and liabilities on a net basis.

Foreign Currency Transactions and Translations

Transactions in foreign currencies are translated into PHP using the exchange rates prevailing at the dates of such transactions. Monetary assets and liabilities denominated in foreign currencies are translated to their PHP equivalents using the rates of exchange prevailing at the reporting date.

Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Employee Benefits

Short-term Employee Benefits

Short-term employee benefit obligations, such as those for salaries and wages, social security contributions, short-term compensated absences, bonuses and non-monetary benefits, among others, are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits Costs

The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of DBO is performed on a periodic basis by a qualified actuary using the PUCM. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI and presented under Retirement benefits reserves under equity. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the DBO at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Related Party Relationship

A related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its KMP, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Capital Stock

Capital stock is classified as equity. Incremental costs directly attributable to the issuance of capital stock and share options are recognized as deduction from equity, net of any tax effects.

Preferred share capital is classified as equity if it is non-redeemable, or redeemable only at the option of the Parent Company, or if the dividend payments are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the BOD of the Parent Company.

Retained Earnings

Retained earnings include accumulated results of operations as reported in the consolidated statement of profit or loss and other comprehensive (loss) income less any dividends declared. Dividends are recorded in the period in which the dividends are approved by the BOD.

Treasury Stock

The Group's shares which are reacquired and held by the Group are deducted from equity and accounted for at weighted average cost. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

(LPS) EPS

Basic EPS/LPS is determined by dividing net income or loss for the year by the weighted average number of common shares subscribed and issued during the year, after retroactive adjustment for any stock dividend and stock splits declared during the year. Diluted EPS/LPS is computed in the same manner as the aforementioned, except that all outstanding convertible preferred shares are further assumed to have been converted to common stock at the beginning of the period or at the time of issuance during the year.

Provisions and Contingencies

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that a transfer of economic benefits will be required to settle the obligation.

Contingent liabilities are not recognized as liabilities, but are disclosed in the consolidated financial statements unless the possibility of an outflow of resources is remote. Contingent assets are not recognized but are disclosed in the consolidated financial statements when an inflow of economic benefits is probable.

Events After the Reporting Period

The Group identifies post-year-end events as events that occurred after the reporting date but before the date when the consolidated financial statements were authorized for issue. Any post-year-end events that provide additional information on conditions that existed at the end of a reporting period (adjusting events) are recognized in the consolidated financial statements. Events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

A	C	E	S	I	T	E		(P	H	I	L	S	.)		H	O	T	E	L								
C	O	R	P	O	R	A	T	I	O	N		A	N	D		S	U	B	S	I	D	I	A	R	Y				

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

8	t	h		F	l	o	o	r	,		W	a	t	e	r	f	r	o	n	t		M	a	n	i	l	a		
H	o	t	e	l		a	n	d		C	a	s	i	n	o	,		U	n	i	t	e	d						
N	a	t	i	o	n	s		A	v	e	n	u	e		c	o	r	n	e	r		M	a	r	i	a			
O	r	o	s	a		S	t	r	e	e	t	,		E	r	m	i	t	a	,		M	a	n	i	l	a		

Form Type

AFS21

Department requiring the report

N/A

Secondary License Type, If Applicable

N/A

COMPANY INFORMATION

Company's email Address

acesitemph@waterfronthotels.net

Company's Telephone Number/s

09985948516

Mobile Number

N/A

No. of Stockholders

206

Annual Meeting (Month / Day)

December 2

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

--

Email Address

--

Telephone Number/s

N/A

Mobile Number

--

CONTACT PERSON'S ADDRESS

8th Floor, Waterfront Manila Hotel and Casino, United Nations Avenue corner Maria Orosa Street, Ermita, Manila

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

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

Acesite (Phils.) Hotel Corporation and Subsidiaries

As of December 31, 2023

Ratio	Formula	2023	2022
Current ratio	Total Current Assets divided by Total Current Liabilities <div> <div>Total Current AssetsP455,205,683</div> <div>Divided by: Total Current Liabilities836,560,412</div> <div>Current ratio0.54</div> </div>	54%	66%
Acid test ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities <div> <div>Total Current AssetsP455,205,683</div> <div>Less: Inventories762,424</div> <div>Other current assets206,090,081</div> <div>Quick assetsP248,353,178</div> <div>Divided by: Total Current Liabilities836,560,412</div> <div>Acid test ratio0.30</div> </div>	30%	42%
Solvency ratio	Net Income After Tax plus Non-cash Expenses divided by Total Liabilities <div> <div>Net Income After Tax(P74,924,043)</div> <div>Add: Non-Cash Expenses17,903,795</div> <div>After-tax Net Operating Income(P57,020,248)</div> <div>Divided by: Total Liabilities1,133,042,341</div> <div>Solvency ratio-0.05</div> </div>	-5%	-4%
Debt-to-equity ratio	Total Liabilities divided by Shareholder's Equity <div> <div>Total LiabilitiesP1,133,042,342</div> <div>Divided by Shareholder's Equity1,792,036,258</div> <div>Debt-to-equity ratio0.63</div> </div>	63%	61%
Asset-to-equity ratio	Total assets divided by Shareholder's Equity <div> <div>Total assetsP2,925,078,600</div> <div>Divided by: Shareholder's Equity1,792,036,258</div> <div>Asset-to-equity ratio1.63</div> </div>	163%	161%
Return on equity	Net Income divided by Shareholder's Equity <div> <div>Net Income(P74,924,043)</div> <div>Divided by: Shareholder's Equity1,792,036,258</div> <div>Return on Equity-0.04%</div> </div>	-4%	-3.90%

Ratio	Formula	2023	2022
Return on assets	Net Income divided by Average Total Assets		
	Net Income (P74,924,043)		
	Divided by: Average Total Asset		
	Beginning Balance, asset P3,014,095,780		
	Add: Ending Balance, asset <u>2,925,078,600</u>		
	P5,939,174,380		
	Divided by:		
	<u>2,969,587,190</u>		
	Return on asset -0.03%	-3%	-2.36%

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2023**

Acesite (Phils.) Hotel Corporation
8th Floor, Manila Pavilion Hotel
United Nations Avenue, Ermita, Manila

Unappropriated Retained Earnings, beginning of the reporting period		P1,251,338,143
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	P -	
Effect of restatements or prior-period adjustments	58	
Others	-	58
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	-	
Retained Earnings appropriated during the reporting period	-	
Effects of restatements or prior-period adjustments	-	
Others (Deferred tax asset, beginning)	(8,502,905)	(8,502,905)
Unappropriated Retained Earnings, as adjusted		1,242,835,296
Add/Less: Net Income (loss) for the current year		(80,219,306)
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized foreign exchange gain of Investment Property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	
Sub-total		-

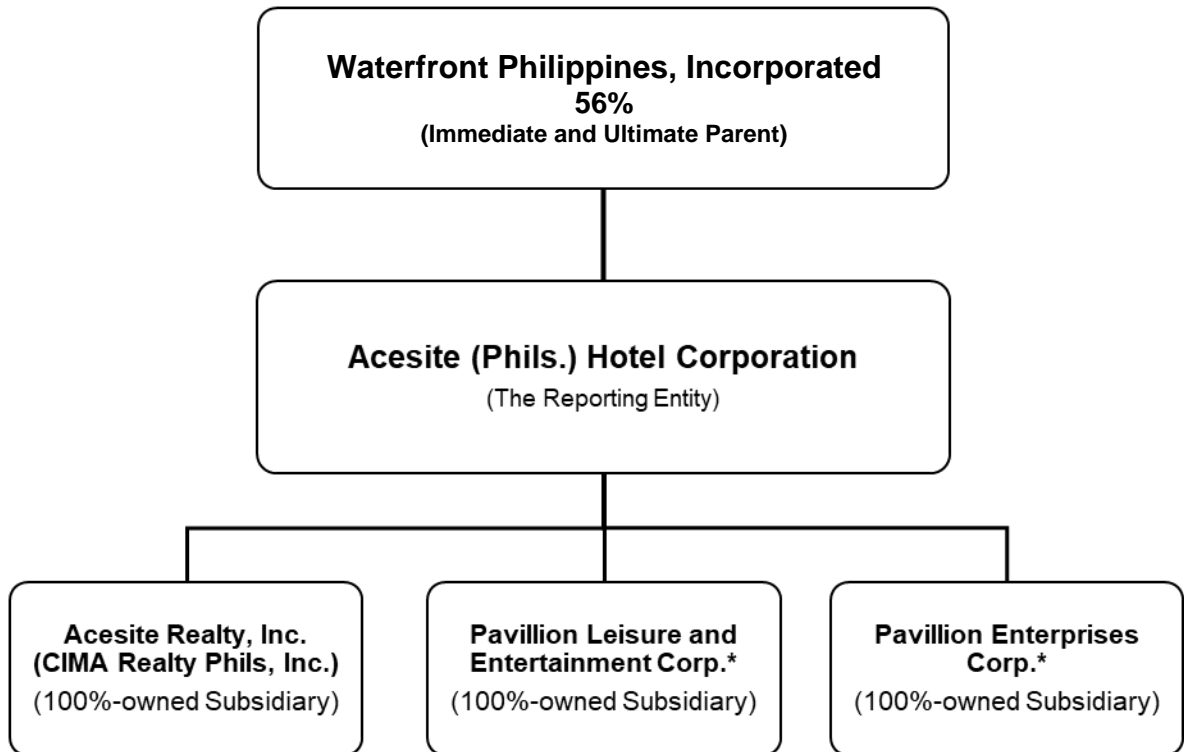
Forward

Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	P -	
Realized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized foreign exchange gain of Investment Property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	P -
Sub-total		-
Add: Category C.3: Unrealized income recognized in profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of Investment Property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	-
Sub-total		-
Adjusted Net Income/Loss		(80,219,306)
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	19,819,109	19,819,109
Sub-total		19,819,109
Add/Less: Category E: Adjustment related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-
Sub-total		-

Forward

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividend distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	P -	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(5,298,315)	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set-up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	(P5,298,315)
Sub-total		(5,298,315)
Total Retained Earnings, end of the reporting period available for dividend		P1,177,136,784

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED UNDER THE REVISED SRC
RULE 68
Map of Conglomerate



*nonoperating entities

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES

Table of Contents

**Supplementary Schedules
Required Under the Revised Securities Regulation Code Rule 68
December 31, 2023**

	<u>Page</u>
A. Financial Assets	<u>2</u>
B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties).	<u>3</u>
C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements - <i>(nothing to report)</i>	<u>4</u>
D. Long-term Debt - <i>(nothing to report)</i>	<u>5</u>
E. Indebtedness to Related Parties	<u>6</u>
F. Guarantees of Securities of Other Issuers - <i>(nothing to report)</i>	<u>7</u>
G. Capital Stock	<u>8</u>

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2023

Name of Issuing Entity and Association of Each Issue	Number of shares or Principal Amount of Bonds and Notes	Amount Shown in the Statement of Financial Position	Value Based on Market Quotation at End of Reporting Period	Income Received and Accrued
Cash	P20,469,058	P20,469,058	P20,469,058	
Trade and other current receivables - net		45,208,122	45,208,122	
Note receivable		107,023,005	107,023,005	P3,063,281
Equity securities - at fair value through other comprehensive income	86,710,000	19,943,300	19,943,300	
	P107,179,058	P192,643,485	P192,643,485	P3,063,281

See Notes 4, 10 and 18 of Notes to the Consolidated Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS
EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (Other than Related Parties)
DECEMBER 31, 2023

<u>Name and Designation of Debtor</u>	<u>Balance at Beginning of Period</u>	<u>Additions</u>	<u>Amounts Collected</u>	<u>Amounts Written Off</u>	<u>Current</u>	<u>Noncurrent</u>	<u>Balance at End of Period</u>
Acesite Leisure and Entertainment Corp. (ALEC)	P98,701,816	P8,321,190	P -	P -	P -	P -	P107,023,006

See Note 10 of Notes to the Consolidated Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED
DURING CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2022

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Noncurrent	Balance at End of Period

Nothing to report

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2022

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown under Caption "Current Portion of Long-term Debt" in Related Statement of Financial Position	Amount shown under Caption "Long-term Debt" in Related Statement of Financial Position

Nothing to report

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES
DECEMBER 31, 2023

<u>Name of Related Party</u>	<u>Balance at Beginning of Period</u>	<u>Balance at End of Period</u>
Waterfront Philippines, Inc. (Parent Company)	P132,881,652	P3,356,342
Waterfront Cebu City Casino Hotel, Incorporated	9,702,898	158,455,985
Waterfront Mactan Casino Hotel, Incorporated	242,263,251	241,446,904
Davao Insular Hotel Company, Inc.	72,483,168	-
	<u>P457,330,969</u>	<u>P403,259,231</u>

See Note 10 of Notes to the Consolidated Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2022

Name of Issuing Entity of Securities of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which Statement is Filed	Nature of Guarantee

Nothing to report

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2023

Description	Number of Shares Authorized	Number of Shares Issued and Outstanding Shown Under Related Statement of Financial Position Caption	Treasury Shares	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
Common shares	1,200,000,000	346,100,578	1,353,058	192,045,057	10,000	152,692,263
Preferred shares	10,000,000	-	-	-	-	-
	1,210,000,000	346,100,578	1,353,058	192,045,057	10,000	152,692,263

See Note 11 of Notes to the Consolidated Financial Statements.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Acesite Phils Hotel Corporation** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended **December 31, 2023 and 2022**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

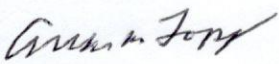
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

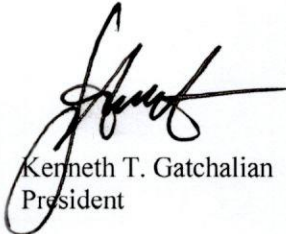
The Board of Directors is responsible for overseeing the Company's financial reporting process.


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

R.G. Manabat & Co., appointed by the stockholders, has audited the financial statements of the company in accordance with the Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed under oath by the following:


Arthur M. Lopez
Chairman of the Board



Kenneth T. Gatchalian
President


Elvira A. Ting
Treasurer

Signed this 26th day of APR 26 2024

SUBSCRIBED AND SWORN TO BEFORE ME THIS APR 26 2024
IN THE CITY OF MANILA, PHILIPPINES

DOC. NO. 41
PAGE NO. 9
BOOK NO. 10
SERIES OF 2024


ATTY. PETER ANTHONY T. MALLARI
Notary Public until December 31, 2024
Notarial Commission # 2023-210
1155 Gen. Luna St., Ermita Manila
IBP # 317318, Roll# 77587 TIN: 133-031-552
PTR# 1527774 / 1-02-2024 Mla

Cmas

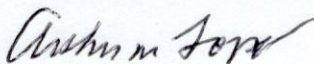
**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

The Management of **Acesite (Phils) Hotel Corporation** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended **December 31, 2023**. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

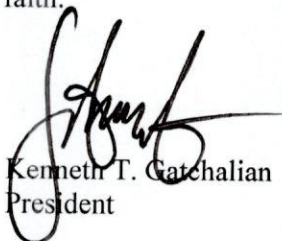
In this regard, the Management affirms that the attached audited financial statements for the year ended **December 31, 2023** and the accompanying Annual Income Tax Return are in accordance with the books and records of **Acesite (Phils) Hotel Corporation** complete and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards Philippine Financial Reporting Standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) **Acesite (Phils) Hotel Corporation** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

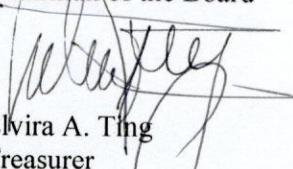
Signed under oath by the following:



Arthur M. Lopez
Chairman of the Board



Kenneth T. Gatchalian
President




Elvira A. Ting
Treasurer

Signed this ___th day of APR 26 2024 20__

SUBSCRIBED AND SWORN TO BEFORE ME THIS APR 26 2024
IN THE CITY OF MANILA, PHILIPPINES

DOC. NO. 42;
PAGE NO. 9;
BOOK NO. 18;
SERIES OF 2024.


ATTY. PETER ANTHONY T. MALLARI
Notary Public until December 31, 2024
Notarial Commission # 2023-210
1155 Gen. Luna St., Ermita Manila
IBP # 317318, Roll# 77587 TIN: 133-031-552
PTR# 1527774 / 1.02.2024.341

Separate

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of **Acesite Phils Hotel Corporation** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2023 and 2022**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

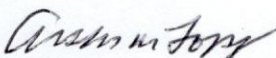
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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


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

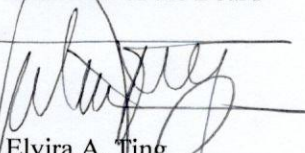
The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

R.G. Manabat & Co., appointed by the stockholders, has audited the financial statements of the company in accordance with the Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed under oath by the following:


Arthur M. Lopez
Chairman of the Board



Kenneth T. Gatchalian
President


Elvira A. Ting
Treasurer

Signed this ___th day of APR 26 2024

SUBSCRIBED AND SWORN TO BEFORE ME THIS APR 26 2024
IN THE CITY OF MANILA, PHILIPPINES

DOC. NO. 29
PAGE NO. 8
BOOK NO. 18
SERIES OF 2024


ATTY. PETER ANTHONY T. MALLARI
Notary Public until December 31, 2024
Notarial Commission # 2023-210
1155 Gen. Luna St., Ermita Manila
IBP # 317318, Roll# 77587 TIN: 133-031-552

Separate

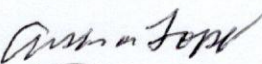
**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

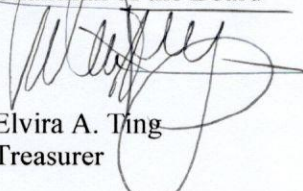
The Management of **Acesite (Phils) Hotel Corporation** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended **December 31, 2023**. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.


In this regard, the Management affirms that the attached audited financial statements for the year ended **December 31, 2023** and the accompanying Annual Income Tax Return are in accordance with the books and records of **Acesite (Phils) Hotel Corporation**, complete and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards Philippine Financial Reporting Standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) **Acesite (Phils) Hotel Corporation** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signed under oath by the following:


Arthur M. Lopez
Chairman of the Board



Elvira A. Ting
Treasurer


Kenneth T. Gatchalian
President

Signed this ___th day of APR 26 2024

SUBSCRIBED AND SWORN TO BEFORE ME THIS APR 26 2024
IN THE CITY OF MANILA, PHILIPPINES

DOC. NO. 40;
PAGE NO. 8;
BOOK NO. 10;
SERIES OF 2024


ATTY. PETER ANTHONY T. MALLARI
Notary Public until December 31, 2024
Notarial Commission # 2023-210
1155 Gen. Luna St., Ermita Manila
IBP # 317318, Roll# 77587 TIN: 133-031-552
PTR# 1527774 / 1-02-2024 Mls

ACESITE (PHILS.) HOTEL CORPORATION

SEPARATE FINANCIAL STATEMENTS
December 31, 2023 and 2022

With Independent Auditors' Report



R.G. Manabat & Co.
The KPMG Center, 6/F
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REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Acesite (Phils.) Hotel Corporation
8th Floor, Waterfront Manila Hotel and Casino
United Nations Avenue corner Maria Orosa Street
Ermita, Manila

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Acesite (Phils.) Hotel Corporation (the Company), which comprise the separate statements of financial position as at December 31, 2023 and 2022, and the separate statements of profit or loss and other comprehensive (loss) income, changes in equity and cash flows for each of the three years in the period ended December 31, 2023, and notes, comprising summary of material accounting policies and other explanatory information.

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

Basis for Opinion

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

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



Emphasis of Matter - Status of Operation

We draw attention to Note 1 to the financial statements which describes the effects of a fire on March 18, 2018 that damaged the Company's podium and the hotel buildings that resulted to the suspension of its operations. As stated in Note 1, the Company filed in 2018 for property damage and business insurance claims from its insurance companies for which in 2020, the insurance claims recoverable amounting to P1.72 billion was confirmed. It is further stated in Note 1 that the Company has started in 2018 the reconstruction and restoration of the podium and the hotel buildings, which are still ongoing as at December 31, 2023, with 36.21% completed. The Phase 1 is expected to be completed by the 4th quarter of 2024, while Phase 2 by the 2nd quarter of 2025 and Phase 3 by the 4th quarter of 2025. Note 1 indicates as well that a related party that has a long-term sublease contract with Philippine Amusement and Gaming Corporation, entered into a long-term lease contract with the Company for the operation of the casino until 2025. Our opinion is not modified in respect of this matter.

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

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

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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

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



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

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

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

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

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



**Report on the Supplementary Information Required Under Revenue Regulations
No. 15-2010 of the Bureau of Internal Revenue**

Our audit was conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 23 to the basic separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic separate financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic separate financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditors' report is Darwin P. Virocel.

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read 'Darwin P. Virocel', written over a horizontal line.

DARWIN P. VIROCEL

Partner

CPA License No. 0094495

Tax Identification No. 912-535-864

BIR Accreditation No. 08-001987-031-2022

Issued June 27, 2022; valid until June 27, 2025

PTR No. MKT 10075206

Issued January 2, 2024 at Makati City

May 9, 2024

Makati City, Metro Manila



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**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SEPARATE FINANCIAL STATEMENTS FOR FILING
WITH THE BUREAU OF INTERNAL REVENUE**

The Board of Directors and Stockholders
Acesite (Phils.) Hotel Corporation
8th Floor, Waterfront Manila Hotel and Casino
United Nations Avenue corner Maria Orosa Street
Ermita, Manila

We have audited the accompanying separate financial statements of Acesite (Phils.) Hotel Corporation (the Company) as at and for the year ended December 31, 2023, on which we have rendered our report dated May 9, 2024.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager, members of the Board of Directors or principal stockholders of the Company.

R.G. MANABAT & CO.

DARWIN P. VIROCEL
Partner
CPA License No. 0094495
Tax Identification No. 912-535-864
BIR Accreditation No. 08-001987-031-2022
Issued June 27, 2022; valid until June 27, 2025
PTR No. MKT 10075206
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May 9, 2024
Makati City, Metro Manila

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024
financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)
BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024
financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF FINANCIAL POSITION

			December 31, 2022 (As restated - Note 13)	January 1, 2022 (As restated - Note 13)
	<i>Note</i>	2023		
ASSETS				
Current Assets				
Cash and cash equivalents	18	P20,469,058	P142,474,210	P468,895,455
Trade and other current receivables - net	4, 18	45,208,122	122,082,199	149,567,418
Note receivable	11, 18	107,023,005	98,701,816	91,616,907
Due from a related party		75,652,997	5,379,692	2,881,660
Inventories	5	762,424	762,424	762,424
Prepaid expenses and other current assets	6	206,090,078	201,025,179	170,800,883
Total Current Assets		455,205,684	570,425,520	884,524,747
Noncurrent Assets				
Property and equipment - net	7	1,114,106,580	1,092,130,688	865,520,653
Right-of-use assets - net	20	21,304,638	23,366,378	25,428,117
Investment in a subsidiaries	8	459,762,500	459,762,500	459,762,500
Equity security - at fair value through other comprehensive income		19,943,300	19,943,300	19,943,300
Other noncurrent assets - net	9	685,823,037	688,556,355	745,938,099
Total Noncurrent Assets		2,300,940,055	2,283,759,221	2,116,592,669
		P2,756,145,739	P2,854,184,741	P3,001,117,416
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other current payables	10, 18	P324,644,664	P392,354,500	P460,043,030
Due to related parties	11, 18	508,967,497	457,330,968	481,883,836
Total Current Liabilities		833,612,161	849,685,468	941,926,866
Noncurrent Liabilities				
Retention payables	18	88,381,364	85,907,564	62,628,812
Retirement benefits liability	15	5,929,700	4,426,570	5,212,370
Lease liability - net of current portion	18, 20	50,094,396	51,010,935	48,006,871
Deferred tax liability - net	16	36,759,726	41,935,157	48,257,380
Total Noncurrent Liabilities		181,165,186	183,280,226	164,105,433
Total Liabilities		1,014,777,347	1,032,965,694	1,106,032,299
Equity				
Capital stock	12, 19	346,100,578	346,100,578	346,100,578
Revaluation surplus on property and equipment	7	135,757,162	150,433,612	165,110,062
Retirement benefits reserve	15	62,260,724	61,892,073	61,561,711
Fair value reserve	11	7,692,830	7,692,830	7,692,830
Retained earnings	12	1,201,598,798	1,267,141,654	1,326,661,636
Treasury stock	12	(12,041,700)	(12,041,700)	(12,041,700)
Total Equity		1,741,368,392	1,821,219,047	1,895,085,117
		P2,756,145,739	P2,854,184,741	P3,001,117,416

See Notes to the Separate Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE (LOSS) INCOME

		Years Ended December 31		
	Note	2023	2022	2021
REVENUES		P -	P -	P -
COSTS AND EXPENSES				
OTHER THAN DEPRECIATION, FINANCING AND INCOME TAX EXPENSE (BENEFIT)				
Personnel		25,025,898	21,811,080	20,519,070
Rental		289,474	415,441	3,792,924
Energy		3,942,942	3,686,177	563,717
Others		34,187,278	34,674,243	37,837,555
		63,445,592	60,586,941	62,713,266
LOSS BEFORE GAIN (LOSSES), DEPRECIATION, FINANCING AND INCOME TAX (BENEFIT)		(63,445,592)	(60,586,941)	(62,713,266)
(LOSSES) GAIN, DEPRECIATION AND FINANCING				
Financing income - net		173,127	(3,619,634)	1,258,215
Foreign exchange losses - net		(15,201)	-	1,476
Depreciation		21,880,848	23,626,043	(21,295,897)
		22,038,774	20,006,409	(20,036,206)
LOSS BEFORE INCOME TAX		(85,484,366)	(80,593,350)	(82,749,472)
INCOME TAX BENEFIT EXPENSE		(5,265,060)	(6,396,918)	(694,753)
NET LOSS		(80,219,306)	(74,196,432)	(82,054,719)
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will never be reclassified to profit or loss				
Unrealized gain (losses) on equity security - at fair value through other comprehensive income	11	-	-	520,260
Remeasurement loss on defined benefit plan	15	491,536	440,482	3,318,641
Deferred tax effect	16	(122,884)	(110,121)	15,094,289
		368,652	330,362	18,933,190
TOTAL COMPREHENSIVE LOSS		(P79,850,654)	(P73,866,070)	(P63,121,529)
LOSS PER SHARE - Basic and Diluted		(0.23)	(P0.22)	(P0.24)
		344,747,520	344,747,520	344,747,520

See Notes to the Separate Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF CHANGES IN EQUITY

Year Ended December 31, 2023

	Capital Stock (Note 12)	Revaluation Surplus on Property and Equipment (Note 7)	Retirement Benefits Reserve (Note 15)	Fair Value Reserve (Note 11)	Retained Earnings (Note 12)	Treasury Stock (Note 12)	Total
Balance at beginning, as previously stated	P346,100,520	P150,433,612	P61,892,072	P7,692,830	P1,267,141,712	(P12,041,700)	P1,821,219,046
Effect of restatement	58	-	-	-	(58)	-	-
Balance at beginning, as restated	346,100,578	150,433,612	61,892,072	7,692,830	1,267,141,654	(12,041,700)	1,821,219,046
Net loss for the year	-	-	-	-	(80,219,306)	-	(80,219,306)
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	-	-	-	-	-	-
Reversal of revaluation surplus - net of tax effect	-	(14,676,450)	-	-	14,676,450	-	-
Other comprehensive income - net of tax effect	-	-	368,652	-	-	-	368,652
	-	-	368,652	-	(65,542,914)	-	(79,850,654)
Balance at December 31, 2023	P346,100,578	P135,757,162	P62,260,724	P7,692,830	P1,201,598,798	(P12,041,700)	P1,741,368,392

See Notes to the Separate Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF CHANGES IN EQUITY

Year Ended December 31, 2022

	Capital Stock (Note 12)	Revaluation Surplus on Property and Equipment (Note 7)	Retirement Benefits Reserve (Note 15)	Fair Value Reserve (Note 11)	Retained Earnings (Note 12)	Treasury Stock (Note 12)	Total
Balance at beginning, as previously stated	P346,100,520	P165,110,062	P61,561,711	P7,692,830	P1,326,661,694	(P12,041,700)	P1,895,085,117
Effect of restatement	58	-	-	-	(58)	-	-
Balance at beginning, as restated	346,100,578	165,110,062	61,561,711	7,692,830	1,326,661,636	(12,041,700)	1,895,085,117
Net loss for the year	-	-	-	-	(74,196,432)	-	(74,196,432)
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	(14,676,450)	-	-	14,676,450	-	-
Other comprehensive income - net of tax effect	-	-	330,362	-	-	-	330,362
	-	(14,676,450)	330,362	-	(59,519,982)	-	(73,866,070)
Balance at December 31, 2022	P346,100,578	P150,433,612	P61,892,073	P7,692,830	P1,267,141,654	(P12,041,700)	P1,821,219,047

See Notes to the Separate Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF CHANGES IN EQUITY

Year Ended December 31, 2021

	Capital Stock (Note 12)	Revaluation Surplus on Property and Equipment (Note 7)	Retirement Benefits Reserve (Note 15)	Fair Value Reserve (Note 11)	Retained Earnings (Note 12)	Treasury Stock (Note 12)	Total
Balance at beginning, as previously stated	P346,100,520	P167,800,745	P55,134,548	P7,172,570	P1,394,039,963	(P12,041,700)	P1,958,206,646
Effect of restatement	58	-	-	-	(58)	-	-
Balance at beginning, as restated	346,100,578	167,800,745	55,134,548	7,172,570	1,394,039,905	(12,041,700)	1,958,206,646
Net loss for the year	-	-	-	-	(82,054,719)	-	(82,054,719)
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	(14,676,450)	-	-	14,676,450	-	-
Other comprehensive income - net of tax effect	-	11,985,767	6,427,163	520,260	-	-	18,933,190
	-	(2,690,683)	6,427,163	520,260	(67,378,269)	-	(63,121,529)
Balance at December 31, 2021	P346,100,578	P165,110,062	P61,561,711	P7,692,830	P1,326,661,636	(P12,041,700)	P1,895,085,117

See Notes to the Separate Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF CASH FLOWS

	Years Ended December 31		
<i>Note</i>	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax	(P85,484,366)	(P80,593,350)	(P82,749,472)
Adjustments for:			
Depreciation	21,880,849	23,626,043	21,295,898
Interest expense	3,233,521	3,004,064	2,941,136
Retirement benefits expense	1,163,168	1,154,682	1,357,339
Foreign exchange losses - net	(15,201)	-	(1,476)
Interest income	(3,063,281)	(6,626,267)	(4,201,955)
	(62,285,310)	(59,434,828)	(61,358,530)
Changes in:			
Trade and other current receivables	76,874,015	485,219	(2,222,871)
Inventories	-	-	76,800
Right-of-use asset - net	(4,150,000)	-	-
Prepaid expenses and other current assets	(5,098,154)	(30,259,721)	(5,628,848)
Trade and other current payables	(65,236,036)	(44,409,778)	(28,985,409)
	(59,895,485)	(133,619,108)	(98,118,858)
Interest received	3,063,281	6,626,267	813,217
Benefits paid	831,498	(1,500,000)	-
Net cash used in activities	(56,000,706)	(128,492,841)	(97,305,641)
CASH FLOWS FROM INVESTING ACTIVITIES			
Changes in:			
Note receivable	(8,321,189)	(7,084,909)	(3,509,667)
Other noncurrent assets	2,733,318	57,381,744	(57,264,102)
Proceeds from insurance claims on property damages	-	27,000,000	6,816,060
Additions to property and equipment	(41,795,000)	(248,174,339)	(67,832,054)
Net cash used in investing activities	(47,382,871)	(170,877,504)	(121,789,763)
CASH FLOW FROM A FINANCING ACTIVITY			
Change in due to related parties	(18,636,766)	(P27,050,900)	(P11,716,452)
Net cash used in financing activity	(18,636,776)	(27,050,900)	(11,716,452)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(122,020,353)	(326,421,245)	(230,811,858)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	15,201	-	1,476
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	142,474,210	468,895,455	699,705,837
CASH AND CASH EQUIVALENTS AT END OF YEAR	P20,469,058	P142,474,210	P468,895,455

See Notes to the Separate Financial Statements

ACESITE (PHILS.) HOTEL CORPORATION
NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Reporting Entity

Acesite (Phils.) Hotel Corporation (the Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on October 10, 1952 primarily to engage in the business of operating a hotel, or other accommodations, for the general public and to construct such facilities as may be reasonably necessary or useful in connection with the same. The Company is a 55.70%-owned subsidiary of Waterfront Philippines, Inc. (WPI).

The Company amended its Articles of Incorporation for the change in the Company's trade name from Manila Pavilion Hotel to Waterfront Manila Hotel and Casino and address from 7th Floor, Manila Pavilion Hotel, United Nations Avenue, Ermita, Manila to 8th Floor, Waterfront Manila Hotel and Casino, United Nations Avenue corner Maria Orosa Street, Ermita, Manila. The amended Articles of Incorporation was approved by the SEC on July 7, 2020.

The Company is the owner and operator of Waterfront Manila Hotel and Casino (the Hotel). The corporate life of the Company has been extended up to 2052. The Company's shares have been listed on the Philippine Stock Exchange (PSE) since December 5, 1986.

The details of the equity interest of the Company in its subsidiaries as at December 31, 2023 and 2022 are as follows:

	Percentage of Ownership
Real Estate	
Acesite Realty, Inc. (formerly CIMA Realty Phils., Inc.)	100
Hotel Management and Operation	
Pavillion Leisure and Entertainment Corp.* (PLEC) (<i>through direct ownership in ARl</i>)	86
Pavillion Enterprises Corp.* (PEC)	100

**nonoperating entities*

The Company and all of the above subsidiaries were incorporated in the Philippines.

Status of Operation

On March 18, 2018, a fire broke out in the Company's hotel property damaging the podium and hotel building and suspending its hotel operations. Based on the Fire Certification issued by the Bureau of Fire Protection - National Headquarters on April 23, 2018, the cause of the subject fire was declared and classified as "accidental in nature". The Company incurred casualty losses due to damages to its inventories and hotel property (see Notes 5 and 7). The Company filed for property damage and business insurance claims which were finalized in 2020 amounting to P1.72 billion.

The Company has started in 2018 the reconstruction and restoration of the podium and the hotel buildings. Although, the project completion has been extended due to some delays, the construction activities have not been totally stopped and are still ongoing as of December 31, 2023, with 36.21% completed. The management expects to complete the Phase 1 of a reconstruction project by the 4th quarter of 2024. The Phase 1 of the project includes the public areas including the lobby, some food and beverage outlets, and the casino area at the ground floor level up to the third floor.

A related party, who has a long-term sublease contract with Philippine Amusement and Gaming Corporation (PAGCOR), entered into a long-term lease contract with the Company for the operation of a casino until 2025. The entire proceeds from insurance coverage claims have been allotted to complete the Phase 1 of the reconstruction work with additional funding expected to be coming from bank borrowings to be guaranteed by an affiliate.

The amenities, guest facilities, and the remaining rooms of the hotel building are expected to be completed in Phases 2 and 3 of the reconstruction project. Phases 2 and 3 are expected to be completed by the 2nd quarter of 2024. These two latter phases will be funded by the cash flows generated by the operations of Phase 1 and, when necessary, bank borrowings.

2. Basis of Preparation

Basis of Accounting

These separate financial statements have been prepared in accordance with PFRSs. They were authorized for issue by the Company's BOD on April 30, 2024.

Details of the Company's significant accounting policies are included in Note 23.

Basis of Measurement

The separate financial statements have been prepared on the historical cost basis of accounting except for the following items, which are measured on an alternative basis on each reporting date:

Items	Measurement Bases
<ul style="list-style-type: none"> ▪ Hotel building and furniture, fixtures and equipment ▪ Equity security - at fair value through other comprehensive income (FVOCI) ▪ Retirement benefits liability 	<ul style="list-style-type: none"> ▪ Revalued amount less accumulated depreciation and impairment losses ▪ Fair value ▪ Present value of the defined benefits obligation (DBO) less fair value of plan assets (FVPA)

Functional and Presentation Currency

These separate financial statements are presented in Philippine peso (PHP), which is the Company's functional currency. All amounts have been rounded to the nearest peso, unless otherwise indicated.

3. Use of Judgments and Estimates

In preparing these separate financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the separate financial statements is as follows:

Recognizing Insurance Claims

The Company recognizes gain on insurance from its damaged property and business interruption claims when it is determined that the amount to be received from the insurance recovery is virtually certain and recognition in the period is appropriate considering the following:

- There is a valid insurance policy for the incident;
- The status of the Company's discussion with the adjuster and the insurance company regarding the claim; and
- The subsequent information that confirm the status of the claim as of the reporting date.

Going Concern

The management has made an assessment of the Company's ability to continue as going concern for at least 12 months from the yearend date of the financial statements. The Company filed for property damage and business insurance claims and from its insurance companies totaling to P1.72 billion which has been allotted for the reconstruction of the hotel property. Additional bank borrowing, to be guaranteed by an affiliate (see Note 1) will be made to fund the Phase 1 of the reconstruction project which are ongoing since 2018.

Although the various community quarantines implemented in Metro Manila have caused some delays, construction activities have not been totally stopped and management expects to complete Phase 1 of reconstruction project by the 4th quarter of 2023. A soft opening of the podium, which houses the public areas including the lobby, some food and beverage outlets and the casino area at the ground floor level up to the third floor, is expected by the 4th quarter of 2023. The hotel rooms are expected to be partially completed in Phase 1 and the remaining amenities, guest facilities and rooms of the hotel building are expected to be completed over Phase 2 and Phase 3 of the reconstruction project. Phases 2 and 3 are expected to be completed by the 2nd quarter of 2024. These two latter phases will be funded by the cash flows generated by the operations and, when necessary, bank borrowings.

The phased opening of the hotel is based on the management's assumption that the travel and hospitality sectors will return to pre-pandemic levels starting 2023 given the decreasing number of COVID-19 related cases, the relaxation of guidelines for domestic and international travels, as well as the de-escalation from Alert Level 2 to Alert Level 1 in most areas in the Philippines. As the hospitality industry comes to a full recovery, management expects to attract a good share of the incoming tourist markets with the completion of phases 2 and 3.

Management has determined that there is no material uncertainty in respect of the Company's ability to continue as a going concern therefore, the financial statements continue to be prepared on a going concern basis.

Classifying Financial Instruments

The Company exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual agreement and the definition of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the separate statement of financial position.

Distinguishing Investment Properties and Owner-occupied Properties

The Company determines whether a property qualifies as an investment property. In making its judgment, the Company considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the properties but also to the other assets used in the delivery of services.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the delivery of services or for administrative purposes. If these portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the delivery of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company has classified its properties as owner-occupied (see Notes 7, 20 and 21).

Transactions with PAGCOR

The Company has significant transactions with PAGCOR. Under Presidential Decree (PD) No. 1869, otherwise known as the PAGCOR Charter, PAGCOR is exempted from payment of any form of taxes other than the 5% franchise tax imposed on the gross revenue or earnings derived by PAGCOR from its operations under the franchise. The amended Revenue Regulation (RR) No. 16-2005 which became effective in 2006, however, provides that gross receipts of PAGCOR shall be subject to the 12% value-added tax (VAT). In February 2007, the Philippine Congress amended PD No. 1869 to extend the franchise term of PAGCOR for another 25 years but did not include any revocation of PAGCOR's tax exemption privileges as previously provided for in PD No. 1869. In accounting for the Company's transactions with PAGCOR, the Company's management and its legal counsel have made a judgment that the amended PD No. 1869 prevails over the amended RR No. 16-2005 (see Note 20).

Determining the Lease Term of Contract with Renewal Option - Company as Lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Company has one contract that includes an extension option. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Company excluded the renewal period as part of the lease term for its current long-term lease contract as it is determined to be renewable upon mutually acceptable terms and conditions of both the lessee and the lessor.

Operating Lease - Company as Lessor

The Company has entered into commercial property leases on the commercial spaces located in the Hotel. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these commercial spaces and accounts for the contracts as operating leases (see Notes 20 and 21).

Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is as follows:

Provision for Expected Credit Losses on Financial Assets

The Company uses the expected credit loss (ECL) model in estimating the level of allowance which includes forecasts of future events and conditions. A credit loss is the difference between the cash flows expected to be received discounted at the original effective interest rate (EIR). The model represents a probability-weighted estimate of the difference over the remaining life of the financial asset. Lifetime ECL is calculated by multiplying the lifetime Probability of Default by Loss Given Default (LGD) and Exposure at Default (EAD). LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty. The EAD of a financial asset is its gross carrying amount at the time of default.

Further details on the carrying amount of trade and other current receivables are disclosed in Note 4.

Fair Value Measurement of Financial Instruments

If the financial instruments are not traded in an active market, the fair value is determined using valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them.

All models are certified before they are used and are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practicable, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair values of financial instruments.

The specific methods and assumptions used by the Company in estimating the fair values of its financial instruments are disclosed in Note 18.

Revaluation of Property and Equipment

The Company carries certain classes of property and equipment at fair value, with changes in fair value being recognized in other comprehensive income (OCI). The Company engaged independent valuation specialists to assess fair value. Fair value is determined with references to transactions involving properties of a similar nature, location and condition.

The key assumptions used to determine the fair value of properties are provided in Note 7.

Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property and equipment. However, it is possible that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recording of expenses for any period would be affected by changes in these factors and circumstances.

A reduction in the estimated useful lives of the property and equipment would increase depreciation and decrease the property and equipment account.

Further details on the carrying amount of property and equipment are disclosed in Note 7.

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that the carrying amount of nonfinancial assets may be impaired or that the previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to the expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

The Company assessed that the carrying amounts of its nonfinancial assets approximate their recoverable amounts.

Retirement Benefits

The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a DBO is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The discount rate assumption is based on the Bankers Association of the Philippines PHP Bloomberg Valuation Reference Rates benchmark reference curve for the government securities market considering average years of remaining working life of the employees as the estimated term of the DBO.

Further details on retirement benefits liability are disclosed in Note 15.

Deferred Tax Assets

Deferred tax assets are recognized for financial statement and tax differences to the extent that it is probable that taxable profit will be available against which these differences can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Further details on deferred taxes are disclosed in Note 16.

Leases - Estimating the Incremental Borrowing Rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs such as market interest rates when available and is required to make certain entity-specific estimates such as the Company's stand-alone credit rating.

Further details on leases are disclosed in Note 20.

4. Trade and Other Current Receivables

This account consists of:

	Note	2023	2022
Guests, concessionaires and other patrons		P18,345,114	P18,346,443
Insurance receivable	1	18,394,446	102,394,446
Others		28,379,949	21,252,697
	18	65,119,509	141,993,586
Less allowance for impairment losses on guests, concessionaires and other patrons and other receivables	18	19,911,387	19,911,387
		P45,208,122	P122,082,199

Insurance receivable pertains to insurance claims for the property damage and business interruption (see Note 1).

Others include advances by the Company to officers and employees and reimbursable from suppliers.

In assessing the lifetime ECL of the Company's receivables, the Company excluded in its assessment all receivables that were related to long outstanding third party accounts as these were already specifically identified as uncollectible, hence, impaired. In 2023, 2022 and 2021 accounts specifically identified as impaired amounted to nil. No amount of ECL was recognized for the year (see Note 13).

There is no movement in the allowance for impairment losses on guests, concessionaires and other patrons and other receivables in 2023 and 2022, respectively (Note 18).

5. Inventories

The Company's inventories are carried at cost, which is lower than the NRV, as at December 31, 2023 and 2022 amounting to P0.76 million.

The cost recognized as an expense for operating supplies of P0.76 million, P0.76 million, and P0.17 million in 2023, and 2022, respectively, is included as part of "Supplies" under "Others" account in the separate statement of profit or loss and other comprehensive (loss) income (see Note 13).

	2023	2022
Operating supplies	P762,424	P762,424
	P762,424	P762,424

6. Prepaid Expenses and Other Current Assets

This account consists of:

	2023	2022
Input VAT - net	P173,354,640	P166,173,666
Creditable withholding taxes	22,728,551	22,761,806
Prepaid insurance	(1,122,949)	384,382
Other prepayments	11,129,836	11,705,325
	P206,090,078	P201,025,179

Input VAT is available as tax credit against output VAT liability.

Creditable withholding taxes are excess of tax credits over current income tax due which can be applied against future income tax liability.

Others consist of prepaid licenses and taxes, prepaid maintenance, deposits and prepaid subscription charges.

7. Property and Equipment

The balances and movements in this account are as follows:

<i>Measurement basis:</i>	As at and For the Year Ended December 31, 2023			Total
	Hotel Building	Furniture, Fixtures and Equipment	Construction-in-Progress	
	<i>Revalued</i>	<i>Revalued</i>	<i>At Cost</i>	
Cost				
Beginning balance	P471,046,928	P14,854,179	P891,302,029	P1,377,203,136
Additions	-	-	41,795,001	41,795,001
Disposals	-	-	-	-
Ending balance	471,046,928	14,854,179	933,097,030	1,418,998,137
Accumulated Depreciation				
Beginning balance	270,468,778	14,603,670	-	285,072,448
Depreciation for the year	19,568,600	250,509	-	19,819,109
Ending balance	290,037,378	14,854,179	-	304,891,557
Carrying Amount	P181,009,550	P -	P933,097,030	P1,114,106,580

As at and For the Year Ended December 31, 2022				
	Hotel Building	Furniture, Fixtures and Equipment	Construction-in-Progress	Total
<i>Measurement basis:</i>	<i>Revalued</i>	<i>Revalued</i>	<i>At Cost</i>	
Cost				
Beginning balance	P471,046,928	P13,633,905	P644,347,964	P1,129,028,797
Additions	-	1,220,274	246,954,065	248,174,339
Disposals	-	-	-	-
Ending balance	471,046,928	14,854,179	891,302,029	1,377,203,136
Accumulated Depreciation				
Beginning balance	250,900,178	12,607,966	-	263,508,144
Depreciation for the year	19,568,600	1,995,704	-	21,564,304
Ending balance	270,468,778	14,603,670	-	285,072,448
Carrying Amount	P200,578,150	P250,509	P891,302,029	P1,092,130,688

In 2022, the Company engaged an independent firm of appraisers to determine the fair value of certain classes of its property and equipment, specifically hotel building and furniture, fixtures and equipment, which are carried at revalued amounts. Fair value was determined by reference to market-based evidence, which is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In determining fair value, an estimate was made in accordance with the prevailing prices for materials, equipment, labor, and contractor's overhead and all other costs associated with acquisition while taking into account the depreciation resulting from physical deterioration, functional and economic obsolescence. The latest valuation was as at April 25, 2024. The carrying value of the building does not differ materially from the fair value determined in the valuation.

Had the following classes of property and equipment been carried at cost less accumulated depreciation, their carrying amounts would have been as follows:

	2023	2022
Hotel building	P1,503,527	P1,503,527
Furniture, fixtures and equipment	14,846,724	14,846,724
	16,350,251	16,350,251
Less: Accumulated depreciation	12,151,996	11,901,487
	P4,198,255	P4,448,764

Depreciation on cost charged to profit or loss amounted to P19.819 million, P2.00 million, and P1.71million in 2023, 2022 and 2021, respectively.

8. Investment in Subsidiaries

Discussed below are the descriptions and the financial information of the subsidiaries.

ARI

ARI is a wholly-owned and domestic subsidiary whose shares of stocks are not quoted in an active market. ARI is the owner of the land on which the Hotel is situated (see Note 1).

The registered office of is located at 8th floor Waterfront Manila Hotel and Casino, United Nations Avenue, Ermita, Manila.

The following is the summarized financial information of the subsidiary as at and for the periods ended December 31:

	2023	2022
Financial Position		
Total assets	P1,587,115,415	P1,587,115,424
Total current liability	12,058,078	9,626,145
Total noncurrent liabilities	392,128,441	401,754,587
Results of Operation		
Revenue	-	504,620,723
Net income	(2,431,942)	376,005,410

PLEC

PLEC was incorporated and registered with the SEC on June 29, 1998. Its primary purpose is to engage in the business of managing and operating hotels and other accommodations.

The registered office of PLEC is located at 8th floor Waterfront Manila Hotel and Casino, United Nations Avenue, Ermita, Manila.

Due to its nonoperational status, the Company has provided an allowance for impairment loss on its investment in PLEC.

PEC

PEC was incorporated and registered with the SEC on June 29, 1998. Its primary purpose is to engage in the business of managing and operating hotels and other accommodations.

The registered office of PEC is located at 8th floor Waterfront Manila Hotel and Casino, United Nations Avenue, Ermita, Manila.

Due to its nonoperational status, the Company has provided an allowance for impairment loss on its investment in PEC.

9. Other Noncurrent Assets

This account consists of:

	Note	2023	2022
Advances to contractors		P723,596,126	P726,196,527
Other deposits	18	7,539,918	7,672,835
		731,136,044	733,869,362
Less allowance for impairment losses on advances to contractors		45,313,007	45,313,007
		P685,823,037	P688,556,355

Advances to contractors are deposits for the reconstruction and restoration of the Company's hotel property and equipment (see Note 1).

There were no additional impairment losses on advances to contractors recognized for 2023 and 2022.

	2023	2022
Beginning balance	P45,313,007	P -
Impairment losses for the year	-	45,313,007
Ending balance	P45,313,007	P45,313,007

10. Trade and Other Current Payables and Retention Payables

This account consists of:

	Note	2023	2022
Trade payables	18	P295,498,002	P378,255,727
Accruals:			
Utilities	18	20,884,781	1,566,329
Other accruals	18	2,372,052	4,338,070
Withholding taxes		1,526,049	2,855,479
Others		4,363,780	5,338,895
		P324,644,664	P392,354,500

Trade payables are noninterest-bearing and are normally on a 30-day term.

Other payables include commissions, unclaimed wages, sponsorships, Social Security System, Philippine Health Insurance Corporation and Housing Development Mutual Fund and sundry payables.

11. Related Party Transactions

Identity of Related Parties

The Company has related party transactions with its key management personnel (KMP) and the following entities:

Related Party	Relationship with the Company
WPI	Parent Company
ARI	Subsidiary
PLEC	Subsidiary
PEC	Subsidiary
Waterfront Cebu City Casino Hotel, Incorporated (WCCCHI)	Under common control
Waterfront Mactan Casino Hotel, Incorporated (WMCHI)	Under common control
Davao Insular Hotel Company, Inc. (DIHCI)	Under common control
Waterfront Hotel Management Corporation (WHMC)	Under common control
Acesite Leisure and Entertainment Corp. (ALEC)	Under common control
Wellex Industries Incorporated (WII)	Affiliate

Significant Transactions and Balances with Related Parties

The summary of significant transactions and balances with the related parties is as follows:

Category/ Transaction	Year	Note	Amount of the Transaction	Outstanding Balance			Due to Related Parties	Terms	Conditions
				Due from a Related Party- net	Note Receivable	Equity Security - at FVOCI			
WPI									
▪ Advances	2023	a	P190,382,213	P -	P -	P -	P97,070,929.84	Noninterest-	Unsecured
	2022		(29,964,88)	-	-	-	132,881,652	bearing,	
	2021		16,045,386)	-	-	-	162,846,538	and	
								payable on	
								demand	
ARI									
▪ Advances	2023	b	P11,993,678.16	-	-	-	11,993,678.16	Noninterest-	Unsecured
	2022		2,498,032	5,379,692	-	-	-	bearing,	
	2021		2,880,299	2,881,660	-	-	-	and	
								payable on	
								demand	
ALEC									
▪ Note receivable	2023	c	107,023,005	-	107,023,005	-	-	Due in one	Unsecured; no
	2022		7,084,909	-	98,701,816	-	-	year	impairment
	2021		6,898,407	-	91,616,907	-	-	interest-	
								bearing	
WCCCHI									
▪ Advances	2023	d	158,455,985	-	-	-	158,455,985	Noninterest-	Unsecured
	2022		5,330,690	-	-	-	9,702,898	bearing,	
	2021		4,036,986	-	-	-	4,372,208	and	
								payable on	
								demand	
WMCHI									
▪ Advances	2023	d	241,446,904	-	-	-	241,446,904	Noninterest-	Unsecured
	2022		(21,644,320)	-	-	-	242,263,251	bearing,	
	2021		(21,381,404)	-	-	-	263,907,571	and	
								payable on	
								demand	
DIHCI									
▪ Advances	2023	d	5,265,398	5,265,398	-	-	-	Noninterest-	Unsecured
	2022		24,750,536	-	-	-	72,483,167	bearing,	
	2021		47,732,631	-	-	-	47,732,631	and	
								payable on	
								demand	
WHMC									
▪ Advances	2023	e	2,552,799	2,552,799	-	-	-	Noninterest-	Unsecured;
	2022		-	2,551,338	-	-	-	bearing,	impaired
	2021		-	2,551,338	-	-	-	and	
								payable on	
								demand;	
								impaired	
▪ Allowance for	2023	e	-	-	-	-	-		
impairment	2022		-	(2,551,338)	-	-	-		
losses	2021		-	(2,551,338)	-	-	-		
WII									
▪ Equity	2023	f	-	-	-	19,943,300	-		
security - at	2022		-	-	-	19,943,300	-		
FVOCI	2021		520,260	-	-	19,943,300	-		
Advances	2023		67,834,800	67,834,800	-	-	-		
	2022		-	-	-	-	-		
	2021		-	-	-	-	-		
KMP									
▪ Short-term	2023		-	-	-	-	-		
employee benefits	2022		1,284,221	-	-	-	-		
	2021		3,185,834	-	-	-	-		
▪ Post employment	2023		-	-	-	-	-		
benefits	2022		290,000	-	-	-	-		
	2021		290,000	-	-	-	-		
TOTAL	2023			P75,652,997	P107,023,005	P19,943,300	P508,967,497		
TOTAL	2022			P -	P98,701,816	P19,943,300	P457,330,968		

- The transactions with WPI pertain to various noninterest-bearing and unsecured short-term advances which include WPI-allocated share in the common operating expenses.
- In the ordinary course of business, the Company obtained noninterest-bearing, collateral-free cash and non-cash advances from ARI for shared corporate expenses and working capital purposes. The above advances are due on demand.

Further, the Company has entered into an operating lease with ARI for use of the latter's land. This noncancellable operating lease commenced on November 1, 2011 and has a term of 20 years with escalation rate of 5% per annum. Also, the contract provides for two (2) months of free rental.

From July 1, 2019 to December 31, 2022, the Company was granted a temporary suspension of lease payments by ARI due to the current non-operating status of the Company's hotel.

- c. In 2017, the Company extended a loan to ALEC payable on December 31, 2018, and bear interest at 4% per annum. In 2018, the Company extended another interest-bearing loan at 4% per annum to ALEC payable at the end of 2019. At the end of 2019, the Company extended the loan, with the same terms as the original loan, to mature at the end of 2020. At the end of 2020, the Company extended another interest-bearing loan at 4% per annum to ALEC payable at the end of 2021. At the end of 2021, the Company extended another interest-bearing loan at 4% per annum to ALEC payable at the end of 2022. At the end of 2022, the Company extended another interest-bearing loan at 4% per annum to ALEC payable at the end of 2023. The related interest income recognized in profit or loss amounted to P3.00 million, P3.39 million and P3.89 million in 2022, 2021 and 2020, respectively (see Note 14).

Further, the Company and ALEC entered into a seven (7) year operating lease contract for use of hotel premises. The lease will commence once the planned soft opening of the podium building happens (see Note 1).

- d. In the ordinary course of business, the Company obtains noninterest-bearing, collateral-free cash and non-cash advances from related parties for shared corporate expenses. The above advances are due and demandable at anytime.
- e. The Company has noninterest-bearing advances to WHMC for shared corporate expenses and working capital purposes.

Advances specifically identified as impaired amounted to P2.55 million, recognized and presented as part of "Impairment losses" under "Others" account in the separate statement of profit or loss and other comprehensive (loss) income (see Note 13).

- f. In July and August 2005, the BOD approved the conversion of the Company's net receivables from related parties amounting to P43.30 million into 86.71 million shares of stock of WII, an affiliate. The shares of WII are listed on the PSE. The fair market value of the shares based on closing market price as at December 31, 2023 and 2022 amounted to P19.94 million, resulting in a valuation gain of nil, nil, and P0.52 million in 2023, 2022 and 2021, respectively.

All outstanding related party transactions are generally settled in cash.

12. Equity

Common Shares

Details of the common stock of the Company as at December 31 are as follows:

	2023	2022
Authorized - P1 par value	1,200,000,000	1,200,000,000
Issued	346,100,578	346,100,578
Outstanding	344,747,520	344,747,520

Date of Registration/Listing	Securities
December 5, 1986	1,760,000 common shares
January 26, 1998	73,351,197 common shares This is after SEC approval on October 16, 1997 of the change in authorized capital stock from 1,777,400 no par value common shares to 6,595,214 common shares with P1 par value per share.
May 19,1999	19,970,461 common shares These represented dividends declared which was approved by the SEC on March 24, 1999.
May 28, 2012	246,248,212 common shares Dividend declared after SEC approval on May 28, 2012 of the increase in authorized capital stock from P310.00 million to P1.21 billion (including P10.00 million preferred shares).

On July 14, 2014, the BOD approved the amendment of the entitlement ratio of stock rights offering from 0.58 common share for every one share held to 1 common share to every one share held.

As at December 31, 2023 and 2022, the Company has 152,692,263 shares held by the public or 44.29% of the total outstanding capital stock and a total of 206 stockholders. The Company has not sold any unregistered securities for the past 4 years.

Other Information

In February 1993, common shares of the Company representing 75% of the total issued outstanding shares previously held by Acesite Limited(BVI) (ALB), were pledged by ALB in favor of Equitable PCI Bank Hong Kong Branch (EPCIB) for the latter's loan to an affiliate of ALB.

On February 17, 2003, EPCIB foreclosed the said shares and sold them to WPI as a block sale in the PSE. ALB contested the foreclosure, and on February 20, 2003, filed a case for the annulment of the sale, with application for issuance of a writ of preliminary injunction and a prayer for a temporary restraining order with the Regional Trial Court (RTC) of Makati City. On August 15, 2003, the RTC of Makati City granted ALB's request for preliminary injunction upon posting of the necessary injunction bond.

On June 3, 2004, for failure of ALB to post the full amount of the injunction bond, the RTC of Makati City ordered the stock transfer agent of the Company to transfer the 74,889,231 shares to EPCIB and, in accordance with the Deed of Assignment of Shares of Stock dated February 17, 2003, the shares were transferred to WPI. Subsequently, ALB filed a motion for reconsideration of the order dissolving the writ of injunction issued by the RTC of Makati City.

On June 24, 2004, at the annual stockholders' meeting of the Company pursuant to the order of the SEC, WPI, as the registered majority stockholder of record, elected new directors to serve as such until the next annual stockholders' meeting.

On August 10, 2004, the Court of Appeals (CA) gave due course to EPCIB's petition and set aside the questioned Orders on ALB request for preliminary injunction bond. On the same date, ALB filed a Motion for Reconsideration which the CA denied on November 24, 2004.

On December 22, 2004, ALB questioned the said Resolutions of the CA by filing a Petition for Review on Certiorari at the Supreme Court (SC). On January 19, 2005, the SC denied the Petition for Review on Certiorari on the decision and resolution of the CA dated August 10, 2004 and November 24, 2004, respectively, for failure of ALB to state the material date showing when notice of judgment thereof was received. On March 1, 2005, ALB filed a motion for reconsideration of the said denial by the SC. The petition for reconsideration filed by ALB has been denied with finality by the SC on March 14, 2005.

In March 2006, ALB commenced proceedings in Hong Kong against EPCIB and WPI to pursue its claim. In view of the Memorandum of Agreement signed in July 2011, ALB forever renounces its claim against WPI and EPCIB.

Preferred Shares

The Company's authorized and unissued preferred shares as at December 31, 2022 and 2021 amounted to P10.00 million, consisting of 20,000 shares with a par value of P500 per share.

The Company's preferred shares have the following attributes:

- a. non-voting;
- b. non-convertible to common shares;
- c. redeemable at a premium of 5%; and
- d. entitled to cumulative dividends of 9% per annum.

Treasury Stock

On November 13, 2007, the BOD approved the creation of a share buyback program involving the Company's common stock. As at December 31, 2023 and 2022, the Company has bought back 1,353,058 shares for a total cost of P12.04 million.

Retained Earnings

In accordance with Section 42 of the Revised Corporation Code of the Philippines, stock corporations are prohibited from retaining surplus profits in excess of one hundred (100%) percent of their paid-in capital stock, except: (1) when justified by definite corporate expansion projects or programs approved by the BOD; or (2) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or (3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies.

The Company has retained earnings in excess of the one hundred percent of its paid-in capital stock. As at December 31, 2023 and 2022, no appropriation has been made.

Effect of Restatement

In 2023, the Philippine Stock Exchange (PSE) raised concerns on the discrepancy of the number of outstanding shares between records of the PSE and the Company's audited financial statements. The Management determined that the said discrepancy could have been the result of the accumulated fractional shares from the stock dividend declaration in 2012. The stock dividends recorded in the books were 246,258,212 shares, while 246,258,270 shares were reported in the PSE in 2012, or a discrepancy of 58 shares. In order to correct and align the number of outstanding shares with what is recorded by the PSE, the Company restated its 2022 financial statements to recognize an outstanding stock covering the adjusted 246,258,270 shares.

13. Other Costs and Expenses

This account consists of:

	<i>Note</i>	2023	2022
Taxes and licenses		P14,068,860	P12,446,163
Security and other related services		6,802,012	10,497,597
Insurance		5,344,707	4,355,000
Other services		339,600	-
Professional fees		1,409,593	2,643,815
Data processing		1,324,555	1,323,241
Repairs and maintenance		1,054,107	1,077,589
Advertising		276,891	317,869
Supplies	5	99,731	258,933
Meeting expenses		628,036	-
Communications		258,452	248,629
Transportation and travel		147,160	180,194
Head office and corporate costs		1,787,928	47,590
Representation and entertainment		573,152	15,234
Laundry, valet and other hotel services		-	284,356
Director's fees		-	688,059
		P34,187,278	P34,674,243

Miscellaneous include recruitment expense, donations and employee association dues.

14. Financing Income

This account consists of:

	<i>Note</i>	2023	2022	2021
Interest expense	20	P3,233,521	P3,004,063	P2,941,136
Bank charges		2,887	2,570	2,604
Interest income	11, 18	(3,063,281)	(6,626,267)	(4,201,955)
		P173,127	(P3,619,634)	(P1,258,215)

15. Retirement Benefits Cost

The Company has a funded, noncontributory retirement plan (the Plan) covering substantially all of its regular employees with at least five years of continuous service. The benefits are based on a percentage of the employees' final monthly salary for every year of continuous service depending on the length of stay. Contributions and costs are determined in accordance with the actuarial studies made for the Plan.

The latest independent actuarial valuation of the Plan was as at December 31, 2022, which was prepared using the projected unit credit method. The Plan is administered by independent trustees (the Retirement Plan Trustee) with assets held consolidated from those of the Company.

The Plan is registered with the Bureau of Internal Revenue (BIR) as a tax-qualified plan under Republic Act (R.A.) No. 4917, As Amended, *Retirement Pay Law*.

The Plan exposes the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

The reconciliation of the present value of the DBO and the FVPA to the recognized liability presented as "Retirement Benefits Liability" in the separate statement of financial position is as follows:

			Retirement Benefits Liability
2023	FVPA	DBO	
At January 1	P3,871,074	(P8,297,644)	(P4,426,570)
Included in Profit or Loss			
Current service cost	-	(804,391)	(804,391)
Net interest income (cost)	273,685	(632,462)	(358,777)
	273,685	(1,436,853)	(1,163,168)
Included in OCI			
Remeasurement gains:			
▪ Actuarial gains (loss) arising from:			
• Financial assumptions	-	(882,594)	(882,594)
• Experience adjustments	-	1,123,097	1,123,097
▪ Return on plan assets excluding interest income	(732,039)	-	(732,039)
	(732,039)	240,503	(491,536)
Other			
Benefits paid	(120,949)	120,949	-
Contributions paid	120,949	-	120,949
Transferred obligation	-	30,625	30,625
At December 31	P3,412,720	(P9,342,420)	(P5,929,700)

			Retirement Benefits Liability
2022	FVPA	DBO	
At January 1	P3,945,329	(P9,157,699)	(P5,212,370)
Included in Profit or Loss			
Current service cost	-	(896,670)	(896,670)
Net interest income (cost)	195,294	(453,306)	(258,012)
	195,294	(1,349,976)	(1,154,682)
Included in OCI			
Remeasurement gains:			
▪ Actuarial gains (loss) arising from:			
• Financial assumptions	-	2,918,554	2,918,554
• Experience adjustments	-	-	-
• Experience adjustments	-	(2,208,523)	(2,208,523)
▪ Return on plan assets excluding interest income	(269,549)	-	(269,549)
	(269,549)	710,031	440,482
Other			
Benefits paid from book reserves	-	1,500,000	1,500,000
At December 31	P3,871,074	(P8,297,644)	(P4,426,570)

Retirement benefits expense is included in "Personnel costs" account in the separate statement of profit or loss and other comprehensive (loss) income.

The personnel costs comprise of the following:

	2023	2022	2021
Salaries and wages	P23,034,906	P19,926,204	P18,313,608
Retirement benefits expense	1,163,168	1,154,682	1,357,339
Other employee benefits	827,824	730,194	848,123
	P25,025,898	P21,811,080	P20,519,070

The Company's plan assets consist of the following:

	2023	2022
Cash and cash equivalents	P1,622,102	P2,481,934
Debt instruments - government bonds	1,771,361	746,883
Unit investment trust funds	-	587,604
Debt instruments - other bonds	-	-
Others	19,257	54,653
	P3,412,720	P3,871,074

Asset-liability Matching

The Retirement Plan Trustee has no specific matching strategy between the plan assets and the plan liabilities.

Funding Policy

The Company is not required to pre-fund the future defined benefits liability under the Plan before they become due. For this reason, the amount and timing of contributions to the Plan are at the Company's discretion. However, in the event a benefit claim arises and the Plan is insufficient to pay the claim, the shortfall will then be due and payable from the Company to the employee. Hence, there is no expected contribution to the Plan in 2022.

The December 31 actuarial valuation uses these principal actuarial assumptions at the reporting date:

	2023	2022
Discount rate	6.04%	7.07%
Future salary increases	3.00%	3.00%

Assumptions regarding the mortality and disability rates are based on the 2001 CSO Table - Generational (Scale AA, Society of Actuaries) and the Disability Study, Period 2, Benefit 5 (Society of Actuaries), respectively.

The weighted-average duration of the DBO is 7.46 years and 7.68 years as at December 31, 2023 and 2022, respectively.

Maturity analysis of the benefit payments over the period of 10 years as at December 31 follows:

	Carrying Amount	Contractual Cash Flows	Within 1 Year	Within 1 - 5 Years	Within 6 - 10 Years
2023	P9,373,044	P10,174,206	P374,690	P3,947,591	P5,851,925
2022	P8,297,644	P10,259,672	P519,348	P2,047,256	P7,693,068

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have increased (decreased) the DBO by the amounts shown below:

2023	+ 1%	- 1%
Discount rate	(P858,568)	P975,548
Expected rate of salary increases	1,004,493	(905,517)
2022	+ 1%	- 1%
Discount rate	(P848,198)	P971,463
Expected rate of salary increases	1,010,183	(900,160)

16. Income Taxes

The components of the income tax (benefit) expense are as follows:

	2023	2022	2021
Recognized in Profit or Loss			
Current tax expense	P33,255	P35,425	P33,887
Deferred tax benefit	(5,298,315)	(6,432,343)	(5,972,538)
Change in tax rate	-	-	5,243,898
	(5,298,315)	(6,432,343)	(728,640)
	(P5,265,060)	(P6,396,918)	(P694,753)
Recognized in OCI			
Deferred tax (benefit) expense	P122,884	(P110,121)	(P829,660)
Change in tax rate	-	-	15,923,949
	P122,884	(P110,121)	P15,094,289

The reconciliation of the income tax(benefit) expense computed at the statutory tax rate to the actual(benefit) expense shown in profit or loss is as follows:

	2023	2022	2021
(Loss) income before income tax	(P85,484,366)	(P80,593,350)	(P82,749,472)
Statutory tax rate for income tax expense	25.00%	25.00%	25.00%
Income tax (benefit) expense	(21,371,092)	(20,148,338)	(P20,687,368)
Additions to (reductions in) income tax due to the tax effects of:			
Derecognition of net operating loss carry-over (NOLCO) and minimum corporate income tax (MCIT)	-	-	-
Unrecognized deferred tax asset on NOLCO and MCIT	15,827,062	14,518,564	14,914,039
Nondeductible expense	860,666	3,809	37,932
Interest income already subjected to final tax	(765,099)	(770,953)	(203,254)
Nontaxable income	-	-	-
Change in corporate income tax	-	-	5,243,898
	(P5,448,463)	(P6,396,918)	(P694,753)

The movements for the deferred tax assets and deferred tax liabilities are as follows:

December 31, 2023	Balance January 1, 2023	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2023
Deferred tax liabilities:				
Right-of-use asset - net	P5,841,594	(P515,435)	P -	P5,326,160
Revaluation surplus on property and equipment	50,327,940	(4,892,151)	-	45,435,789
	56,169,534	(5,407,586)	-	50,761,949
Deferred tax assets:				
Retirement benefits liability	1,481,644	123,665	(122,884)	1,482,425
Lease liability	12,752,734	(229,135)	-	12,523,599
Unrealized foreign exchange loss	-	(3,801)	-	(3,801)
Accrued rent	-	-	-	-
	14,234,377	(109,271)	(122,884)	14,002,223
	P41,935,157	(P5,298,315)	P122,884	P36,759,726

December 31, 2022	Balance January 1, 2022	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2021
Deferred tax liabilities:				
Right-of-use asset - net	P6,357,029	(P515,435)	P -	P5,841,594
Revaluation surplus on property and equipment	55,220,090	(4,892,150)	-	50,327,940
	61,577,119	(5,407,585)	-	56,169,534
Deferred tax assets:				
Retirement benefits liability	1,303,093	288,671	(110,121)	1,481,644
Lease liability	12,001,718	751,016	-	12,752,734
Unrealized foreign exchange loss	14,928	(14,928)	-	-
	13,319,739	1,024,759	(110,121)	14,234,377
	P48,257,380	(P6,432,344)	P110,121	P41,935,157

Deferred tax assets in respect of possible future taxable benefit arising from NOLCO and MCIT are not recognized because management has assessed that the future taxable profits will not be available against which the Company can utilize the benefits thereon.

On March 26, 2021, the President of the Philippines approved the Corporate Recovery and Tax Incentives for Enterprises or the CREATE Act, with nine (9) provisions vetoed by the President. Below are the salient features of the CREATE Act that are relevant to the Company.

- a) Corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding P5.00 million and with total assets not exceeding P100.00 million. All other domestic corporations and resident foreign corporations will be subject to 25% income tax. Said reductions are effective July 1, 2020.
- b) MCIT rate is reduced from 2% to 1% effective July 1, 2020 to June 30, 2023.

On April 8, 2021, the BIR issued the following implementing RRs that are effective immediately upon publication:

- BIR RR No. 2-2021, *Amending Certain Provisions of RR No. 2-98, As Amended, to Implement the Amendments Introduced by R.A. No. 11534, or the CREATE Act, to the National Internal Revenue Code (NIRC) of 1997, As Amended, Relative to the Final Tax on Certain Passive Income;*
- BIR RR No. 3-2021, *Rules and Regulations Implementing Section 3 of R.A. No. 11534, Otherwise Known as the CREATE Act, Amending Section 20 of the NIRC of 1997, As Amended;*
- BIR RR No. 4-2021, *Implementing the Provisions on VAT and Percentage Tax Under R.A. No. 11534, Otherwise Known as the CREATE Act, Which Further Amended the NIRC of 1997, As Amended, As Implemented by RR No. 16-2005 (Consolidated VAT Regulations of 2005), As Amended; and*
- BIR RR No. 5-2021, *Implementing the New Income Tax Rates on the Regular Income of Corporations, on Certain Passive Incomes, Including Additional Allowable Deductions from Gross Income of Persons Engaged in Business or Practice of Profession Pursuant to R.A. No. 11534 or the CREATE Act, Which Further Amended the National Internal Revenue Code of 1997, As Amended.*

The corporate income tax rates were lowered from 30% to 25% on which the Company qualified, effective July 1, 2021.

The BIR issued RRNo. 25-2020 to implement Section 4 (b) of R.A. No. 11494, *Bayanihan to Recover as One Act*, which provides that the NOLCO incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next 5 consecutive taxable years immediately following the year of such loss. The said RR also defined taxable years 2020 and 2021 to include those corporations with fiscal years ending on or before June 30, 2021 and June 30, 2022, respectively.

Details of the Company's NOLCO are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2023	P18,627,924.16	P -	P -	P18,627,924.16	2028
2022	14,483,139.43	-	-	14,483,139.43	2027
2021	59,520,608.92	-	-	59,520,608.92	2026
	P92,631,672.51	P -	P -	P92,631,672.51	

Details of the Company's NOLCO not covered by R.A. No. 11494 are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2019	P111,584,154	P -	P -	P111,584,154	2022

Details of the Company's MCIT are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2023	P33,255	P -	P -	P33,255	2026
2021	35,425	-	-	35,425	2025
2020	33,387	-	-	33,387	2024
	P102,067	P -	P -	P102,067	

17. Loss Per Share

(Loss) earnings per share (LPS(EPS)) is computed by dividing the net (loss) income for the year by the weighted average number of outstanding shares of common stock during the year.

	2023	2022	2021
Net loss	(P80,219,306)	(P74,196,432)	(P82,054,719)
Weighted average number of outstanding shares of common stock (net of treasury stock)	344,747,520	344,747,520	344,747,520
LPS - basic/diluted	(0.23)	(0.22)	(P0.24)

There are no potential dilutive potential common shares for the years ended December 31, 2023, 2022, and 2021.

18. Financial Instruments - Risk Management and Fair Values

Risk Management Structure

BOD

The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Company. It also has the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Company's approach to risk issues in order to make relevant decisions.

Risk Management Committee

Risk Management Committee is responsible for the comprehensive monitoring, evaluation and analysis of the Company's risks in line with the policies and limits set by the BOD.

Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash and cash equivalents, trade and other current receivables, note receivable, due from a related party, equity security - atFVOCI, other deposits (presented under "Other noncurrent assets"), trade and other current payables (excluding statutory payables), due to related parties, lease liability and retention payables. The main purpose of these financial instruments is to finance the Company's operations.

The main risks arising from the financial instruments of the Company are credit risk, liquidity risk, market risk and equity price risk. The Company's management reviews and approves policies for managing each of these risks, as summarized below.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other current receivables. There has been no change to the Company's exposure to credit risks or the manner in which it manages and measures the risk since prior financial year.

The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. The Company grants advances to its related parties after the BOD reassesses the Company's strategies for managing credits and views that they remain appropriate for the Company's circumstances.

The amounts presented in the separate statement of financial position are net of allowances for impairment losses on receivables, estimated by the Company's management based on prior experience and their assessment of the current economic environment.

With respect to credit risk from other financial assets of the Company, which comprise mainly of cash and cash equivalents, note receivable, due from a related party and equity security - at FVOCI and other deposits, the exposure of the Company to credit risk arises from the default of the counterparty, with maximum exposure equal to the carrying amount of these instruments.

At the reporting date, other than the trade and other current receivables and due from a related party, there were no significant concentrations of credit risk.

The tables below show the credit quality of the Company's financial assets (amounts are in thousands):

	2023			
	At Amortized Cost			
	FVOCI	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P19,943	P267,936	P -	P -
Grade B	-	-	-	-
Grade C	-	-	-	-
Gross carrying amount	19,943	267,936	-	-
Loss allowance	-	-	-	-
Carrying amount	P19,943	P267,936	P -	P -

	2022			
	At Amortized Cost			
	FVOCI	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P19,943	P376,262	P -	P -
Grade B	-	-	-	-
Grade C	-	22,462	-	-
Gross carrying amount	19,943	398,724	-	-
Loss allowance	-	22,462	-	-
Carrying amount	P19,943	P376,262	P -	P -

The credit grades used by the Company in evaluating the credit quality of its receivables to customers and other parties are the following:

Grade A financial assets pertain to financial assets that are neither past due nor impaired which have good collection status. These financial assets are those which have high probability of collection, as evidenced by counterparties having ability to satisfy their obligations.

Grade B financial assets are those past due but not impaired financial assets and with fair collection status. These financial assets include those for which collections are probable due to the reputation and the financial ability to pay of the counterparty but have been outstanding for a length of time.

Grade C financial assets are those which have continuous default collection issues. These financial assets have counterparties that are most likely not capable of honoring their financial obligations.

As at December 31, the Company's maximum exposure to credit risk, without considering the effects of collateral, credit enhancements and other credit risk mitigation techniques are as follows (in thousands):

	Note	2023	2022
Cash and cash equivalents*		P20,419	P142,424
Trade and other current receivables	4	65,120	141,994
Note receivable	11	107,023	98,702
Due from a related party	11	75,652	7,931
Equity security - at FVOCI	11	19,943	19,943
Other deposits	9	7,540	7,673
		295,697	418,667
Less allowance for impairment losses	4, 11	19,911	19,911
		P275,786	P398,756

*Excluding cash on hand

Cash and cash equivalents consist of:

	2023	2022
Cash on hand	P50,000	P50,000
Cash in banks	20,419,058	15,424,210
Cash equivalents	-	127,000,000
	P20,469,058	P142,474,210

Cash in banks earn interest based on prevailing deposit rates.

Related interest income recognized in profit or loss amounted to P3.06 million, P6.62 million, and P4.02 million in 2023, 2022, and 2021 respectively (see Note 15).

The aging analysis of the Company's financial assets are as follows (in thousands):

December 31, 2023	Total	Neither Past Due nor Impaired	Past Due but not Impaired					Past Due and Impaired
			< 30 Days	30 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days	
Cash and cash equivalents*	P20,419	P20,419	P -	P -	P -	P -	P -	P -
Trade and other current receivables	65,120	65,120	-	-	-	-	-	19,911
Note receivable	107,023	107,023	-	-	-	-	-	-
Due from a related party	75,652	75,652	-	-	-	-	-	-
Equity security - at FVOCI	19,943	19,943	-	-	-	-	-	-
Other deposits	7,540	7,540	-	-	-	-	7,540	-
Total	P295,697	P295,697	P -	P -	P -	P -	P7,540	P19,911

*Excluding cash on hand

December 31, 2022	Total	Neither Past Due nor Impaired	Past Due but not Impaired					Past Due and Impaired
			< 30 Days	30 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days	
Cash and cash equivalents*	P142,424	P142,424	P -	P -	P -	P -	P -	P -
Trade and other current receivables	141,994	122,083	-	-	-	-	-	19,911
Note receivable	98,702	98,702	-	-	-	-	-	-
Due from a related party	7,931	5,380	-	-	-	-	-	-
Equity security - at FVOCI	19,943	19,943	-	-	-	-	-	-
Other deposits	7,673	99	-	-	-	-	7,574	-
Total	P418,667	P388,631	P -	P -	P -	P -	P7,574	19,911

*Excluding cash on hand

Information on the Company's receivables that are impaired as at December 31, 2023 and 2022 and the movements in the impairment losses are disclosed in Notes 4 and 11 to the separate financial statements.

The main considerations for impairment assessment include whether any payments are overdue or if there are any known difficulties in the cash flows of the counterparties. The Company assesses impairment in two ways: individual assessment and collective assessment.

The Company determines allowance for each significant receivable on an individual basis. Among the items that the Company considers in assessing impairment is the inability to collect from the counterparty based on the contractual terms of the receivables. Receivables included in the specific assessment are the accounts that have been endorsed to the legal department, non-moving accounts receivable, accounts of defaulted agents and corporate accounts.

For collective assessment, allowances are assessed for receivables that are not individually significant and for individually significant receivables where there is no objective evidence yet of individual impairment. Impairment losses are estimated by taking into consideration the age of the receivables, past collection experience and other factors that may affect collectability.

The total impairment losses on the financial assets recognized in the separate statement of profit or loss and other comprehensive (loss) income amounted to nil in 2023, 2022 and 2021, respectively (see Notes 4 and 11), which were determined and measured through the Company's individual assessment procedures.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due because of an inability to liquidate assets or obtain adequate funding. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of the financial assets and financial liabilities. There has been no change to the Company's exposure to liquidity risk or the manner in which it manages and measures the risk since prior financial year.

The Company monitors and maintains a level of cash deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. Additional short-term funding is obtained from related party advances and short-term bank loans, when necessary.

Ultimate responsibility for liquidity risk management rests with the BOD, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements.

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have adequate funding available at all times to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

For the Company's short-term funding, the Company's policy is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

The following table summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments (in thousands):

December 31, 2023	Note	Total Carrying Amount	Contractual Undiscounted Payments			
			Total	On Demand	Less than 1 Year	1 to 5 Years
Trade and other current payables*	10	P318,755	P318,755	P5,309	P313,446	P -
Due to related parties	11	508,967	508,967	508,967	-	-
Lease liability	20	50,094	50,094	-	-	50,094
Retention payables	10	88,381	88,381	-	-	88,381
		P966,197	966,197	P514,276	P313,446	P138,475

*Excluding statutory payables

December 31, 2022	Note	Total Carrying Amount	Contractual Undiscounted Payments			
			Total	On Demand	Less than 1 Year	1 to 5 Years
Trade and other current payables*	10	P384,160	P384,160	P6,398	P377,762	P -
Due to related parties	11	457,331	457,331	457,331	-	-
Lease liability	20	51,011	25,314	-	-	25,314
Retention payables	10	85,908	85,908	-	-	85,908
		P978,410	P952,713	P463,729	P377,762	P111,222

*Excluding statutory payables

Market Risk

Market risk is the risk that the fair value or cash flows of a financial instrument of the Company will fluctuate due to change in market prices. Market risk reflects interest rate risk, foreign currency risk, and other price risks.

The Company is primarily exposed to the financial risk of changes in equity prices of its equity securities - at FVOCI. The Company is not significantly exposed to changes in interest and foreign currency exchange rates.

Equity Price Risk

Equity price risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is exposed to equity price risk because of its investment in shares of stock of WII which are listed on the PSE totaling to 86.71 million shares as at December 31, 2023 and 2022.

The Company monitors the changes in the price of the shares of stock of WII. In managing its price risk, the Company disposes of existing or acquires additional shares based on the economic conditions.

The sensitivity of the Company's equity to a reasonably possible change in equity price. These changes are considered to be reasonably possible based on past equity price performance of the Company's equity security - at FVOCI and macroeconomic forecast for 2023 and 2022. This analysis assumes an increase of 10% for 2023 and 2022 and a decrease of 10% for 2023 and 2022 of the equity price of the Company's equity security - at FVOCI. All other variables are held constant. There are no fair value change in other comprehensive income in 2023 and 2022.

Fair Value Measurement

The carrying amount of cash and cash equivalents, trade and other current receivables, note receivable, due from a related party, trade and other current payables (excluding statutory payables) and due to related parties approximate their fair values due to the short-term maturity of these instruments.

The discussion on the fair value of equity security - at FVOCI is disclosed in Note 11 to the separate financial statements.

The fair value lease liability is based on the discounted value of expected future cash flows using the Company's IBR, thus, the carrying amount approximates fair value.

The carrying value of other deposits and retention payables approximate its fair values because these are not subject to significant risk of changes in value.

The approximation of the fair values of the Company's financial assets and liabilities are based on Level 3, except for equity securities - at FVOCI which is based on Level 1 of the fair value hierarchy.

19. Capital Management

The primary objective of the Company's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company's overall strategy remains unchanged since prior financial year.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or process in 2023 and 2022. For purposes of the Company's capital management, capital includes all equity items that are presented in the statement of changes in equity, except for revaluation surplus on property and equipment, retirement benefits reserve and fair value reserve.

The Company is not subject to externally-imposed capital requirements.

20. Leases

a. Operating Lease - Company as Lessee

The Company has entered into an operating lease with ARI for use of the latter's land following the cancellation of finance lease between the two parties. This non-cancellable operating lease commenced on November 1, 2011 and has a term of 20 years with escalation rate of 5% per annum. From July 1, 2019 to December 31, 2022, the Company was granted a temporary suspension of lease payments by ARI due to the current nonoperating status of the Company's hotel.

Information about leases for which the Company is a lessee is presented below.

The right-of-use asset movement are as follows:

	2023	2022
Cost		
At January 1 and December 31	P30,701,359	P30,701,359
Accumulated Depreciation		
At January 1	7,334,981	5,273,242
Depreciation	2,061,739	2,061,739
At December 31	9,396,720	7,334,981
Carrying Amount	P21,304,638	P23,366,378

Set out below is the carrying amount of the lease liability and the movements during the period:

	2023	2022
At January 1	P51,010,935	P48,006,871
Accretion of interest	3,233,521	3,004,064
At December 31	P54,244,456	P51,010,935

	2023	2022
Maturity Analysis - Contractual Undiscounted Cash Flows		
One to five years	P26,580,107	P25,314,387
More than five years	36,535,540	42,382,526
Total undiscounted lease liability at December 31	P63,115,647	P67,696,913
Lease liability Included in the Separate Statement of Financial Position at December 31		
Current	P -	P -
Non-current	50,094,396	51,010,935

Amounts Recognized in Profit or Loss

	2023	2022
2020 - Leases under PFRS 16		
Depreciation of right-of-use asset	P2,061,739	P2,061,739
Interest expense related to lease liability	3,233,521	3,004,063
Expenses relating to short-term leases	289,474	415,441

The interest expense associated with the lease liability amounted to P3.2 million and P3.00 million for the year ended December 31, 2023 and December 31, 2022.

Total lease payments made by the Company amounting to nil for both 2023 and 2022 is presented as “payment of lease liability” in the separate statement of cash flows.

21. Significant Contingencies

a. *Operating Leases Commitments - Company as Lessee*

The Company has entered into an operating lease with ARI for use of the latter’s land following the cancellation of finance lease between the two parties. This non-cancellable operating lease commenced on November 1, 2011 and has a term of 20 years with escalation rate of 5% per annum.

Future minimum lease payments as at December 31, 2023 and 2022 for the above contract are as follows:

	2023	2022
Between one and five years	P26,580,107	P25,314,387
More than five years	36,535,540	42,382,526
	P63,115,647	P67,696,913

b. *Other Legal Cases*

The Company also is a defendant in other legal and labor cases which are still pending resolution. Management and its legal counsel believe that the outcome of these cases will not have any material effect on the Company’s financial position and results operations.

22. Summary of Material Accounting Policies

Adoption of Amendments to Standards and Interpretations

The Company has adopted the amendments to standards starting January 1, 2023 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption did not have any significant impact on the Company’s financial statements.

▪ *Definition of Accounting Estimates (Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors)*

To clarify the distinction between changes in accounting policies and changes in accounting estimates, the amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an accounting estimate is developed to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both selecting a measurement technique and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged. The amendments also provide examples on the application of the new definition.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the amendments are applied.

▪ *Disclosure of Accounting Policies (Amendments to PAS 1 and PFRS Practice Statement, 2 Making Materiality Judgements)*

The amendments are intended to help companies provide useful accounting policy disclosures. The key amendments to PAS 1 include:

- requiring companies to disclose their *material* accounting policies rather than their *significant* accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments to PFRS Practice Statement 2 includes guidance and additional examples on the application of materiality to accounting policy disclosures.

The amendments are effective from January 1, 2023. Earlier application is permitted.

▪ *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, Income Taxes)*

The amendments clarify that the initial recognition exemption does not apply to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning obligations. The amendments apply for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

For leases and decommissioning liabilities, the associated deferred tax assets and liabilities will be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other appropriate component of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

Standards Issued but Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2023. However, the Company has not early adopted the following new or amended standards in preparing these financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Company's financial statements.

Effective January 1, 2024

- *Noncurrent Liabilities with Covenants (Amendments to PAS 1)*

In October 2022, the International Accounting Standards Board issued these amendments after considering stakeholder feedback in the November 2021 Exposure Draft and December 2020 tentative agenda decision issued by the IFRS Interpretations Committee about the 2020 amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent*. The 2022 amendments revised the standard as follows:

- Conditions which the entity must comply within twelve months after the reporting period will have no effect on the classification as current or noncurrent;
- Additional disclosure requirements will apply to noncurrent liabilities subject to such conditions to enable the assessment of the risk that the liability could become repayable within twelve months;

The amendments will apply retrospectively for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Entities that have early applied the 2020 amendments may retain application until the 2022 amendments are applied. Entities that will early apply the 2020 amendments after issue of the 2022 amendments must apply both amendments at the same time.

The 2023 amendments are not yet locally adopted as part of PFRS.

The amendments are not expected to have significant impact on the Company's financial reporting.

Effective January 1, 2025

- *PFRS 17, Insurance Contracts*

PFRS 17 replaces the interim standard, PFRS 4, *Insurance Contracts*. Reflecting the view that an insurance contract combines features of both a financial instrument and a service contract, and considering the fact that many insurance contracts generate cash flows with substantial variability over a long period, PFRS 17 introduces a new approach that:

- (a) combines current measurement of the future cash flows with the recognition of profit over the period services are provided under the contract;
- (b) presents insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses; and
- (c) requires an entity to make an accounting policy choice portfolio-by-portfolio of whether to recognize all insurance finance income or expenses for the reporting period in profit or loss or to recognize some of that income or expenses in other comprehensive income.

Under PFRS 17, groups of insurance contracts are measured based on fulfilment cash flows, which represent the risk-adjusted present value of the entity's rights and obligations to the policy holders, and a contractual service margin, which represents the unearned profit the entity will recognize as it provides services over the coverage period. Subsequent to initial recognition, the liability of a group of insurance contracts represents the liability for remaining coverage and the liability for incurred claims, with the fulfilment cash flows remeasured at each reporting date to reflect current estimates.

Simplifications or modifications to the general measurement model apply to groups of insurance contracts measured using the 'premium allocation approach', investment contracts with discretionary participation features, and reinsurance contracts held.

PFRS 17 brings greater comparability and transparency about the profitability of new and in-force business and gives users of financial statements more insight into an insurer's financial health. Separate presentation of underwriting and financial results will give added transparency about the sources of profits and quality of earnings.

PFRS 17 is effective for annual periods beginning on or after January 1, 2025. Full retrospective application is required, unless it is impracticable, in which case the entity chooses to apply the modified retrospective approach or the fair value approach. However, if the entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, then it applies the fair value approach. There is also a transition option allowing presentation of comparative information about financial assets using a classification overlay approach on a basis that is more consistent with how PFRS 9 will be applied in future reporting periods. Early application is permitted for entities that apply PFRS 9 *Financial Instruments* on or before the date of initial application of PFRS 17.

The standard is not expected to have significant impact on the Company's financial reporting.

Deferral of the Local Implementation of Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to PFRS 10 Consolidated Financial Statements and PAS 28 Investments in Associates and Joint Ventures)*. The amendments address an inconsistency between the requirements in PFRS 10 and in PAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Originally, the amendments apply prospectively for annual periods beginning on or after January 1, 2016 with early adoption permitted. However, on January 13, 2016, the FRSC decided to postpone the effective date of these amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition

Financial instruments are recognized in the consolidated statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates these classifications at each reporting date.

All regular way purchases and sales of financial assets are recognized on the trade date, i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Measurement at Initial Recognition

Financial instruments are recognized initially at fair value of the consideration given (in case of an asset) or received (in case of a liability). Except for financial instruments at FVTPL, the initial measurement of financial instruments includes transaction costs.

Financial Assets

On initial recognition, a financial asset is classified as measured at amortized cost, FVOCI or FVTPL, based on their contractual cash flow characteristics and the business model for managing the financial assets.

Debt Instruments

Financial Assets Measured at Amortized Cost

A financial asset that is a debt instrument, other than those that are designated at FVTPL, which meet both of the following conditions:

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

Included in this category are the Company cash and cash equivalents, trade and other current receivables, note receivable and due from a related party.

FVOCI

A financial asset that is a debt instrument measured at FVOCI shall meet both of the following conditions and is not designated as FVTPL:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

There are no debt instruments at FVOCI as at December 31, 2023 and 2022.

FVTPL

All other financial assets not measured at FVOCI or at amortized cost are classified as measured at FVTPL, except when the financial asset is part of a hedging relationship. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

There are no financial assets at FVTPL as at December 31, 2023 and 2022.

Equity Instruments

Financial assets that are equity instruments shall be classified under any of the following categories:

- Financial assets measured at FVTPL which shall include financial assets held for trading; or
- Financial assets at FVOCI which shall consist of equity instruments that are irrevocably designated at FVOCI at initial recognition that are neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which PFRS 3, *Business Combinations*, applies. This election is made on an instrument-by-instrument basis.

As at December 31, 2023 and 2022, the Company has equity securities - at FVOCI as financial assets measured at FVOCI.

Business Model Assessment

Business model pertains to the manner by which a portfolio of financial assets will be managed to generate cash flows such as by collecting contractual cash flows or by both collecting contractual cash flows and selling the financial assets, among others.

The Company makes an assessment of the objective of the business model for the financial assets because this best reflects the way the financial assets are managed. The information considered includes:

- the stated policies and objectives for the financial assets and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, earning dividend income, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash outflows through the sale of assets;
- the risks that affect the performance of the business model and how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales of financial assets in prior periods, the reason for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered for this purpose, consistent with the Company continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose financial performance is evaluated on a fair value basis are measured at FVTPL.

Cash and Cash Equivalents

Cash and cash equivalents include cash equivalents, cash on hand and in banks which are stated at face value. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of 3 months or less from dates of acquisition and are subject to an insignificant risk of changes in value.

Assessment whether Contractual Cash Flows are SPPI

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company claim to cash flows from specified assets (e.g. nonrecourse features).

Prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired for a discount or premium to its contractual face amount, a feature that permit or requires prepayment that an amount that substantially represents the contractual face amount plus accrued (but unpaid) contractual interest (which may include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent Measurement of Financial Assets

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Amounts recognized in OCI are not classified to profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Classification and Measurement of Financial Liabilities

Financial Liabilities

Financial liabilities are initially recognized at fair value. Transaction costs are deducted from the initial measurement of the Company financial liabilities except for debt instruments classified at FVTPL.

Financial liabilities are subsequently measured as follows:

- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in a business combination.

As at December 31, 2023 and 2022, other financial liabilities at amortized cost include trade and other current payables (excluding statutory payables), due to related parties and retention payables in the consolidated statement of financial position (see Notes 9, 10 and 17). There are no financial liabilities measured at FVTPL.

Other Financial Liabilities at Amortized Cost

Issued financial instruments or their components which are not classified as financial liabilities at FVTPL are classified as other financial liabilities at amortized cost, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder or lender, or to satisfy the obligation other than by the exchange of a fixed amount of cash. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Derecognition of Financial Instruments

Financial Assets

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

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

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts recognized in consolidated statement of profit or loss and other comprehensive (loss) income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is generally not the case with master netting agreements, thus, the related assets and liabilities are presented at gross amounts in the consolidated statement of financial position.

As at December 31, 2023 and 2022, only due to/from related party transactions were offset in the consolidated financial statements. The said accounts were being set-off because the management intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Determination and Measurement of Fair Value

The Company measures financial instruments at fair value at each consolidated statement of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to market participant that would use the asset in its highest and best use.

The Company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated statement of financial position on a recurring basis, the Company determines whether transfer have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of Financial Assets

Impairment of Financial Instruments

At the date of initial application of PFRS 9, the Company uses reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that a financial instrument was initially recognized and compared that to the credit risk at the date of initial application.

Lifetime ECLs result from all possible default events over the expected life of a financial instruments while 12-month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period of the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Movement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the EIR of the financial assets.

Credit-impaired Financial Assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. The financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as default or being more than the normal credit terms of the Company
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or

- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Inventories

Inventories are stated at the lower of cost and NRV. Cost comprises all cost of purchase and other direct costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method.

NRV represents the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. NRV of operating supplies and engineering and maintenance supplies is the estimated replacement cost.

Prepaid Expenses

Prepaid expenses represent expenses not yet incurred but are already paid. Prepaid expenses are initially recorded as assets and measured at the amount of cash paid. Subsequent to initial recognition, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepaid expenses are classified in the consolidated statement of financial position as current assets when the cost of goods or services related to the prepayment are expected to be incurred within one year or the Company's normal operating cycle, whichever is longer. Otherwise, they are classified as noncurrent assets.

Investments in Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity if, and only if, the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the 3 elements of control.

The Company carries its investments in shares of stock of its subsidiaries under the cost method of accounting for investments. Under this method, investments are carried at cost less impairment losses. The investor recognizes income from the investment only to the extent that the investor receives distributions from accumulated profits of the investee arising after the date of the acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment.

Property and Equipment

Measurement at Recognition

Upon recognition, items of property and equipment are measured at cost which comprises the purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use. For land which is acquired as part of business combination, it is originally measured at deemed cost (fair value at the acquisition date). No depreciation is provided on land.

Measurement Subsequent to Recognition

Operating equipment is carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Hotel building and furniture, fixtures and equipment are carried at revalued amounts, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Fair values are determined through the appraisal of an independent firm of appraisers. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in the carrying amount resulting from a revaluation (revaluation increase) is recognized in OCI and accumulated in equity. However, the increase shall be recognized in profit or loss to the extent that the increase reverses a revaluation decrease of the same asset previously recognized in profit or loss.

Any decrease in the carrying amount resulting from a revaluation (revaluation decrease) is recognized in profit or loss. However, the decrease shall be recognized in OCI to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in OCI reduces the amount accumulated in equity.

Subsequent Costs

Subsequent costs that can be measured reliably are added to the carrying amount of the asset when it is probable that future economic benefits associated with the asset will flow to the Company. The costs of day-to-day servicing of an asset are recognized as an expense in the period in which they are incurred.

Depreciation

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Number of Years
Hotel building	15 - 50
Furniture, fixtures and equipment	3 - 5

The useful lives and depreciation method are reviewed at each reporting date to ensure that such useful lives and depreciation method are consistent with the expected pattern of economic benefits from those assets.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

Construction-in-progress is stated at cost. This includes cost of construction, equipment and other direct costs. Construction-in-progress is not depreciated until such time the relevant assets are completed and put into operational use.

When an asset is disposed of, or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal is recognized in profit or loss.

Impairment of Nonfinancial Assets

The carrying amount of the Company's property and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the impaired asset is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss, unless the asset is carried at revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset.

The recoverable amount is the greater of the asset's fair value less costs of disposal and value in use. Fair value less cost of disposal is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, less the costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset being evaluated. If an asset does not generate cash inflows that are largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized. Reversals of impairments are recognized in profit or loss, unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

After such reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Revenue Recognition

The following is a description of principal activities from which the Company generates its revenue. Revenue is disaggregated by major products/service lines as reflected in the consolidated statement of profit or loss and other comprehensive (loss) income.

Interest Income

Interest income is recognized on a time proportion basis on the principal outstanding and at the rate applicable.

Other Income

Other income is recognized at the point in time when the service has been rendered.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss upon utilization of the service or at the date they are incurred. Interest expense is recognized in profit or loss in the period in which they are incurred using the effective interest method.

Income Taxes

Income tax comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized in OCI or directly in equity, in which case they are recognized respectively therein.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

Current Tax

Current tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the end of each reporting period.

Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided, using the liability method, on all temporary differences at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic subsidiaries, associates and interest in joint ventures. With respect to investments in other subsidiaries, associates and interests in joint ventures, deferred tax liabilities are recognized except when the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred tax asset to be recovered. It is probable that sufficient future taxable profits will be available against which a deductible temporary difference can be utilized when there are sufficient taxable temporary difference relating to the same taxation authority and the same taxable entity which are expected to reverse in the same period as the expected reversal of the deductible temporary difference. In such circumstances, the deferred tax asset is recognized in the period in which the deductible temporary difference arises.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rate and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognized in OCI or directly in equity is recognized in the consolidated statement of other comprehensive (loss) income and consolidated statement of changes in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if there is a legally enforceable right to offset current income tax assets against current income tax liabilities and they relate to income taxes levied by the same tax authority and the Company intends to settle its current income tax assets and liabilities on a net basis.

Foreign Currency Transactions and Translations

Transactions in foreign currencies are translated into PHP using the exchange rates prevailing at the dates of such transactions. Monetary assets and liabilities denominated in foreign currencies are translated to their PHP equivalents using the rates of exchange prevailing at the reporting date.

Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Employee Benefits

Short-term Employee Benefits

Short-term employee benefit obligations, such as those for salaries and wages, social security contributions, short-term compensated absences, bonuses and non-monetary benefits, among others, are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits Costs

The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of DBO is performed on a periodic basis by a qualified actuary using the PUCM. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI and presented under Retirement benefits reserves under equity. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the DBO at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Related Party Relationship

A related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its KMP, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in PFRS 16.

The Company as Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and

- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use asset - net that do not meet the definition of investment property and lease liability as a separate line item in the consolidated statement of financial position.

Short-term Leases

The Company has elected not to recognize right-of-use assets - net and lease liabilities for short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as Lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies PFRS 15, *Revenue from Contracts with Customers*, to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in PFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of "Revenues" under "Others" account.

Capital Stock

Capital stock is classified as equity. Incremental costs directly attributable to the issuance of capital stock and share options are recognized as deduction from equity, net of any tax effects.

Preferred share capital is classified as equity if it is non-redeemable, or redeemable only at the option of the Parent Company, or if the dividend payments are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the BOD of the Parent Company.

Retained Earnings

Retained earnings include accumulated results of operations as reported in the consolidated statement of profit or loss and other comprehensive (loss) income less any dividends declared. Dividends are recorded in the period in which the dividends are approved by the BOD.

Treasury Stock

The Company's shares which are reacquired and held by the Company are deducted from equity and accounted for at weighted average cost. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

Provisions and Contingencies

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that a transfer of economic benefits will be required to settle the obligation.

Contingent liabilities are not recognized as liabilities, but are disclosed in the consolidated financial statements unless the possibility of an outflow of resources is remote. Contingent assets are not recognized but are disclosed in the consolidated financial statements when an inflow of economic benefits is probable.

Events After the Reporting Period

The Company identifies post-year-end events as events that occurred after the reporting date but before the date when the consolidated financial statements were authorized for issue. Any post-year-end events that provide additional information on conditions that existed at the end of a reporting period (adjusting events) are recognized in the consolidated financial statements. Events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

23. Supplementary Information Required Under RR No. 15-2010 of the BIR

In addition to the disclosures mandated under PFRSs, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to the separate financial statements, certain supplementary information for the taxable year. The amounts relating to such supplementary information may not necessarily be the same with those amounts disclosed in the separate financial statements which were prepared in accordance with PFRSs. The following is the supplementary tax information required for the taxable year ended December 31, 2023:

A. Output VAT

Output VAT declared in 2023 amounted to nil due to the suspension of the hotel operations.

B. Input VAT Claimed

The reconciliation of the input VAT as at and for the year ended December 31, 2023 follows:

Input VAT	
Beginning of the year	P164,002,497.57
Current year's domestic purchases:	
Purchases of goods other than capital goods	74,657.66
Purchases of services	11,777,764.61
Balance at the end of the year	P175,854,919.84

C. Withholding Taxes

Details of withholding taxes are as follows:

Expanded withholding taxes	P4,531,437.32
Tax on compensation and benefits	2,418,165.13

D. All Other Taxes (Local and National)

<i>Other taxes paid during the year recognized under "Taxes and licenses" account under Other costs and expenses</i>	
Real estate taxes	P11,052,841
Insurance	4,355,000
Documentary stamp	-
Business permit fees	-
Annual registration fee	-
Others	-
	P -

E. Tax Assessment

The Company has no open tax cases and assessments as at December 31, 2023.

for
AUDITED FINANCIAL STATEMENTS

[illegible][illegible]

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A	F	S	2	1
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N / A

N / A

COMPANY INFORMATION

aphc@waterfronthotels.net

09985948516

Not applicable

206

December 2

December 31

CONTACT PERSON INFORMATION

Name of Contact Person	Aleli Alday
------------------------	-------------

a.alday@waterfronthotels.net

Telephone Number(s)	N/A
---------------------	-----

09985948516

CONTACT PERSON's ADDRESS

8th Floor, Waterfront Manila Hotel and Casino, United Nations Avenue corner Maria Orosa Street,
Ermita, Manila

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



Bureau of Internal Revenue
Republic of the Philippines

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 002-856-627-000
Name	: ACESITE PHILS HOTEL CORPORATION
RDO	: 125
Form Type	: 1702
Reference No.	: 462400059591190
Amount Payable (Over Remittance)	: -22,731,526.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2023
Date Filed	: 05/07/2024
Tax Type	: IT

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Reference No : 462400059591190


Date Filed : May 07, 2024 12:27 PM


Batch Number : 0

Republic of the Philippines
Department of Finance
Bureau of Internal RevenueFor BIR
Use Only: BCS/
Item:

BIR Form No. 1702-RT January 2018(ENCS) Page 1		Annual Income Tax Return For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.		 1702-RT 01/18ENCS P1	
1 For <input type="radio"/> Calendar <input type="radio"/> Fiscal		3 Amended Return? <input type="radio"/> Yes <input type="radio"/> No		4 Short Period Return? <input type="radio"/> Yes <input type="radio"/> No	
2 Year Ended (MM/20YY) 12/2023				5 Alphanumeric Tax Code (ATC) IC055 Minimum Corporate Income Tax (MCIT) <input checked="" type="checkbox"/> IC010 <input checked="" type="checkbox"/>	
Part I - Background Information					
6 Taxpayer Identification Number (TIN) 002 - 856 - 627 - 000		7 RDO Code 125			
8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) ACESITE PHILS HOTEL CORPORATION					
9A Registered Address (Indicate complete registered address) UN AVE COR MA OROSA ST MANILA					
9B Zipcode 1000					
10 Date of Incorporation/Organization (MM/DD/YYYY)					
11 Contact Number 5261212 loc2227		12 Email Address A.ALDAY@WATERFRONTHOTELS.NET			
13 Method of Deductions <input checked="" type="radio"/> Itemized Deductions [Section 34 (A-J), NIRC] <input type="radio"/> Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]					
Part II - Total Tax Payable (Do NOT enter Centavos)					
14 Total Income Tax Due (Overpayment) (From Part IV Item 43)				33,255	
15 Less: Total Tax Credits/Payments (From Part IV Item 55)				22,764,781	
16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56)				(22,731,526)	
Add Penalties					
17 Surcharge				0	
18 Interest				0	
19 Compromise				0	
20 Total Penalties (Sum of Items 17 to 19)				0	
21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Item 16 and 20)				(22,731,526)	
If Overpayment, mark "X" one box only (Once the choice is made, the same is irrevocable) <input type="radio"/> To be refunded <input type="radio"/> To be issued a Tax Credit Certificate (TCC) <input checked="" type="radio"/> To be carried over as tax credit next year/quarter					
We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If Authorized Representative, attach authorization letter and indicate TIN)					
Signature over printed name of President/Principal Officer/Authorized Representative				Signature over printed name of Treasurer/Assistant Treasurer	
Title of Signatory		TIN	Title of Signatory		TIN
				22 Number of Attachments 4	
Part III - Details of Payment					
Particulars	Drawee Bank/Agency	Number	Date (MM/DD/YYYY)	Amount	
23 Cash/Bank Debit Memo				0	
24 Check				0	
25 Tax Debit Memo				0	
26 Others (Specify Below)					
0					
Machine Validation/Revenue Official Receipts Details (if not filed with an Authorized Agent Bank)				Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)	

BIR Form No. 1702-RT January 2018(ENCS) Page 2	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P2
Taxpayer Identification Number (TIN) 002 - 856 - 627 - 000		Registered Name ACESITE PHILS HOTEL CORPORATION
Part IV - Computation of Tax <i>(Do NOT enter Centavos)</i>		
27 Sales/Receipts/Revenues/Fees		0
28 Less: Sales Returns, Allowances and Discounts		0
29 Net Sales/Receipts/Revenues/Fees <i>(Item 27 Less Item 28)</i>		0
30 Less: Cost of Sales/Services		0
31 Gross Income from Operation <i>(Item 29 Less Item 30)</i>		0
32 Add: Other Taxable Income Not Subjected to Final Tax		2,216,970
33 Total Taxable Income <i>(Sum of Items 31 and 32)</i>		2,216,970
Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions <i>(From Part VI Schedule I Item 18)</i>	80,878,728	
35 Special Allowable Itemized Deductions <i>(From Part VI Schedule II Item 5)</i>	0	
36 NOLCO <i>(only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)</i>	0	
37 Total Deductions <i>(Sum of Items 34 to 36)</i>	80,878,728	
OR <i>[in case taxable under Sec 27(A) & 28(A)(1)]</i>		
38 Optional Standard Deduction <i>(40% of Item 33)</i>	0	
39 Net Taxable Income/(Loss) <i>(If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)</i>		(78,661,758)
40 Applicable Income Tax Rate		25%
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) <i>(Item 39 x Item 40)</i>		0
42 MCIT Due <i>(2% of Item 33)</i>		33,255
43 Tax Due <i>(Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)</i>		33,255
Less: Tax Credits/Payments <i>(attach proof)</i>		
44 Prior Year's Excess Credits Other Than MCIT		22,764,781
45 Income Tax Payment under MCIT from Previous Quarter/s		0
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s		0
47 Excess MCIT Applied this Current Taxable Year <i>(From Part VI Schedule IV Item 4)</i>		0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307		0
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter		0
50 Foreign Tax Credits, if applicable		0
51 Tax Paid in Return Previously Filed, if this is an Amended Return		0
52 Special Tax Credits <i>(To Part V Item 58)</i>		0
Other Credits/Payments <i>(Specify)</i>		
53		0
54		0
		
55 Total Tax Credits/Payments <i>(Sum of Items 44 to 54) (To Part II Item 15)</i>		22,764,781
56 Net Tax Payable / (Overpayment) <i>(Item 43 Less Item 55) (To Part II Item 16)</i>		(22,731,526)
Part V - Tax Relief Availment		
57 Special Allowable Itemized Deductions <i>(Item 35 of Part IV x Applicable Income Tax Rate)</i>		0
58 Add: Special Tax Credits <i>(From Part IV Item 52)</i>		0
59 Total Tax Relief Availment <i>(Sum of Items 57 and 58)</i>		0

BIR Form No. 1702-RT January 2018(ENCS) Page 3	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P3
Taxpayer Identification Number (TIN) 002 856 627 000		Registered Name ACESITE PHILS HOTEL CORPORATION
Schedule I - Ordinary Allowable Itemized Deductions <i>(Attach additional sheet/s, if necessary)</i>		
1 Amortizations		0
2 Bad Debts		0
3 Charitable Contributions		0
4 Depletion		0
5 Depreciation		19,819,109
6 Entertainment, Amusement and Recreation		2,735
7 Fringe Benefits		0
8 Interest		0
9 Losses		0
10 Pension Trust		0
11 Rental		289,474
12 Research and Development		0
13 Salaries, Wages and Allowances		23,862,730
14 SSS, GSIS, Philhealth, HDMF and Other Contributions		0
15 Taxes and Licenses		12,167,833
16 Transportation and Travel		146,761
17 Others (Deductions Subject to Withholding Tax and Other Expenses) <i>[Specify below; Add additional sheet(s), if necessary]</i>		
a Janitorial and Messengerial Services		0
b Professional Fees		1,345,194
c Security Services		7,457,282
d LAUNDRY, VALET AND OTHER HOTEL SERVICES		339,598
e ADVERTISING		276,892
f COMMUNICATION, LIGHT AND WATER		5,525,949
g DIRECTORS' FEES		628,040
h INSURANCE		5,999,982
i OTHERS		3,017,149
▼		
i.1 MISCELLANEOUS		1,863,309
i.2 REPAIRS AND MAINTENANCE		1,044,590
i.3 SUPPLIES		99,732
i.4 OFFICE SUPPLIES		9,518
18 Total Ordinary Allowable Itemized Deductions <i>(Sum of Items 1 to 17i) (To Part IV Item 34)</i>		80,878,728
Schedule II - Special Allowable Itemized Deductions <i>(Attach additional sheet/s, if necessary)</i>		
Description	Legal Basis	Amount
1		0
2		0
3		0
4		0
▼		
5 Total Special Allowable Itemized Deductions <i>(Sum of Items 1 to 4) (To Part IV Item 35)</i>		0

BIR Form No. 1702-RT January 2018(ENCS) Page 4	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P4
Taxpayer Identification Number (TIN) 002 - 856 - 627 - 000		Registered Name ACESITE PHILS HOTEL CORPORATION

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)	
1 Gross Income (From Part IV Item 33)	2,216,970
2 Less: Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	80,878,728
3 Net Operating Loss (Item 1 Less Item 2) (To Schedule IIIA, Item 7A)	(78,661,758)

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)		
Net Operating Loss		B) NOLCO Applied Previous Year
Year Incurred	A) Amount	
4 2023	78,661,758	0
5 2022	14,483,139	0
6 2021	59,520,609	0
7 2020	69,812,429	0

Continuation of Schedule IIIA (Item numbers continue from table above)

C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) [E = A Less (B + C + D)]
4 0	0	78,661,758
5 0	0	14,483,139
6 0	0	59,520,609
7 0	0	69,812,429
8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV, Item 36)	0	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)			
Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1	0	0	0
2	0	0	0
3	0	0	0

Continuation of Schedule IV (Item numbers continue from table above)

D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1 0	0	0	0
2 0	0	0	0
3 0	0	0	0
Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV Item 47)		0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)	
1 Net Income/(Loss) per books	(85,484,366)
Add: Non-deductible Expenses/Taxable Other Income	
2 REPRESENTATION EXPENSE	3,442,662
3 OTHERS	6,458,428
⬇	
3.1 RETIREMENT EXPENSE	1,163,168
3.2 INTEREST EXPENSE ON LEASE LIABILITY	3,233,521
3.3 DEPRECIATION	2,061,739
4 Total (Sum of Items 1 to 3)	(75,583,276)
Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5 INTEREST INCOME	3,063,281
6 FOREIGN EXCHANGE	15,201
⬇	
B) Special Deductions	
7	0
8	0
⬇	
9 Total (Sum of Items 5 to 8)	3,078,482
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)	(78,661,758)



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Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

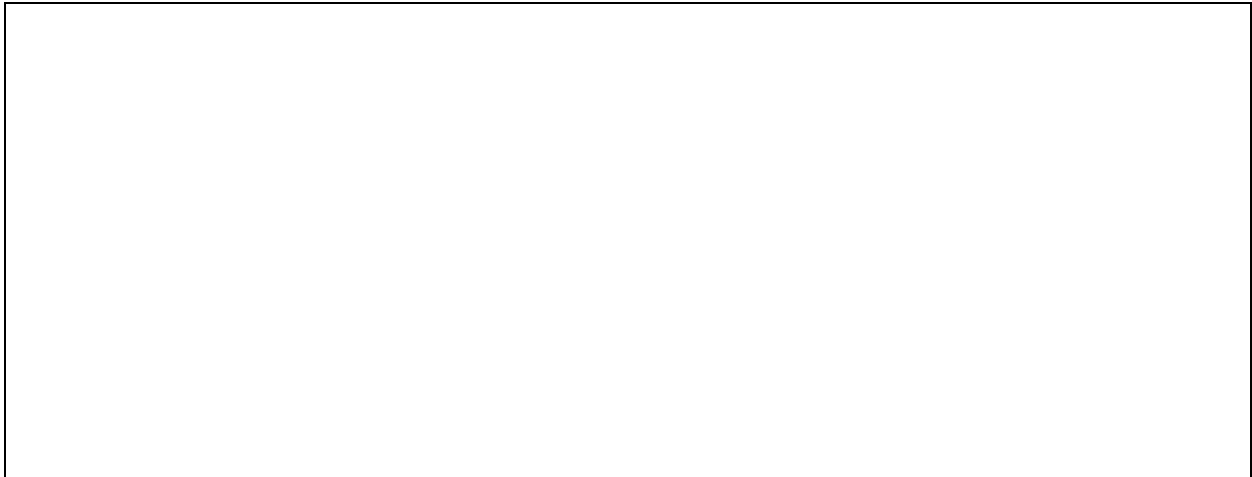
Company Details	
Name of Organization	ACESITE (PHILS.) HOTEL CORPORATION
Location of Headquarters	Manila City, Philippines
Location of Operations	Outlined in Item 2 of page 6 of this report
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Outlined in Item 13 found in page 21 of this report.
Business Model, including Primary Activities, Brands, Products, and Services	The Company operates the Waterfront Manila Hotel and Casino which is engaged in hotel operations and restaurant operations. Operations have temporarily ceased due to the renovation project of the property
Reporting Period	For the year ended December 31, 2023
Highest Ranking Person responsible for this report	COMPLIANCE OFFICER - MR. RICHARD RICARDO

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics. ¹
<p>Acesite Phils. Hotel Corporation has considered the significant economic, environmental, and social impacts. In the definition of the materiality, the Company has considered different factors such as key organizational values and policies, laws and regulations of the local government, and the recent issues in the economy.</p> <p>The SASB Materiality Map is referenced in the SEC Memorandum Circular No. 4, Series of 2009 on the Sustainability Reporting Guidelines for Publicly-Listed Companies.</p> <p>Per assessment, the Corporation identifies the following issues as most likely to affect the economic, environmental and social impacts of the Corporation:</p> <ol style="list-style-type: none">1. Environmental - Energy Management, Waste and Wastewater Management2. Social - Labor Practices, Product and/or Service Quality and Safety3. Economic - Supply Chain Management

¹ See [GRI 102-46](#) (2016) for more guidance.



ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	-	PhP
Direct economic value distributed:		
a. Operating costs	63,415,187	PhP
b. Employee wages and benefits	25,025,898	PhP
c. Payments to suppliers, other operating costs		PhP
d. Dividends given to stockholders and interest payments to loan providers		PhP
e. Taxes given to government	-	PhP
f. Investments to community (e.g. donations, CSR)		PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The impact is seen during the temporary suspension of operations, where the business has generated zero revenue.	Employees, Suppliers, Customers	Mobilizes the renovations and rebuilding project in order to target the resumption of the operations. .
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The risks identified are various causes of delays in the renovation and rebuilding project.	Stockholders	The Company has teamed up a core group of engineers and architects In order to mitigate all the risks.

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Modernization of the designs and technology in the hospitality business.	The Company has taken the opportunity	The Company has taken the opportunity to upgrade the property through planning and implementing new and modern designs.

Climate-related risks and opportunities²

The Company has not put into place risk controls on the impact of climate-related issues on the company. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and complexity of operations of the Company.

Governance	Strategy	Risk Management	Metrics and Targets
N/A			
Recommended Disclosures			
N/A			

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach

² Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

There is significant decrease in the procurement of operational materials due to the temporary closure of the property.	Local Industry Suppliers	The Management has kept its relationship with its suppliers despite the reduction of the purchases.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	NIL	#
Number of incidents in which employees were dismissed or disciplined for corruption	NIL	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	NIL	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	N/A	GJ
Energy consumption (gasoline)	N/A	L
Energy consumption (LPG)	N/A	Kg
Energy consumption (diesel)	N/A	L
Energy consumption (electricity)	419,240	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	N/A	GJ
Energy reduction (LPG)	N/A	GJ
Energy reduction (diesel)	N/A	GJ
Energy reduction (electricity)	N/A	kWh
Energy reduction (gasoline)	N/A	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	N/A	Cubic meters
Water consumption	2,970	Cubic meters
Water recycled and reused	N/A	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Materials used by the organization

The Company g currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	N/A	kg/liters
• non-renewable	N/A	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	N/A	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

The company currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	
Habitats protected or restored	-	
IUCN ³ Red List species and national conservation list species with habitats in areas affected by operations	-	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

³ International Union for Conservation of Nature

Environmental impact management

[The company currently does not have sufficient information to assess risks and opportunities under this category.](#)

[Air Emissions](#)

[GHG](#)

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	-	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	-	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	-	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

[Air pollutants](#)

[The Company currently does not have sufficient information to assess risks and opportunities under this category.](#)

Disclosure	Quantity	Units
NO _x	-	kg
SO _x	-	kg
Persistent organic pollutants (POPs)	-	kg
Volatile organic compounds (VOCs)	-	kg
Hazardous air pollutants (HAPs)	-	kg
Particulate matter (PM)	-	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Solid and Hazardous Wastes

The Company currently does not have sufficient information to assess risks and opportunities under this category.

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated		kg
Reusable	-	kg
Recyclable	-	kg
Composted	-	kg
Incinerated	-	kg
Residuals/Landfilled	-	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	N/A	kg
Total weight of hazardous waste transported	N/A	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Effluents

The Company currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
Total volume of water discharges	-	Cubic meters
Percent of wastewater recycled	-	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Environmental compliance

The Company currently does not have sufficient information to assess risks and opportunities under this Category

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	-	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	-	#
No. of cases resolved through dispute resolution mechanism	-	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ⁴	23	#
a. Number of female employees	15	#
b. Number of male employees	8	#
Attrition rate ⁵	50%	rate
Ratio of lowest paid employee against minimum wage	728:610	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	65%	35%
PhilHealth	Y	65%	35%
Pag-ibig	Y	65%	35%
Parental leaves	Y	65%	35%
Vacation leaves	Y	100%	100%
Sick leaves	Y	65%	35%
Medical benefits (aside from PhilHealth))	Y	65%	35%
Housing assistance (aside from Pag-ibig)	N	0%	0%
Retirement fund (aside from SSS)	Y	0%	0%
Further education support	N	0%	0%
Company stock options	N	0%	0%
Telecommuting	N	0%	0%
Flexible-working Hours	N	0%	0%
(Others)	N	0%	0%

⁴ Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

⁵ Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Due to the temporary closure of business, the operation has downsized into skeletal workforce.	The Company has set its manning count on a minimum level.
What are the Risk/s Identified?	Management Approach
N/A	N/A
What are the Opportunity/ies Identified?	Management Approach
N/A	N/A

Employee Training and Development

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The improvement of the overall competence of the employees including the skills necessary for their jobs as well as improvement of their knowledge pertaining to the hotel and leisure industry.	There are external trainings being joined by the employees provided by the Company.
What are the Risk/s Identified?	Management Approach
Because of limited funding, not everyone could get external training.	Management exercises an echo training program wherein employees sent on outside trainings will be tasked to echo what they've learned from their trainings through mini-learning sessions with their peers.
What are the Opportunity/ies Identified?	Management Approach
Continuous and sustained trainings will ensure quality of work.	Each department are evaluated every period for the number of training hours that the department has undertaken.

Labor-Management Relations

N/A

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	N/A	%
Number of consultations conducted with employees concerning employee-related policies	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	
What are the Risk/s Identified?	Management Approach
N/A	
What are the Opportunity/ies Identified?	Management Approach
N/A	

Diversity and Equal Opportunity

The Company currently does not have an adequate number of employees from the vulnerable sector to make an assessment of impacts, risks and opportunities under this category.

Disclosure	Quantity	Units
% of female workers in the workforce	87%	%
% of male workers in the workforce	13%	%
Number of employees from indigenous communities and/or vulnerable sector*	N/A	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	
What are the Risk/s Identified?	Management Approach
N/A	
What are the Opportunity/ies Identified?	Management Approach
N/A	

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	57,592	Man-hours
No. of work-related injuries	N/A	#
No. of work-related fatalities	N/A	#
No. of work related ill-health	0	#
No. of safety drills	4	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The impact lies in the overall safety of the employees when they are performing their tasks.	Management provides for policies that ensure that the workplace is a safe environment for its employees.
What are the Risk/s Identified?	Management Approach
Violations of the existing standard workplace conditions will result into penalties levied by the Department of Labour and Employment.	Each of the hotel properties have an established safety and security committee that ensures compliance with the standards set by the respective regulatory agencies.
What are the Opportunity/ies Identified?	Management Approach
To improve on the safety and security measures.	Regular evaluation of safety procedures including drills and trainings.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	
Child labor	Y	Policy on allowable age for hiring
Human Rights	Y	Policy on Anti Sexual Harassment

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
This directly impacts the welfare of the employees. The organization can provide safety nets to ensure that employees are protected.	The Employee Company Policy set in the Employee Handbook provides in detail what are the rights of the employees whilst employed by the organization.

What are the Risk/s Identified?	Management Approach
Possibility of aired grievances and lawsuits	Management provides for a process to ensure that rights of employees are protected.
What are the Opportunity/ies Identified?	Management Approach
If the policies are religiously followed, a harmonious work environment can be achieved.	Consultation with legal counsel is always done before performing any activities that will affect employee welfare.

Supply Chain Management

N/A

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	N	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	
What are the Risk/s Identified?	Management Approach
N/A	
What are the Opportunity/ies Identified?	Management Approach
N/A	

Relationship with Community

Significant Impacts on Local Communities

The Company currently does not have an adequate number of employees from the vulnerable sector to make an assessment of impacts, risks and opportunities under this category.

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for	Mitigating measures (if negative) or enhancement measures (if positive)

be business operations)				the community	
1. N/A					
2. N/A					
3. N/A					
4. N/A					

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____

Certificates	Quantity	Units
FPIC process is still undergoing	-	#
CP secured	-	#

What are the Risk/s Identified?	Management Approach
N/A	
What are the Opportunity/ies Identified?	Management Approach
N/A	

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction Revinate Reviews	N/A	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	
What are the Risk/s Identified?	Management Approach
N/A	
What are the Opportunity/ies Identified?	Management Approach
N/A	

Health and Safety

The Company currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*		#
No. of complaints addressed		#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	
What are the Risk/s Identified?	Management Approach
N/A	
What are the Opportunity/ies Identified?	Management Approach
N/A	

Marketing and labelling

The Company currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*		#
No. of complaints addressed		#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	
What are the Risk/s Identified?	Management Approach

N/A	
What are the Opportunity/ies Identified?	Management Approach
N/A	

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
This impacts the confidentiality of customer information.	Management follows a set of strict procedures that safeguards the information provided by customers.
What are the Risk/s Identified?	Management Approach
Risks that customer information might get leaked.	Management has provided both manual and technological safety nets to protect customer information from getting leaked.
What are the Opportunity/ies Identified?	Management Approach
N/A	

Data Security

The Company currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	-	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The proper implementation of the Data Privacy Act of 2012 has been put into measures.	The Company has assigned a Data Privacy Officer in order to ensure that data security measures are implemented.
What are the Risk/s Identified?	Management Approach
N/A	
What are the Opportunity/ies Identified?	Management Approach
N/A	

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Hotel and Leisure Food and Beverage Service	Contributes in the generation of more decent work and economic growth.	Opportunities to offer jobs to the vulnerable sector are scarce.	Management can assess procedures and existing policies to find more opportunities to provide for the vulnerable sector.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

This SEC Form shall be used as a tool to disclose Publicly-Listed Companies' compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for Publicly-Listed Companies, which follows the "comply or explain" approach, and for harmonizing the corporate governance reportorial requirements of the SEC and the Philippine Stock Exchange (PSE).

B. Preparation of Report

These general instructions are not to be filed with the report. The report shall contain the numbers and captions of all items.

The I-ACGR has four columns, arranged as follows:

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>Contains CG Practices/ Policies, labelled as follows:</p> <p>(1) "Recommendations" – derived from the CG Code for PLCs;</p> <p>(2) "Supplement to Recommendation"– derived from the PSE CG Guidelines for Listed Companies;</p> <p>(3) "Additional Recommendations"–CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and</p> <p>(4) "Optional Recommendation"– practices taken from the ASEAN Corporate Governance Scorecard</p> <p>*Items under (1) – (3) must be answered/disclosed by the PLCs following the "comply or explain" approach. Answering of items under (4) are left to the discretion of PLCs.</p>	<p>The company shall indicate compliance or non-compliance with the recommended practice.</p>	<p>The company shall provide additional information to support their compliance with the recommended CG practice</p>	<p>The PLCs shall provide the explanations for any non-compliance, pursuant to the "comply or explain" approach.</p> <p>Please note that the explanation given should describe the non-compliance and include how the overall Principle being recommended is still being achieved by the company.</p> <p>*"Not Applicable" or "None" shall not be considered as sufficient explanation</p>

C. Signature and Filing of the Report

- a. Three (3) copies of a fully accomplished I-ACGR shall be filed with the Main Office of the Commission **on or before May 30 of the following year for every year that the company remains listed in the PSE;**
- b. At least one (1) complete copy of the I-ACGR shall be duly notarized and shall bear **original and manual** signatures
- c. The I-ACGR shall be signed under oath by: (1) Chairman of the Board; (2) Chief Executive Officer or President; (3) All Independent Directors; (4) Compliance Officer; and (5) Corporate Secretary.
- d. The I-ACGR shall cover all relevant information from January to December of the given year.
- e. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 2023
2. SEC Identification Number 7199 3. BIR Tax Identification No. 002-856-627-000
4. Exact name of issuer as specified in its charter. ACESITE (PHILS.) HOTEL CORPORATION
5. Manila, Philippines
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. 8th Floor Waterfront Manila Hotel and Casino, UN Ave., corner M. Orosa St., Ermita, Manila. 1000
Address of principal office Postal Code
8. (632) 8526-12-12/ 8231-10-73
Issuer's telephone number, including area code
9. _____
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

COMPLIANT/
NON-
COMPLIANT

ADDITIONAL INFORMATION

EXPLANATION

The Board's Governance Responsibilities

Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.

Recommendation 1.1

1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	1. Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT		

Recommendation 1.2

1. Board is composed of a majority of non-executive directors.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
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Recommendation 1.3

1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Company has an orientation program for first time directors.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the	

3. Company has relevant annual continuing training for all directors.	COMPLIANT	Board of Directors on 25 May 2017. of directors for the previous year, including the number of hours attended and topics covered.	
Recommendation 1.4			
1. Board has a policy on board diversity.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017. There are 2 female members in the Board.	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	NOT COMPLIANT	Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity. Provide link or reference to a progress report in achieving its objectives.	Policy for board diversity being formulated and currently under review.
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	Every year an in-house training for Corporate Governance. This year it was held on November 7, 2023 * Certificate of Attendance	
Optional: Recommendation 1.5			

1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	NOT COMPLIANT	Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting.	Materials are distributed as needed, five day notice not practicable as some matters required immediate attention.
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		
3. Compliance Officer is not a member of the board.	COMPLIANT		
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	Every year an in-house training for Corporate Governance. * Certificate of Attendance	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT		
Supplement to Recommendation 2.2			

1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 2.4			
Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017. * The directors have no retirement plan.	
1. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT		
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	NOT COMPLIANT	Provide proof of board approval.	Policy being formulated and currently under review.

2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	NOT COMPLIANT	Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017. The Nomination Committee, composed of 3 voting directors (one is independent), is in charge of the screening of the candidates for a seat in the Board of Directors in accordance to the qualifications set in the Manual. Said Committee has also considered the disqualifications specifically enumerated. The Committee shall evaluate and screen nominees for director's vis-à-vis the applicable qualifications and disqualifications as set forth in the Company's Manual on Corporate Governance, By-Laws and other applicable policy, law or regulations while ensuring that said qualifications are in line with the strategic objectives of the Company.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT		
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		
Optional: Recommendation to 2.6			

1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	COMPLIANT	The nominees approved by the Board are recommended for election as directors at the meeting of the stockholders or the Board, as the case may be. In the search of potential nominees, the Committee may use external sources, such as professional search firms, director databases and/or other reputable external sources to further enhance the search for and widen the base of potential nominees.	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		
Supplement to Recommendations 2.7			

1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	COMPLIANT	<p>The Board discreetly defines the threshold for disclosure and approval of RPTs. The Corporation fully discloses the total amount of Related-party transactions.</p> <p>Information on RPT categories are disclosed in the Audited FS of 2023, attached to SEC 17A.</p>	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	<p>Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.</p> <p>The Board approves the selection and assesses the performance of the Management led by the CEO, and control functions led by their respective heads functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive). In the absence of the Compliance Officer, the Corporate Secretary acts in behalf.</p>	

2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT		
Recommendation 2.10			
Board oversees that an appropriate internal control system is in place.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
1. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT		
2. Board approves the Internal Audit Charter.	COMPLIANT	Periodically reviews the internal audit charter and presents it to Senior Management and the Board Audit Committee for Approval.	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	

2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT		
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	The BOD does have a Board Charter, since it currently follows the Corporation's New Manual on Corporate Governance and by-laws in the exercise of its duties and functions.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	COMPLIANT	The Corporation currently does have an insider trading policy. However, under the Corporation's New Manual on Corporate Governance, every director shall ensure that it conducts fair business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation. https://www.waterfronthotels.com.ph/wpi-company-policies/	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	COMPLIANT	The Corporation has a policy on Related Party Transactions.	

2. Company discloses the types of decision requiring board of directors' approval.	COMPLIANT	The Corporation has a policy on Related Party Transactions.	
<p>Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	<p>Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.</p> <p>The Audit Committee is responsible for recommending to the Board of Directors the appointment and/or removal of the Corporation's external auditor.</p>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	

4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	Mr. Aristeo Cruz is the Chairperson of the Corporation's Audit Committee, while Mr. Arthur Lopez is the Chairman of the Board.	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
2. Audit Committee approves the appointment and removal of the internal auditor.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	

3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Optional: Recommendation 3.3			
1. Corporate Governance Committee meet at least twice during the year.	NOT COMPLIANT	Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	Corporate Governance Committee schedules meetings as deemed necessary by their chairman.
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	Organizational meeting of the Board of Directors held last October 10, 2023. Election of officers and appointment has been taken place.	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	Organizational meeting of the Board of Directors held last October 10, 2023. Election of officers and appointment has been taken place.	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	Organizational meeting of the Board of Directors held last October 10, 2023. Election of officers and appointment has been taken place.	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	Organizational meeting of the Board of Directors held last October 10, 2023. Election of officers and appointment has been taken place.	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT	Organizational meeting of the Board of Directors held last October 10, 2023. Election of officers and appointment has been taken place.	

2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	COMPLIANT	Organizational meeting of the Board of Directors held last October 10, 2023. Election of officers and appointment has been taken place.	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	The BOD does have a Committee Charter, since it currently follows the Corporation's New Manual on Corporate Governance and by-laws in the exercise of its duties and functions.	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT		
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	http://www.waterfronthotels.com.ph/acesite/	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A); Minutes of the Meeting dated January 29; February 10; March 16; May 2 and 3; June 9; August 11; September 12; October 10 and 19.	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	*As part of its specific functions.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A); Minutes of the Meeting dated January 29; February 10; March 16; May 2 and 3; June 9; August 11; September 12; October 10 and 19.	
Recommendation 4.2			

1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017. The Board may consider the adoption of guidelines on the number of directorships that its members can hold in other corporations to ensure diligent and efficient performance of their responsibilities to the Company.	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	NOT COMPLIANT	*SEC 20IS Definitive	
2. Company schedules board of directors' meetings before the start of the financial year.	COMPLIANT	*SEC 20IS Definitive	
3. Board of directors meet at least six times during the year.	COMPLIANT	*SEC 20IS Definitive	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	COMPLIANT	*SEC 20IS Definitive	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	

2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	COMPLIANT	Mr. Arthur Lopez is the Chairman of the Board and an independent director.	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	NOT COMPLIANT	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.	The Corporation has put into place risk controls. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and complexity of operations of the Corporation.
2. The meetings are chaired by the lead independent director.	NOT COMPLIANT		The Corporation has put into place risk controls. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and complexity of operations of the Corporation.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	COMPLIANT	CEO is Mr. Kenneth T. Gathchalian, concurrently a director.	

Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	The Board annually conducts a self-evaluation using a process approved by the Corporate Governance/Nominating Committee. The Audit, Corporate Governance/Nominating, Compensation/ Human Resources and Finance Committees are each required by their written charters to conduct annual self-evaluations.	
2. The Chairman conducts a self-assessment of his performance.	COMPLIANT		
3. The individual members conduct a self-assessment of their performance.	COMPLIANT		
4. Each committee conducts a self-assessment of its performance.	COMPLIANT		
5. Every three years, the assessments are supported by an external facilitator.	NOT COMPLIANT	Identify the external facilitator and provide proof of use of an external facilitator.	The Corporation currently does not have an external facilitator that conducts assessments every three years. The BOD is reviewing the said recommendation.
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT		
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	

2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT		
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
Supplement to Recommendations 8.1			

1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A). and Quarterly Reports (SEC 17Q1, 17Q2, and 17Q3)	
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT		
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
Recommendation 8.3			

1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	

2. Company discloses material or significant RPTs reviewed and approved during the year.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A). and SEC Form 17C available at the Company's website.	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	COMPLIANT	The Board of Directors has previously engaged an independent real property appraiser in the determination of the value of the Corporation's building.	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 8.7			

1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT		
3. Company's MCG is posted on its company website.	COMPLIANT		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	COMPLIANT	Kindly refer to the link: http://edge.pse.com.ph/openDiscViewer.do?edge_no=26227656d7abf5fc3318251c9257320d#sthash.krrdwW9p.dpbs	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A). Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
a. Corporate Objectives			
b. Financial performance indicators			
c. Non-financial performance indicators			
d. Dividend Policy			
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors.			
f. Attendance details of each director in all directors meetings held during the year.			
g. Total remuneration of each member of the board of directors.			

2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	

2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	

Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 9.3			

1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	The Corporation's current external auditor is R.G. Manabat & Co. Mr. Darwin P. Virocel is the signing partner assigned to the Corporation, & Mr. Oliver Bucao as the Audit Lead.	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	COMPLIANT	The external auditor, R.G. Manabat & Co., was not inspected in 2023 by the SOAR inspection team. However, they were inspected on July 2019 on selected engagements, details of which are part of the confidential information that is in the records on file of the SOAR.	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:		Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
a. Financial statements/reports (latest quarterly)	COMPLIANT		
b. Materials provided in briefings to analysts and media	COMPLIANT		
c. Downloadable annual report	COMPLIANT		
d. Notice of ASM and/or SSM	COMPLIANT		
e. Minutes of ASM and/or SSM	COMPLIANT		

f. Company's Articles of Incorporation and By-Laws	COMPLIANT		
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	The Corporation has established an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board has appointed an Internal Auditor guided by the International Standards on Professional Practice of Internal Auditing.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	Please refer to the Corporation's Definitive Information Statement for year 2017, the Corporation's New Manual on Corporate Governance, the Corporation's Annual Report for the year 2023.	
Supplement to Recommendations 12.1			

<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	<p>COMPLIANT</p>	<p>Please refer to the Corporation's Definitive Information Statement for year 2017, the Corporation's New Manual on Corporate Governance, and the Corporation's Annual Report for the year 2023.</p>	
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Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	COMPLIANT	IT cyber security is in place, with Mr. Patrick Basobas as the IT executive of the group.	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	The Board has internally appointed Ms. Aiza Pasayloon - Famador as the Chief Audit Executive.	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	The Board has internally appointed Ms. Aiza Pasayloon - Famador as the Chief Audit Executive.	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	COMPLIANT	The Board has internally appointed Ms. Aiza Pasayloon - Famador as the Chief Audit Executive.	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	COMPLIANT	The Board has internally appointed Ms. Aiza Pasayloon - Famador as the Chief Audit Executive.	

Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	The Risk Management Committee has evaluated the transaction in accordance with certain norms, including investment risk, market liquidity, projected price-earnings ratio, net asset value and control ability, and has concluded that the investment is fair and reasonable at the acquisition price and volumes.	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	COMPLIANT	The Corporation has Risk Management Committee.	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT	The Chief Risk Officer is Atty. Lamberto Mercado, Jr.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT	SEC 17-A 2023, Item 9 Directors and Executive Officers of the Registrant	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	COMPLIANT	For report completion, a report was given to the Chief Executive Officer by the Audit Executive thru company's registered email.	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			

1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
7. Company has a transparent and specific dividend policy.	COMPLIANT	The Company has not issue dividends since the year 2000. However, it promises to declare dividends once the deficit is offset and the market for the coming years proper.	

Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	COMPLIANT	The voting can be done online with the company's website.	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	COMPLIANT	<p>The Notice has been sent out to the Stockholders' at least 28 days prior to the Shareholders' Annual Meeting.</p> <p>Distribution of notice of stockholders' meeting, definitive information statement, proxy form and management report which is at least fifteen (15) business days from the date of the annual stockholders' meeting (SRC Rule 20. 3, C , iv) and at least two (2) weeks prior to the annual stockholders' meeting (Art. II, Sec. 4, By-laws).</p>	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
b. Auditors seeking appointment/re-appointment	COMPLIANT	SEC 20IS-Definitive contains all necessary information and references.	
c. Proxy documents	COMPLIANT	SEC 20IS-Definitive contains all necessary information and references.	

Optional: Recommendation 13.2

1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	<p>The agenda during the Annual Stockholders held last October 10, 2023 are as follows:</p> <ol style="list-style-type: none">1. Call to Order;2. Certification of Notice and Quorum;3. Approval of the Minutes of the Previous Stockholders' Meeting;4. President's Report to the Stockholders for the Year 2023 and the approval of the Audited Financial Statements as of December 31, 2022;5. Ratifications of the Acts of the Board and Management;6. Election of the Board of Directors to Serve for the Term 2023-2024;7. Appointment of External Auditor for the year 2023-2024;8. Appointment of External Counsel for the year 2023-2024 and9. Other matters; and10. Adjournment.	
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Recommendation 13.3

1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	

Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	COMPLIANT	<p>Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite</p> <p>Representatives of said firm are expected to be present at the stockholders' meeting, and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.</p>	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	<p>Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.</p> <p>Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite</p>	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	Investor Relation Officer is Mr. Richard Ricardo.	
2. IRO is present at every shareholder's meeting.	COMPLIANT	Investor Relation Officer is Mr. Richard Ricardo has attended the ASM.	

Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	The Corporation adopts a one share, one vote policy. Thus, minority is adequately represented in shareholder actions. Please see the Corporation's by-laws and Manual on Corporate Governance.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	COMPLIANT	Company has more than thirty percent (30%) public float to increase liquidity in the market.	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	COMPLIANT	Sending notices and invitations to shareholders	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	COMPLIANT	The company complies with the rules on teleconferencing for stockholders meetings and voting can be done with the company's website.	
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	

Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	COMPLIANT	The Corporation, through its Board of Directors, shall establish an alternative dispute resolution system that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including regulatory authorities.	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
2. Company respects intellectual property rights.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
Optional: Principle 14			

1. Company discloses its policies and practices that address customers' welfare	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
2. Company has policies and practices on health, safety and welfare of its employees.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
3. Company has policies and practices on training and development of its employees.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 15.2			

1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	

Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

Recommendation 16.1

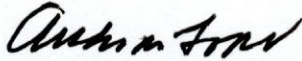
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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Optional: Principle 16

1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	
2. Company exerts effort to interact positively with the communities in which it operates	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2023 (SEC 17A).	

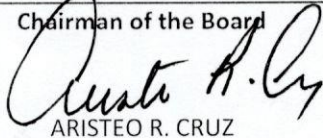
Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned; thereunto duly authorized, in the City of CITY OF MANILA on MAY 30 2024, 2024.

SIGNATURES



ARTHUR M. LOPEZ

Chairman of the Board




ARISTEO R. CRUZ

Independent Director


RENATO C. FRANCISCO

Independent Director


RICHARD L. RICARDO

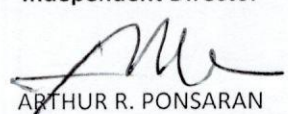
Compliance Officer


KENNETH T. GATCHALIAN

President

NOEL M. CARIÑO

Independent Director


ARTHUR R. PONSARAN


Corporate Secretary

SUBSCRIBED AND SWORN to before me this _____ day of MAY 30 2024 2024, affiant(s) exhibiting to me their _____, as follows:

NAME/NO.	TIN ID
Arthur M. Lopez	181-980-515
Kenneth T. Gatchalian	167-406-526
Aristeo R. Cruz	108-672-299
Noel M. Cariño	106-809-774
Renato C. Francisco	138-641-391
Arthur R. Ponsaran	127-640-176
Richard L. Ricardo	140-457-860

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ATTY. PETER ANTHONY T. MALLARI
Notary Public until December 31, 2024
Notarial Commission # 2023-210
1155 Gen. Luna St., Ermita Manila
IBP # 317318, Roll# 77587 TIN: 133-031-552
PTR# 1527774 / 1-02-2024 Mla.
MCLE VIII# 0002695