Outlook

Annual Report

From Philippine Stock Exchange <no-reply@pse.com.ph>
Date Mon 19 May 2025 9:05 AM
To Abbie Claire Dulanas <a.dulanas@waterfronthotels.net>; ajponsaran@ccplaw.com.ph <ajponsaran@ccplaw.com.ph>; sigmahanon@yahoo.com <sigmahanon@yahoo.com>; Waterfront Philippines Inc. <wpi@waterfronthotels.net>; disclosure@pse.com.ph <disclosure@pse.com.ph>

Dear Sir/Madam:

Your disclosure was approved as Company Report. Details are as follows:

Company Name: Waterfront Philippines, Incorporated
Reference Number: 0016700-2025
Date and Time: Monday, May 19, 2025 09:04 AM
Template Name: Annual Report
Report Number: CR03631-2025

Best Regards,
PSE EDGE

WATERFRONT
PHILIPPINES

April 14, 2025

ATTY. JOHANNE DANIEL M. NEGRE
OFFICER-IN-CHARGE, DISCLOSURE DEPARTMENT
4/F Philippine Stock Exchange, Inc.
PSE Centre, Exchange Road, Ortigas Center
Pasig City, Metro Manila

Dear Atty. Johanne Daniel M. Negre,

We submit herewith the Annual Report (SEC 17-A) of WATERFRONT PHLIPPINES, INC. for the year ended December 31, 2024.

Thank you for your kind attention.

Very truly yours,

Amando J. Ponsaran, Jr
Asst. Corporate Secretary

Cc:

Securities and Exchange Commission
Mandaluyong City

Waterfront Philippines Inc.
7th Floor, Manila Pavilion Hotel
United Nations Avenue corner Ma. Orosa St.
Manila 1000 Philippines
Tel.: (63-2) 559-0888 Fax: (63-2) 559-0129
Email: corporateoffice@waterfronthotels.net
Website: www.waterfronthotels.com.ph

COVER SHEET

A S 0 9 4 - 8 6 7 8

SEC Registration No.

W A T E R F R O N T P H I L I P P I N E S , I N C .

(Company's Full Name)

N O . 1 W A T E R F R O N T D R I V E

O F F S A L I N A S D R I V E L A H U G

C E B U C I T Y

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

EVANGELINE SOLIVERES	**(02) 8706-7888**
Contact Person	Contact Telephone No.

1 2 3 1	**17A 2024**	**During the month of September**
Calendar Year	FORM TYPE	Month Day Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

426		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSIONSEC 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, 2024

2. SEC Identification Number
   AS 094-8678

3. BIR Tax Identification No.
   D80-003-978-254 NV

4. Exact name of issuer as specified in its charter
   WATERFRONT PHILIPPINES, INC.

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

6. Industry Classification Code (SEC Use Only)

7. Address of principal office
   No. 1 WATERFRONT DRIVE OFF SALINAS DRIVE LAHUG, CEBU CITY 6000

8. Issuer's telephone number, including area code
   (032) 232 6888

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	2,498,991,753

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

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. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in “Annex B”). Aggregate market value of the voting stock held by non-affiliates of the registrant.

Unaffiliated shares	:	1,330,172,423
Last Trading Price	:	Php 0.400 as of May 13, 2025
Aggregate Market Value:		Php 532,068,969.20

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 – Not applicable

(b) Any information statement filed pursuant to SRC Rule 20 – Not applicable

(c) Any prospectus filed pursuant to SRC Rule 8.1 – Not applicable

WATERFRONT PHILIPPINES, INCORPORATED

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, 2024**	
Currency (indicate units, if applicable)	PHP	
Balance Sheet		
	Year Ending	**Previous Year Ending**
	DECEMBER 31, 2024	**DECEMBER 31, 2023**
Current Assets	**4,561,995,120**	**4,858,219,040**
Total Assets	**22,411,697,891**	**21,406,466,898**
Current Liabilities	**2,531,479,659**	**2,658,409,343**
Total Liabilities	**7,684,635,391**	**8,285,743,566**
Retained Earnings	**3,380,840,212**	**2,312,850,611**
Stockholders' Equity	**14,727,062,500**	**13,120,723,332**
Stockholders' Equity - Parent	**12,384,330,712**	**11,521,383,035**
Book Value per Share	**4.96**	**4.61**
Income Statement		
	Year Ending	**Previous Year Ending**
	DECEMBER 31, 2024	**DECEMBER 31, 2023**
Operating Revenue	**1,907,759,090**	**1,764,270,270**
Other Revenue	**43,781,042**	**39,316,103**
Gross Revenue	**1,951,540,132**	**1,803,586,373**
Operating Expense	**836,862,675**	**729,935,355**
Other Expense	**594,349,684**	**413,697,247**
Gross Expense	**1,431,212,359**	**1,143,632,602**
Net Income Before Tax	**1,759,052,605**	**146,184,690**
Income Tax Expense	**154,365,872**	**107,627,968**
Net Income After Tax	**1,604,686,733**	**38,556,722**
Net Income Attributable to Parent Equity Holder	**860,732,359**	**68,843,761**
Earnings Per Share (Basic)	**0.34**	**.028**
Earnings Per Share (Diluted)	**0.34**	**.028**
EFPS Trailing 12 months	**0.627**	**(.066)**

Financial Ratios	Formula	December 31, 2024	December 31, 2023
Liquidity Analysis Ratios:			
Current Ratio	Current Assets / Current Liabilities	1.802	1.827
Quick Ratio	(Current Assets - Inventory - Prepayments)/ Current Liabilities	0.889	0.620
Solvency Ratio	Total Assets / Total Liabilities	0.295	0.080
Debt Ratio	Total Debt / Total Assets	0.343	0.387
Debt-to-Equity Ratio	Total Debt / Total Stockholders' Equity	0.621	0.719
Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	5.176	0.129
Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	1.810	1.858
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service/ Sales	26.7%	36.6%
Net Profit Margin	Net Profit / Sales	82.23%	2.14%
Return on Assets	Net Income before Tax/ Total Assets	7.32%	0.18%
Return on Equity	Net Income before Tax / Total Stockholders' Equity	12.96%	0.33%
Price / Earnings Ratio	Price Per Share / Earnings Per Common Share	1.074	13.612

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Waterfront Philippines, Incorporated *(WPI)* was registered with the Securities and Exchange Commission *(SEC)* on September 23, 1994, as an investment holding company for hotel, leisure, and tourism businesses.

As flagship of the The Wellex Group's hotel and gaming interests, WPI has the following subsidiaries under its fold--Waterfront Cebu City Casino Hotel, Inc. (WCCCHI) in Cebu City, Waterfront Mactan Casino Hotel, Inc. (WMCHI) in Mactan, Cebu and Davao Insular Hotel Company, Inc. *(DIHCI)* in Davao City. These properties are significant investments for WPI. In 2003, the company acquired common shares of ACESITE (Phils.) Hotel Corporation, operating under the trade name Manila Pavilion Hotel, which is now part of the Waterfront group of hotels.

The hotels fit WPI's continuous geographic diversification strategy and they are appropriate candidates for broad product renovation and operational repositioning. The hotels are well positioned in their respective markets, considering the presence of international airports in their locality. Studies indicate that international airports are major generators of lodging demand.

WPI is one of the largest hotel chains in the Philippines, providing much-needed support to the tourism industry's vision for growth. Our hotel experience is highly integrated, offering the best of business and leisure.

The Company has strengthened its brand visibility and continues to expand in innovative ways, using technology and new media to our advantage.

Marketing

Waterfront gives a wide range of business-related conveniences to ensure that our guests enjoy a productive stay. Our special attention to details, well-equipped business centers, accessibility, unrivaled facilities and presence in major cities of the Philippines make us best positioned to cater to the business traveler's needs. Our approach has always been in rejuvenating our hotels and its amenities, promoting the quality of our guest services and programs and empowering our personnel. We offer the broad market with the balanced marketing mix: competitive room rates, premium, value-added guest programs, well-equipped function facilities and professional guest services. While vigorous competition has always been present between the Waterfront Group and other destinations and hotels, the Company has unfazingly regarded this as a welcome challenge and motivation on increasing its market share with a corresponding increase in average room rates and in actual room occupancies. As part of its marketing strategy, the company exercises flexible rates for contingencies, tie-ups with airlines, special occasion packages and other promos. Also, the massive efforts of our sales and marketing division in creating and implementing dynamic programs designed to search for customers and developing and maintaining their loyalties, have certainly added to the hotels' marketability. Coupled with the efforts of our public relations division in ensuring that the reputation of our hotels are kept free from negative publicity and its awareness of social responsibility, has certainly given marketing strategy a deeper meaning. The Company aims for building a strong relationship with our guests.

At the core of Waterfront's marketing strategy lies our powerful slogan: "We're at the center of it all." We aim to serve as the ultimate nexus for business, leisure, and entertainment. We are committed to delivering this message through innovative approaches, across various market segments, and via diverse media channels and touchpoints. Our hotel chain strategically communicates that we are a one-stop destination for all guests and patrons. Each property has its unique way of conveying this message—tailored to its locality, market and audience. We come up with relevant events, promotions, and marketing programs that highlight the culture of each region. We also ensure that we join programs that are relevant to varied international clients, as our top markets span Asia, US, the Middle East and Europe through our online distribution partners.

We continue to take advantage of investment opportunities, which will allow us to be a significant player in the casino and hotel arena nationwide. The Company has strengthened its brand visibility with an integrated marketing communications campaign that would invite continued patronage of its products and services. To complement its marketing and sales efforts, a unified visual advertising tool for all properties has been implemented.

Our Central Reservations System has made us the only integrated network of hotels in the country with a powerful presence through our 24/7 booking services. Anyone can book using a single 1-800 number 1-800-WFRONT8 (9376688) for all Waterfront Hotels nationwide.

We have made significant strides in the improvement of our “software”: our technology systems, service and people. Software is the lifeblood of our business--it provides a genuine connection with our customers through various touch points conveys the Waterfront brand in a personal manner and introduces new sales-generating streams in step with today’s growing online patronage.

We have further strengthened our online presence with the launch of our free mobile app for iOS and Android--the very first Filipino hotel chain to do so. We improved our e-newsletter with a software system upgrade. Our website sports a sleek, newly-revamped look with more features to allow easy booking and browsing of our properties. All three work synergistically to complete our user experience and add new avenues for accessing our brand. Our social media channels are also being managed full-time by a dedicated team, ensuring the seamless transfer of news and promotions updates in the most popular social media platforms for our clientele. Each presents a unique opportunity to touch base with our users in a platform of their preference, offering exciting deals and perks that pique their interest.

By the year 2016, we established and publicized the Waterfront Hotels and Casinos brand through an effective and strategic advertising effort in various publications such as glossy, local in-flight magazines. Through this, we can create strong presence and awareness of the new branding – “We’re at the Center of it All” and maintain visibility of the corporate brand in various publications.

We also made a strong presence abroad – Bangkok, Korea, Japan and Singapore - organized by Tourism Promotions Board and Department of Tourism. Joined with established Asia Pacific’s premier M.I.C.E. show which brings together the region’s top M.I.C.E. suppliers and key industry players to collectively sell Asia as an exciting and diverse M.I.C.E. destination. Exhibitors and participants have the opportunity to sell, negotiate and secure deals with more than 500 selected buyers and travel managers from regional and international M.I.C.E and corporate travel industries through pre-scheduled appointments.

By firmly and strategically addressing key areas in our business, we have transformed into a company that is formidable and efficient across all areas of our operations--the hallmark of an institution that remains tried and true and is confidently moving towards a new horizon.

WCCCHI

The group’s flagship property, demonstrated remarkable resilience and leadership in 2024. It continuous to be a creative initiator of events, being a desired venue for many culturally and socially relevant initiatives. In a remarkable return to normalcy, Cebu joyfully welcomed the much-anticipated bridal fair after a pandemic-induced hiatus of two years. Waterfront Cebu City Hotel and Casino underwent recent improvements to its function rooms and convention facilities. In recent years, the hotel made crucial improvements to its IT infrastructure, including a server migration and an upgrade to a virtual machine setup. WCCCHI is the largest convergence point of well-attended events in Cebu City. The hotel put up a vibrant celebration of Cebu’s much-anticipated annual festival, the Sinulog, with its Sinulog at the Waterfront series. The exciting events included a Sinulog dance presentation by Waterfront, the Comedy Caravan, and the highly successful Morisette concert during Sinulog weekend. It was a grand way to get things started in January. Waterfront was the exclusive venue for the Miss Cebu 2023 pageant, themed “Bridging Cebu to the World” and featuring the most beautiful candidates from all of Cebu’s municipalities. Several other pageants or pageant-related activities held in the hotel were the Miss Universe Philippines Cebu press reveal, the Hiyas ng Pilipinas 2023 coronation, and the Mrs. Cebu Philippines 2023 coronation night. WCCH also upheld its annual tradition of grand Chinese New Year celebrations. The year 2023—the Year of the Rabbit on the Chinese calendar—was welcomed with a vibrant celebration with magnificent dragon and lion dances by Hok San Lion Dance Cebu, a Yee Sang ceremony organized by Tin Gow Restaurant, and a stunning pyromusical display by Dragon Fireworks. The easter celebration of whimsical and imaginative ‘Enchanted Easter’ event was a hit with families, featuring games, snacks, giveaways, an exclusive play area, and various engaging activities. To celebrate Women’s Day and Women’s month in March, the hotel produced a video honoring the women on its team titled “Women of Waterfront: International Women’s Month 2023”. In the video, which was widely viewed on social media, Waterfront’s women Peers expressed their personal take on the meaning of Women’s Day.

In year 2024, the company promises to further expand not only through renovations but also through re-establishing a more stabilized online presence. In order to regain the property’s market share through the increase in revenue for both rooms and F&B, the hotel continues to utilize both traditional and new media by having an effective yet aggressive marketing campaign that offers a total experience of leisure, safety and comfort for its guests and clients.

In line with this, Waterfront Cebu City Hotel and Casino will continue to provide augmented opportunities and a positive viewpoint to distinguish itself from its competitors:

- To expand and increase the visibility and features of the events, rooms and F&B promotions for both print and online.
- To ensure the strength of the company’s brand presence locally and internationally.
- To partner with third-party food delivery services in providing guests and clients a safe and worry-free dining experience in the comforts of their homes and offices.
- To come up, implement and produce marketing strategies and collaterals taking into consideration the new normal measures mandated by the government and other health agencies.
- To provide a positive and safe hotel experience to all our guests with full attention even to the slightest detail.
- To solidify existing relationship for network growth among VIP and members of the media.

With this year’s objectives, together with the improvements of the past years, the property will remain a leading institution as the biggest convention center in the Visayas and Mindanao regions. And in the course of providing guests with excellent services and accommodations they truly deserve, Waterfront Cebu has garnered numerous awards including Booking.com’s 2022 Traveller Review Award, 2022 Service Excellence Award as Quarantine Hotel, Trip Advisor’s Traveler's Choice 2021 Awardee, Agoda’s 2020 and 2019 Golden Circle and Customer Service Awards, SunStar Best of Cebu’s Best Events Venue for four consecutive years (2017, 2018, 2019, and 2020), Best of Cebu’s Best Dim Sum for 2020, Best of Cebu’s Best City Hotel, Best Chinese Restaurant for Tin Gow, Best Gym for Citigym, and Expedia Group’s Top 4-star hotel of 2018. Also, the city hotel is one of the recipients of the 1st MICE Venue Standard Award in a Hotel Category Setting, and the Cebu City Government’s 2019 Top 10 Real Property Taxpayers.

On top of that, the city hotel has also been awarded with the Safe Travels Certification by the Department of Tourism and the World Travel & Tourism Council (WTTC) and the Safety Seal of the Department of Tourism-Philippines for being compliant with the global safety and health standards. Truly, Waterfront Cebu has become one of the leading city hotels in the metropolitan and one of the leading service-providers in the country for the past two decades and will continue to be one for the next years to come.

Promotions and activities launched in 2024:
F&B: Uno Buffet Restaurant

- Uno Seafood Buffet
- Seven Station Buffet
- Uno Group Package
- Uno 4+1 Birthday
- 5+1 Uno Breakfast Promo
- 4+1 Graduation Promo
- Sinulog Weekend Buffet
- Chinese New Year Buffet
- Valentine's Weekend Buffet
- Media hosting to promote Uno buffet rates
- Holy Week Special
- Mother's Day special buffet
- Independence Day Buffet
- 4th of July Lunch & Dinner Buffet Promo
- Father's Day Buffet
- Lunch Buffet Flash Sales
- Halloween Buffet
- Christmas Eve/Day Buffet
- New Year's Eve Buffet

F&B: Lobby Lounge

- Cebuano Afternoon Tea
- Pancit Ceremony
- Valentine's Afternoon Tea
- Merienda Buffet
- Gin Trolley
- Cuban sandwich Food Highlight
- Halo-Halo feature
- Father's Day Angus New York Steak Sandwich
- Christmas Afternoon Tea

F&B: Tin Gow

- Chinese New Year Special
- Nian Gao and Tikoy Selling
- Yeesang Set Menu Offering
- Steamed Fish and Chinese Beef Food Highlight
- Tingow Valentines Set menu
- Chinese Big Siopao
- Media feature of Homemade Bean Curd by Chef Low
- All Dim Sum at Php 99
- Media hosting featuring highlight dishes from Chef Low
- Assorted BBQ Platter
- Moon cake Festival
- Christmas and New Year Specials
- Christmas Set Menu Offering

F&B: La Gondola

- Valentine's Day special
- La Gondola Set Menu Offering
- Aperitif
- Spaghetti Allo Scoglio Food Highlight
- Lamb Stew Onion Rice Pilaf Food Highlight
- Media feature of our homemade pasta and pizza

- Pasta Amore: fresh pastas cooked in a parmesan cheese wheel
- Chesnut Tortelli Food Highlight

F&B: Pool Aquarius

- Happy Hour

F&B: Café Fortuna

- Chicken in a basket Food Highlight
- Super Bowls: rice bowls specials
- Seafood Nilubihan Food Highlight

F&B: Mizu

- Mizu Reopening ceremonies
- Donburi Specials
- Valentine's Day bento box
- Tempura all-you-can
- Tonkutso Ramen Food Highlight
- Teriyaki Don Food Highlights
- Yakiudon
- Holiday specials
- Holiday Bento Food Highlight

F&B: Madeleine

- Monthly cake specials
- Ensaymada and Coffee
- International Cheesecake Month
- Mother's Day Bento Cake
- Father's Day Bento Cake
- Regular Media Hosting:
- Sun Star
- CDN
- The Freeman
- Local Celebrities
- Local Influencers
- Food and Lifestyle Bloggers
- Events
- Sinulog Festival dance
- Chinese New Year celebration
- International Travel Festival
- Easter Egg Hunt
- Cebu Wedding Expo
- Gugma Fashion Show
- Christmas tree Lighting
- New Year's Eve countdown party
- Christmas Goodies

Regular Media Hosting:

- SunStar
- CDN
- The Freeman
- Local Celebrities

- Local Influencers
- Food and Lifestyle Bloggers

Events

- Sinulog Festival dance
- Chinese New Year celebration
- International Travel Festival
- Easter Egg Hunt
- Cebu Wedding Expo
- Gugma Fashion Show
- Christmas Tree Lighting
- New Year's Eve countdown party

Information Technology

As in all areas of commerce, information technology represents one of the strongest forces for change. They are known to have significant impact in marketing of hotels. It provides an essential tool for hotel organization to keep a hand on the pulse of the customers' wants and needs. The challenge of any corporation is to conduct their operations efficiently and effectively at the least possible cost. Waterfront has a tie-up with **Micros Fidelio** - the world leader in providing computer-related technology for hotel and restaurant chains around the world. They upgraded the system of the Company through their newest operating platform called **Opera**. This software will efficiently manage sales and accounting, reservations, point-of-sales and engineering- a first in the Philippines. This integrated system will aggressively keep track of inventory and manage revenues. The *"Fidelio"* system permits online monitoring of clients in the hotels. To date, here is a summary of the major systems used by Waterfront Hotels:

	WCCCHI	WMCHI	DIHCI	APHC	WHC	WFC	WWGI
Agilysys Point-Of-Sale System (POS)	X	X	X				
Micros-Fidelio Opera Sales and Catering System	X						
Opera Property Management System (PMS)	X	X	X				
SUN SYSTEM	X	X	X	X			
Human Resource Information System	X	X	X	X			
Actatek Biometric Finger scan System	X	X	X	X	X	X	X
MS365 Email System	X	X	X	X	X	X	X
Micros Materials Control	X	X	X	X		X	
Online Automation System	X	X	X	X	X		
Call Center System					X		
Waterfront Recipe Guide System	X	X	X	X			

Employees' Training

The Philippine hotel & tourism sector has bounced back after the COVID pandemic.

Consequently, Waterfront as an organization had been continuously training and developing competent and efficient workforce in response to the sophisticated needs and demands of the market amidst a globally competitive industry.

In congruence with the company's vision to become *the leader in the tourism industry committed to provide gracious Filipino hospitality towards total guest satisfaction*, the Peers' Training and Development Department spearheads the development of programs that seek to equip peers with the knowledge and skills necessary to realize this vision. The programs developed focused on the three key areas: technical skills, customer service, and employee welfare.

It is imperative to ensure that employees are equipped with technical skills required for them to be able do their tasks according to the standards of our brand, the Waterfront. This is made possible through the ***Skills Certification Program*** that employees assigned in the *Front Office, Food and Beverage Service, Food and Beverage Production Stewarding section,* and *Housekeeping* departments are required to undergo and pass prior to on-boarding.

Under this program, fundamental knowledge related to the areas of assignment were discussed and followed by written tests. Employees had also undergone supervised skills practice where they are able to align their pre-existing skills set with the company standards and to apply what they have learned during the discussions in preparation for their final skills assessment. On all assessments, employee trainees were expected to attain a minimum rate of 80% to be certified. Only upon certification would they be allowed to get on board.

Moreover, this is further supported and followed through by Revamp Training Programs conducted amongst Food and Beverage Service employees, intended to refresh and enhance skills in accordance to the improved service sequence standards for ala carte, buffet, and in room dining settings. Additionally, skills revamp trainings were also conducted among the key employees of the Food and Beverage Production department. This aimed to keep their skills on food preparation updated especially when there are new recipes developed and to ensure that all products served follow the same standards from preparation to presentation, keeping the distinct quality and identity of the Waterfront brand.

To further our efforts on up-skilling, we also conduct and facilitate skills enhancement trainings on equipment maintenance mainly for employees under the Engineering Department and key end-users. Refresher courses are also put in place for the software updates of the IT Department.

On top of being technically equipped with knowledge and skills of their respective functions, a great amount of attention is poured to the prime attribute of Waterfront, our service. To ensure a memorable and satisfying guest experience, employees had undergone several customer service trainings. Among those is Gracious Customer Care wherein service providers are trained how to better interact with guests by means of understanding their own selves better through introspection. They are also taught about the importance of managing one's self to be able to manage guests especially during highly emotional and stressful encounters.

Moreover, since we cater to a wide range of guests, from both domestic and international sectors, it is imperative for service providers to have basic knowledge about the different cultures and general backgrounds of international guests hence the conduct of Understanding Cross Cultural Difference training.

To take Filipino hospitality to greater heights, the company in partnership with the Department of Tourism conducted trainings on the Filipino Brand of Service Excellence. This aims to promote Filipino brand of hospitality to the international stage through the exemplification of its values and signature practices such as the "Mabuhay" and "Salamat" gestures.

Following the objective of being able to project good impression and high sense of professionalism, employees had undergone Professional Image Development Program. This training sought to give emphasis on the importance grooming and outward projection in the process of delivering excellent customer service.

While we work on skills development of employees, we also give equal importance towards employee welfare. Together with the Peers' Services Department, we facilitated several trainings and workshops that promote mental health for we understand that in order to deliver excellent service, service providers need to be healthy holistically. Subsequently, it encourages employees to be more engaged and committed to their jobs and to advocating consistent delivery of excellent service which resonates with the guests they interact with. Indeed, 2024 had been both a challenging and enriching year for all employees. And as we embark to another year, the Peers' Training and Development Department shall carry the same vigor of commitment in developing training programs that would turn Waterfront's vision into a reality.

Employees

As the reputation of the hotels rise and the volume of clientele grow, so will their expectations and demands. The fundamental key to clients' satisfaction will always be the delivery of the best service from the employees. It is a team effort, requiring constant attention, training and supervision. The Company continues to increase in-house and external training of its employees. A salary structure has been implemented to ensure more competitive compensation packages, which are at par with the industry's standards and the department of Labor and Employment's mandated requirements.

The Company believes that after all, happy employees translate into happy customers, and happy customers would be tantamount to greater satisfaction, sales and income for the Company.

As of the end of the calendar year 2024, *WPI* Group has a total of 417 employees that were distributed as follows:

WCCCHI:

	Filipinos	*Foreigners*	*Total*
Executive	12	2	14
Non-Executive	195	-	195
Total	**207**	**2**	**209**

WMCHI:

	Filipinos	*Foreigners*	*Total*
Executive	9	-	9
Non-Executive	61	-	61
Total	**70**	**-**	**70**

DIHCI:

	Filipinos	*Foreigners*	*Total*
Executive	1		1
Non-Executive	74		74
Total	**75**	**-**	**75**

APHC

	Filipinos	*Foreigners*	*Total*
Executive	7	-	7
Non-Executive	10	-	10
Total	**17**	**-**	**17**

WPI

	Filipinos	*Foreigners*	*Total*
Executive	-	-	-
Non-Executive	14	-	14
Total	**14**	**-**	**14**

ALEC

	Filipinos	*Foreigners*	*Total*
Executive	-	-	-
Non-Executive	2	-	2
Total	**2**	**-**	**2**

WWGI:

	Filipinos	*Foreigners*	*Total*
Executive	1	-	1
Non-Executive	13	-	13
Total	**14**	**-**	**14**

WFC:

	Filipinos	*Foreigners*	*Total*
Executive	-	-	-
Non-Executive	7	-	7
Total	7	-	7

WHC:

	Filipinos	*Foreigners*	*Total*
Executive	1	-	1
Non-Executive	8	-	8
Total	9	-	9

Grand Total	**415**	**2**	**417**

There is an existing union in Davao Insular Hotel. On April 1, 2011, Waterfront Insular Hotel Davao Employees Association (WIHDEA) and renewal on the agreement shall be in full force and effect from April 1, 2016 to March 31, 2021. In April 2021, the Collective Bargaining Agreement (CBA) was further renewed, covering a period of five (5) years, April 1, 2021 to March 31, 2026. All other provisions of the CBA are not modified by the foregoing agreement and shall remain between the parties.

<u>Business of WPI and Its Subsidiaries</u>

- ***WPI***

Being an investment holding company in hotel and gaming businesses, *WPI* has a strategic advantage in the marketplace. It can move and position itself to grab opportunities in hospitality industry, which is known to be highly competitive. The world-class facilities that it brings to the Province of Cebu are designed to provide a diverse and complete entertainment system that will attract local, regional, and international visitors.

Despite the growing number of competitors in the respective regions, including the entry of international hotel chains, both *WCCCHI* and *WMCHI* enjoyed favorable occupancy rate, successfully inviting both corporate and individual travel accounts.

Subsidiaries

The Company has the following subsidiaries, which are briefly described in the next pages:

1. Waterfront Cebu City Casino Hotel, Inc.
2. Waterfront Mactan Casino Hotel, Inc.
3. Davao Insular Hotel Company, Inc.
4. Acesite (Phils.) Hotel Corporation
5. Waterfront Hotel Management Corporation
6. Mayo Bonanza, Inc.
7. Waterfront Horizon Corporation
8. Waterfront Food Concepts, Inc.
9. Waterfront Wellness Group, Inc.
10. Grand Ilocandia Resort Development Incorporated
11. Waterfront Promotions Limited
12. Waterfront Puerto Princesa Hotel Inc.
13. Waterfront Iloilo Hotel Inc.
14. Waterfront Cebu Ventures Inc.

- ***Waterfront Cebu City Casino Hotel, Inc.***

WCCCHI was incorporated on September 23, 1994 to manage and undertake operations of Waterfront Cebu City Hotel and Casino *(WCCHC). WCCCHI* achieved a milestone during the year by opening the doors of *WCCHC* on January 5, 1998, with 158 guest-rooms which has already grown to 561 by the last quarter of 1999, six-storey convention center known as the *Waterfront Convention Center*, previously known as Cebu International Convention Center and six-storey` **Entertainment Block**. Located in this Entertainment Block is a 1,000-square meter 5-star restaurant, which completes the Company's restaurants row. On February 5, 1998, *PAGCOR* commenced operations at the new purposely-built casino at the Entertainment Block.

- *Waterfront Convention Center - (WCC)*

Waterfront Convention Center previously known as Cebu International Convention Center is a six-storey building, especially-designed to adapt to any event size and purpose, with a total gross area of 40,587 square meters, and has been in operation since January 5, 1998. Major amenities of the center include ten (11) function rooms and two (2) Grand Ballrooms with a seating capacity of 4,000. *WCC* is the only convention and exhibition center of international standard in Cebu City.

- *Entertainment Block*

The Entertainment block is a six-storey building with a total gross area of 34,938 square meters. It is comprised of eleven (9) Food and Beverage entertainment outlets, an 11,000 square meters of public and international gaming area that includes the *"Casino Filipino",* and 62 hotel rooms and suites

- *Hotel Tower Block*

The Hotel Tower block is a 22-storey building with a total gross area of 44,334 square meters. It consists of a podium, containing the lobby, a food and beverage outlet, a reception, a shopping arcade, three (3) press function rooms, and a high rise block of 498 hotel rooms and suites.

The Hotel, with its fairytale-inspired façade, is conveniently located in the center of Cebu City and is within easy reach from key business, commercial and shopping districts and is just 30 minutes away from the Mactan International Airport.

Waterfront Cebu City Hotel & Casino has elegantly designed and well-appointed guest rooms and suites. The 18th Floor is the Waterfront Ambassador Club with a two floor Club Lounge exclusive for Ambassador Floor guests. Waterfront Ambassador Club guests enjoy butler service, complimentary business services and a business boardroom fit for a group of up to 8 people, equipped with a built-in LCD projector, a roll-up screen, PA and recording system, a local area network (LAN) and a poly communication system. The 2nd floor lounge is outfitted with 3 computer stations, where guests can avail of complimentary WIFI access, flat-screen television entertainment, an array of lifestyle and business magazines as well as newspapers and board games. The hotel offers a 10,000-square meter convention center, which is the largest convention center in the Visayas and Mindanao, and is designed to adapt to multiple types of events. The convention center is equipped with 10 function rooms, 2 executive board rooms, and 2 Grand Ballrooms, each seating 4,000 people. It has played host to a myriad of national as well as regional events, conventions and conferences.

Waterfront Cebu City Hotel and Casino operates 9 F&B outlets, including a hotel coffee shop, a Japanese restaurant, an Italian restaurant and a poolside snack bar. The hotel has a fully functional business center paired with flat-screen computers, internet access and private boardrooms. The newly renovated lobby was inspired based on two main objectives; first, to transform the existing single dimension grand lobby into a multi-dimensional lifestyle-concept space that will enhance the guests' experience when dining and lounging in the lobby; and second, to improve traffic patterns, through the construction of larger check-in areas and through maximizing the Lobby's three entrances. Waterfront Cebu City Hotel and Casino's massive, high-ceilinged lobby has always been its principal attraction in fact it is touted as the largest hotel lobby in Visayas-Mindanao area. Spanning 22 meters wide, 96 meters in long and 35 meters high and crisscrossed by hundreds of people each day, the hotel's grand lobby sets the whizzing pulse for the hotel and dictates its overall ambiance.

Apart from improvements to the general structure of the lobby, the Lobby Lounge itself will offer an all-new dining and lounging experience, with newly-installed glass panels, semi-closing each side of the lounge. Fully-equipped bar areas have also been installed in the middle of each of the lounge's two sections, ensuring diners of more efficient and prompt service. To enhance the overall guest experience, the hotel has put together additional features such as nightly entertainment from the city's top performers, and soulful afternoon music by soloists. Among the hotel's newest pride comes in the form of delectable treats, introducing Lobby Lounge's new service concepts.

Afternoon.Tea

Guests can now relive the splendor and grace of the old English days with the Lobby Lounge's Afternoon Tea offering. It is a tea and dessert concept created to give guests a whole new tea experience by giving emphasis on unique ways to enjoy a cup of tea. Guests can expect an array of snack choices to complement their tea selection. The Afternoon Tea comes with a choice of Traditional Afternoon Tea with a Local Twist or Chocolate Temptations. For each selection, guests may opt for tea, coffee or hot chocolate. Each selection also comes with a variety of snack options to go along with their choice of beverage.

Wine Dispenser

Guests can now take a sip of Lobby Lounge's extensive selection of wine. The wine dispenser is an innovative addition to the wining and dining experience at the hotel. It serves the purpose of allowing guests to select among an array of bottles, through tasting by the glass. This concept intends to give guests an opportunity to sample different wines in small amounts before deciding to order a full glass or bottle. Guests may test wines from the dispenser in three different amounts. This way, guests can choose the perfect wine fit for their palate. To enjoy the wine dispenser service, guests must avail of the Wine Card which comes in prepaid or postpaid.

To complement the Hotel's main lobby, a group check-in counter is constructed, dedicated solely to corporate and travel groups; and an additional Casino Filipino gaming space of 2,350 square meters is launched together with it. This will not only enhance the current lobby, but will also increase operational efficiency and add more exciting features for the hotel's customers.

- ***Waterfront Mactan Casino Hotel, Inc.***

Waterfront Mactan was incorporated on September 23, 1994 to manage and undertake operations of Waterfront Mactan Island Hotel and Casino *(WMIHC).* WMCHI has completed Phase I of Waterfront Mactan Island Hotel and Casino (WMIHC). It is located right across Mactan-Cebu International Airport, on a land area of approximately 3.3 hectares. The hotel features 166 rooms and suites, 6 food-and-beverage and entertainment outlets, with a total built-up area of 33,515 square meters. Equipped with one of the largest casinos in the Philippines, WMIHC has made Cebu the only city in Southeast Asia that offers casino facilities to transients while waiting for their flights. For future development is Phase II consisting of 200-guest rooms, which will be built depending on the demands of the market. It has recently improved its rooms by installing fax machines and Internet connections to cater to the needs of its guests. Additionally, the company has acquired the newest hospitality software in the industry, the OPERA Property Management System, which is designed to help run the hotel operations at a greater level of productivity and profitability. This was installed last January 14, 2003.

The hotel is conveniently located in front of the Mactan International and Domestic Airport, just a three-minute drive to the Industrial Zone, a fifteen-minute drive to the beaches of Mactan Island and just thirty minutes away from Cebu City's shopping and financial district.

In 2016, the property extended the Annex parking to provide more slots for the guests.

- ***Davao Insular Hotel Company, Inc.***

Davao Insular Hotel Company Inc. was incorporated in the Philippines on July 3, 1959 to engage in the operation of hotel and related hotel businesses. The hotel is a 98% owned subsidiary of Waterfront Philippines, Incorporated and is operating under its trade name Waterfront Insular Hotel Davao. Waterfront Insular Hotel, the prestigious business hotel in a sprawling garden resort setting, is only five to ten minutes to the downtown area. Nestled along the picturesque Davao Gulf, its open air corridors provide a refreshing view of the hotel's beautifully landscaped tropical garden and the sea.

With a greater area than any other hotel facility in the city, it is unmatched in servicing large business meetings, conventions, and exhibit groups. The hotel consists of four low-rise buildings of 159 guestrooms and suites, 5 function rooms and 6 F&B outlets. Every room opens to a lanai overlooking a lush garden the blue waters of the Davao Gulf or a scenic coconut grove. Features included in the newly re-opened hotel are the 5 Gazebos located along the beach area. The hotel is every guest's gateway to the diverse, colorful and rich cultural heritage of Davao City.

On 2015, the property re-opened its 48 square meter gym to continuously serve its guests and to ensure guests satisfaction.

Discover the rich cultural heritage of Davao which stems from the different groups and tribes that populated the area throughout its history and be astonished of artworks in the hotel lobby where it showcases pieces of artifacts featuring the various object d'art from the different tribes and historical.

- ***Acesite (Phils.) Hotel Corporation***

The principal property of the Company is a 22-storey building known as the Manila Pavilion Hotel located at the corner of United Nations Avenue and Maria Y. Orosa Street in Ermita, Manila. The Hotel had 337 guestrooms and suites that have individually controlled central air conditioning, private bathroom with bathtub and shower, multi-channel radio, color TV with cable channels and telecommunications facilities. It had 3 function rooms and one of this was Alcuaz which can accommodate 250-300 guests. The hotel had approximately 2,200 sq. meters of meeting/banquet/conference facilities, and also houses several restaurants, such as Seasons Café (coffee shop), the El Rey (bar & lounge) and the Patisserie (bakeshop and deli items). Other guest services and facilities included a chapel, swimming pool, gym, business center and a valet-service basement car park. Concessionaires and tenants included a beauty salon, a foot spa, photography services, transportation services, travel agency, flower shop and boutiques. In addition, Casino Filipino – Pavilion, owned and operated by PAGCOR, occupied part of the first, second, third, fourth and fifth floors (a total of 12,696.17 sq. m.) of the building.

On March 18, 2018, a fire broke out in the property that damaged the podium and main hotel 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 an accident. APHC incurred casualty losses due to damages on its inventories and hotel property (see Notes 6 and 9). APHC has filed for property damage and business insurance claims from its insurance companies and the insurance claims were finalized in 2020 amounting to P1.72 billion. As at December 31, 2020, total amount received from the insurance company amounted to P1.58 billion. As at December 31, 2020 and 2019, APHC recognized gains on insurance claims amounting to P854.52 million and P234.09 million, respectively, of which P850.22 million and P431.25 million were received in 2020 and 2019, respectively. The remainder amounting to P136.21 million relates to the portion of the claims that is still receivable from the insurance company.

Company has started in 2018 the reconstruction and restoration of the podium and the hotel buildings, which are still ongoing as at December 31, 2024. The Phase 1 is expected to be completed by the 1st quarter of 2026, while Phase 2 by the 3rd quarter of 2026 and Phase 3 by the 1st quarter of 2027.

- ***Waterfront Hotel Management Corporation (previously Waterfront Management Corp.)***

G-Hotel by Waterfront located in 2090 Roxas Boulevard, Malate Manila was managed by Waterfront Management Corporation starting November 2006. On October 01, 2014, the BOD approved the cessation of the Company's business operations. Consequently, the Company's activities were confined mainly to the collection of receivables, settlement of liabilities, and other administrative matters, while maintaining its status as non- operating entity seeking for other business opportunities.

- ***Mayo Bonanza, Inc.***

Mayo Bonanza, Incorporated (MBI), a 100% owned subsidiary of *WPI* was incorporated on November 24, 1995 in the Philippines with principal activities in the operation and management of amusement, entertainment, and recreation businesses. MBI is to extend the gaming business of the Company. Its primary purpose is to establish, operate, and manage the business of amusement entertainment, and recreation facilities for the use of the paying public. The Company entered into an agreement with the Philippine Amusement and Gaming Corporation (PAGCOR) whereby the latter shall operate the former's slot machine outside of casinos in line with PAGCOR's slot machine arcade project.

On May 30, 2016, BOD approved the cessation of the Company's business operations effective July 01, 2016.

- ***Waterfront Horizon Corporation***

WPI has successfully established the country's first ever integrated hotel reservations and booking system featuring a full-service, round-the-clock, 7 days a week Central Reservation Office. This service ranges from systems and solutions specializing in the operations hotel framework. It offers specialize hotel consultancy services to hotel owners, operators, brands, developers, lenders and investors with the support of hand-picked networks of experts covering all elements of the hotel or hospitality business within a global perspective.

- ***Waterfront Food Concepts, Inc.***

Waterfront Food Concepts, Inc. is a pastry business, catering to pastry requirements of Waterfront Cebu, Waterfront Mactan and other established coffee shops and food service channels outside the hotels. The property is located in the lobby level of Waterfront Cebu City Casino Hotel. It has started its operation on May of 2006. Its pastry products include cakes, cookies and sandwiches. The subsidiary has already catered most of the renowned coffee shops in the city of Cebu.

- ***Waterfront Wellness Group, Inc.***

This new subsidiary is located in the Ground Level of Waterfront Cebu City Casino Hotel occupying 617.53 square meters. Formerly, W Citigyms and Wellness, Inc. is a fully equipped gym with specialized trainers and state of the art equipments. The gym offers variety of services from aerobic instructions to belly dancing, boxing, yoga classes and a lot more. It also has its own nutritionist/dietician. Its highly trained therapists perform massage and spa services to guests within the hotel. The management has plan of opening Citigyms in all its hotels.

- ***Grand Ilocandia Resort and Development, Inc. (GIRDI)***

On May 8, 2000, the board of directors (BOD) approved the cessation of GIRDI's business operations effective November 2000. As such, in September 2000, GIRDI entered into a Memorandum of Understanding (the "MOA") with the Fort Ilocandia Property Holdings & Development Corporation (FIPHDC) for the purchase of and the right to operate the Fort Ilocandia Resort in Laoag, Ilocos Norte (the "Subject Property"). However, in December 2016, GIRDI learned from news reports and further determined that FIPHDC is a foreign national unqualified to own and operate real properties in the Philippines. In the same period, GIRDI filed a complaint with the Regional Trial Court in Laoag for the nullity of the MOA entered into with the Buyer.

In February 2021, the Supreme Court ruled with finality that the MOA and the subsequent and resulting Asset Purchase Agreement entered into by the parties was void ab initio, ordering the Company to return and pay to the Buyer the purchase price of the Subject Property and for the Buyer to vacate and deliver possession of the Subject Property to the Company. In April 2024, in accordance with the Compromise Agreement, FIPHDC undertook to revert the property to GIRDI with the latter to refund the purchase price to the former.

In May 2024, after execution of a Compromise Agreement with the FIPHDC, GIRDI regained possession of the Fort Ilocandia Resort and now operates the hotel with its own set of books of accounts.

- ***Waterfront Promotions Limited/Club Waterfront International Limited***

Waterfront Promotion Ltd. was incorporated on March 6, 1995, under and by virtue of the laws of Cayman Islands to act as the marketing arm for the international marketing and promotion of hotels and casinos under the trade name of Club Waterfront International Limited ***(CWIL).*** It is a wholly owned subsidiary of Waterfront Philippines, Inc., a domestic company. Under the agreement with PAGCOR, WPL has been granted the privilege to bring in foreign players under the program in Waterfront Cebu City Hotel and Grand Ilocandia Resort Development Corp. On the other hand, CWIL is allowed to bring in foreign players in Waterfront Mactan Hotel. In connection to this, the company markets and organizes groups of foreign players as participants to the Philippine Amusement and Gaming Corporation's (PAGCOR) Foreign High Roller Marketing Program. The company also entered into agreements with various junket operators to market the casinos for foreign customers. Under these agreements, the company grants incentive programs to junket operators such as free hotel expenses, free airfares and rolling commissions.

The operations for Waterfront Promotions Limited, and likewise for Club Waterfront International Limited, had ceased for the year 2003 in March due to the bleak market.

- ***Waterfront Iloilo Hotel Inc.***

Waterfront Iloilo Hotel Inc. was incorporated and registered with the Philippine Securities and Exchange Commission on March 29, 2019 primarily to operate and manage a resort hotel and a restaurant that caters to the guests of the hotel.

The Company is a wholly-owned subsidiary of Waterfront Philippines, Incorporated (WPI or the Parent Company). As at December 31, 2020, the Company has not yet started its commercial operations.

The Company's registered office address is at 7th Floor Manila Pavilion Hotel, U.N. Avenue corner Ma. Orosa, Barangay 666, Ermita, City of Manila, NCR, Philippines, 1000.

- ***Waterfront Puerto Princesa Hotel, Inc.***

Waterfront Puerto Princesa Hotel, Inc. was incorporated and registered with the Philippine Securities and Exchange Commission on May 15, 2017 primarily to acquire and hold real property such as lands, buildings and personal property of all kinds, to sell, lease, convey, mortgage, construct, improve and develop, contract for, manage, administer and or operate, alone or jointly with others any interest in real or personal property as well as in hotels, inns, lodging houses, resorts and all adjunct and accessories thereto, including restaurants, cafes, bars, stores and offices, barbershops and beauty lounges, sports facilities, places of amusement and entertainment of all kinds; to invest in other corporations for the advancement of its interest or to grant concessions, rights or licenses to others to operate, manage or deal with the same, to do any and all things necessary, suitable, convenient, proper or incidental to the accomplishment of the above purposes.

The Company is a wholly-owned subsidiary of Waterfront Philippines, Incorporated (WPI or the Parent Company). As at December 31, 2020, the Company has not yet started its commercial operations.

The Company's registered office is at 7th Floor Manila Pavilion Hotel, U.N. Avenue corner Ma. Orosa St., Ermita, Brgy. 666, Manila City 1000.

- ***Waterfront Cebu Ventures, Inc.***

Waterfront Cebu Ventures, Inc. was incorporated and registered with the Philippine Securities and Exchange Commission on August 24, 2018 primarily to carry on the business of an investment holding company.

The Company is a wholly-owned subsidiary of Waterfront Philippines, Incorporated (WPI or the Parent Company). As at December 31, 2020, the Company has not yet started its commercial operations.

The Company's registered office address is located at No. 1 Waterfront Drive, Off Salinas Drive, Barangay Lahug, Cebu City.

Business Development

In 1995, Waterfront Philippines, Inc. (WPI) set out to complete two major objectives in the province of Cebu- to focus on hotel and resort development and to promote tourism in the Philippines. Four years later, this vision became a reality with the full operation of the Waterfront Mactan Island Hotel and Casino, Inc, and Waterfront Cebu City Hotel. At present, WPI would like to establish itself as the premiere tourism organization with leisure and entertainment activities, not only in Cebu, but also in the various provinces nationwide.

Year 2023

In 2023, the Group implemented necessary facility improvements upgrades in recent years to pique consumer interest in our hotel experience. The ongoing construction of our revitalized Manila property will soon be an exciting addition to the Waterfront experience, and is expected to emerge even stronger as a group upon its completion. In addition, the properties have consistently focused on the maintenance and repair of equipment and the upgrading of systems, both hardware and software, increasing efficiency and automation in various departments.

Year 2024

Waterfront has moved with the rest of the tourism, travel, and hospitality industry in moving toward a new chapter. Drawing on our long-term expertise in the field, we maximized our resources, strengths, expertise and experience to emerge stronger from challenging times. Our strategies have enabled us to quickly bridge gaps from unexpected events and allow a path to a stronger organization with our talented Peers leading the way. A constantly evolving organization, we differentiate ourselves by driving a culture of innovation. We constantly seek to provide fresh experiences and interesting new options that drive interest and loyalty in our market. Every innovation effort is an opportunity to energize our brand. Our product-in-development, the soon-to-open Waterfront Manila Hotel and Casino, will pave the way for further expansion. It will be a testament to Waterfront’s continued evolution. Our management’s strong commitment to building an ever-increasingly efficient organization is an important component of Waterfront's strength and enduring brand value. We are bridging traditional channels with new, exponentially growing technological avenues, ensuring the extension of our brand into the online space, and the careful curation of our brand as we explore digital platforms and assets.

Strategies

The hotel properties are centrally located in the central business districts of three prime Philippine destinations, Manila, Cebu and Davao. These are the key cities of the country with the highest tourism traffic. As such our location gives us access to a greater number of foreign and local travelers. We have enjoyed considerable success in formulating and implementing clear acquisition strategies, and seizing opportunities to explore market potential of the hotel industry.

As to price, the Company offers competitive rates and packages catering to the different markets, practices flexible schemes to respond to the dynamic market. As to product/services, consistent excellent service is the key. Moreover, well maintained facilities and equipment, impressive, exciting and value for money promotions in the F&B outlets would definitely make a difference.

As the company strives towards further convenience and accessibility, the company has introduced its outline booking facility. The newly redesigned website offers highly efficient online reservations facility that allows customers from all over the world to book real time and receive real time confirmation. This high-speed reservations feature enables the company to fully cater to the online market, whether the purpose is for travel research or convenient booking. All in all the company continue to expand in innovative ways, using technology and new media as a cost effective way to expand its market share, explore new markets and ensure the strength locally and internationally.

In addition to advancement concerning our operations is the upgrading of our property Management Systems (PMS). These are multi-million Peso investments to upgrade our efficiency, and ensuring that our operations remain steady in the years to come. The Waterfront Recipe Guide System is a savvy new strategy to give our F&B operations a boost. This will enable us to standardize our best-selling dishes, aiming to be more consistent in preparation and waste.

At Waterfront, we emphasize service that brings people back, and we reinforce this service through site training, among other programs. We are known for our signature warmth, attention to detail and approachability, qualities that our guests of all nationalities cherish during every stay. Whoever encounters the Waterfront experience will be assured of a reliable, consistent and satisfying brand familiarity that leads to loyalty.

Our greatest software is our People.

Item 2. Properties

The Company, being a holding company, has no real properties in its name. Properties under the WPI Group are under the ownership or lease holdings of the respective subsidiaries.

WCCCHI and *WMCHI* have separate contracts of lease for the use of parcels of land in the province of Cebu.

WCCCHI Land Lease:

Location	Former airport site at Lahug in Cebu City
Size	Approximately 4.6 hectares
Lessor	Mactan Cebu International Airport Authority
Terms of lease	50 years with an option for renewal for another 25 years, permissible by the laws of the Philippines
Lease Agreement	Fixed rental per month of Php 11.00 per square meter or a total amount per annum of Php 6,072,000.00 + Percentage rental of 2% of the annual Gross Revenue as defined under the Land Lease Agreement

WMCHI Land Lease:

Location	In front of Mactan-Cebu International Airport, Lapu-Lapu City
Size	Approximately 3.3 hectares
Lessor	Mactan Cebu International Airport Authority
Terms of lease	50 years with an option for renewal for another 25 years, permissible by the laws of the Philippines
Lease Agreement	Fixed rental per month of Php 18.75 per square meter or a total amount per annum of Php 7,875,000.00 + Percentage rental of 2% of the Annual Gross Revenues as defined under the Land Lease Agreement.

DIHCI Wholly Owned:

Location	Title	Area (In Sq. Meters)
▪ Lanang, Davao City Size: Approximately 12.29 hectares but with offshore area of 4.3 hectares	TCT 0-255*	2,997
	0-256*	304
	0-257*	113
	0-258*	50

	0-259*	404
	T-10250*	43,881
	T-10250*	47,320
	T-10251*	2,091
	T-102510*	2,043
	T-10252*	1,133
	T-10252*	300
	T-10252*	300
	T-10252*	1,580
	T-10254*	500
	T-10254*	400
	T-10303-A*	304
	T-30874*	223
	T-10264*	18,959

ACESITE Land Lease

Location	Corner of United Nations Avenue & Maria Y. Orosa Street in Ermita, Manila
Size	Total land area of 6,500 square meters
Lessor	Acesite Realty Inc.
Terms of lease	Lease is valid until January 2031, renewable for another 20 years
Lease Agreement	Php 250,000 per month; escalation of 5% per year

On March 18, 2018, a fire broke out at the Manila Pavilion Hotel and damaged the lower floors of the main building as well as the Podium building occupied by the casino area and restaurants. This resulted in the suspension of hotel operations. Based on the Fire Certification issued by the Bureau of Fire Protection, the cause of the subject fire has been declared and classified as accidental.

Item 3. Legal Proceedings

3.1 SSS vs WPI. Et al civil case no. Q-04-52629 at regional trial court, Quezon City. On October 28, 1999, the Parent Company obtained a five-year term loan from SSS amounting to P375.00 million originally due on October 29, 2004. The SSS loan bears interest at the prevailing market rate plus 3% or 14.5% per annum, whichever is higher. Interest is repriced annually and is payable semi-annually. Initial interest payments are due 180 days from the date of the release of the proceeds of the loan. The repayment of the principal shall be based on eight (8) semi-annual payments, after a one-year grace period.

The SSS loan was availed to finance the completion of the facilities of WCCCHI. It was secured by a first mortgage over parcels of land owned by WII and by the assignment of 200 million common shares of the Parent Company owned by TWGI. The common shares assigned were placed in escrow in the possession of an independent custodian mutually agreed upon by both parties.

On August 7, 2003, when the total loan obligation to SSS, including penalties and interest, amounted to P605.00 million, the Parent Company was considered in default with the payments of the loan obligations, thus, on the same date, SSS executed a foreclosure proceeding on the mortgaged parcels of land. The SSS's winning bid on the foreclosure sale amounting to P198.00 million was applied to penalties and interest amounting to P74.00 million and P124.00 million, respectively. In addition, the Parent Company accrued penalties charged by SSS amounting to P30.50 million covering the month of August until December 2003, and unpaid interest expense of P32.00 million.

The Parent Company, WII and TWGI were given the right to redeem the foreclosed property within one (1) year from October 17, 2003, the date of registration of the certificate of sale. The Parent Company recognized the proceeds of the foreclosure sale as its liability to WII and TWGI. The Parent Company, however, agreed with TWGI to offset this directly against its receivable from the latter. In August 2004, the redemption period for the Parent Company, WII and TWGI expired.

The remaining balance of the SSS loan is secured by the shares of stock of the Parent Company owned by TWGI and shares of stock of WII numbering 235 million and 80 million shares, respectively.

The Parent Company, at various instances, initiated negotiations with the SSS for restructuring of the loan but was not able to conclude a formal restructuring agreement.

On January 13, 2015, the RTC of Quezon City issued a decision declaring null and void the contract of loan and the related mortgages entered into by the Parent Company with SSS on the ground that the officers and the SSS are not authorized to enter the subject loan agreement. In the decision, the RTC of Quezon City directed the Company to return to SSS the principal amount of loan amounting to P375.00 million and directed the SSS to return to the Company and to its related parties titles and documents held by SSS as collaterals.

In the decision, the RTC of Quezon City directed the Company to return to SSS the principal amount of loan amounting to P375 million and directed the SSS to return to the Company and to its related parties titles and documents held by SSS as collaterals.

On January 22, 2016, SSS filed an appeal with the CA assailing the RTC of Quezon City decision in favor of the Company, et al. SSS filed its Appellant's Brief and the Company filed a Motion for Extension of Time to file Appellee's Brief until May 16, 2016.

On May 16, 2016, the Company filed its Appellee's Brief with the CA, furnishing the RTC of Quezon City and the Office of the Solicitor General with copies. SSS was given a period to reply but it did not file any.

On September 6, 2016, a resolution for possible settlement was received by the Company from the CA.

On February 27, 2017, a Second Notice to Appear issued by the PMCU-CA directing all parties to appear on February 27, 2017 at a specified time was received by the Parent Company only on February 27, 2017 after the specified time of the meeting. The Parent Company failed to appear.

On June 30, 2017, a Resolution issued by CA, resolved to submit the appeal for decision.

On August 30, 2019, the Court of Appeals rendered its Decision reversing and setting aside the Decision dated January 13, 2015 and Order dated May 11, 2015 rendered by the RTC of Quezon City.

On November 4, 2019, the counsel for the Parent Company, filed a Petition for Review with the SC.

On February 5, 2020, the SC issued its Resolution requiring SSS to file its Comment. SSS appealed for an extension to file its Comment until March 23, 2020. On August 14, 2020, the counsel for the Parent Company received a copy of the Comment dated June 24, 2020.

On July 26, 2021, the SC rendered a decision in favor of the Parent Company which includes the declaration of the contract of loan and the foreclosure sale as null and void and ordered the following:

- The Parent Company to pay SSS P375.00 million subject to 12% legal interest from October 28, 1999 to June 30, 2013, and 6% legal interest from July 1, 2013 until full payment; and

- SSS to return to the Parent Company the amount of P35.83 million, subject to a legal interest of 12% from the dates that the individual payments were remitted until June 30, 2013, and 6% legal interest from July 1, 2013 until full payment.

Subsequently, on January 28, 2022, the SSS filed a Motion for Reconsideration with the SC. On February 2, 2022, the Office of the Solicitor General filed a Manifestation with the SC that it filed/served by electronic means its Motion for Reconsideration due to the physical closure of its offices as a result of the COVID-19 pandemic. As at the date of authorization for issue of the consolidated financial statements, there were no updates on the progress of the foregoing motions filed by the SSS and the Office of the Solicitor General with the SC.

As a result of the SC decision, the Parent Company recognized a reversal of previously accrued interest and penalties on the SSS Loan amounting to P415.67 million as at December 31, 2021. The reversal was recognized and presented as "Reversal of accrual" in the consolidated statement of profit or loss and other comprehensive income.

On January 28, 2022, the SSS filed a Motion for Reconsideration with the SC. On February 2, 2022, the Office of the Solicitor General filed a Manifestation with the SC that it filed/served by electronic means its Motion for Reconsideration due to the physical closure of its offices as a result of the COVID-19 pandemic. On May 4, 2022, The Company filed a Comment to Respondent's Motion for Reconsideration with Motion to Admit.

On September 21, 2022, the SC issued a resolution denying SSS' Motion for Reconsideration with Finality. On December 20, 2022, the SC issued an Entry of Judgment certifying the SC decision made on July 6, 2021 and that the same has, on September 21, 2022, become final and executory and is hereby recorded in the Book of Entries of Judgement.

The Company is hereby ordered to:

a. submit to the trial court a list of all fruits, income, or dividends received by virtue of the Contract of Loan with Real Estate Mortgage and Option to Convert to Shares of Stock;

b. provided a computation of all amounts to be paid and a list of all properties to be returned by each party, together with a proposed schedule of payments and reconveyance, over a period which shall not exceed six (6) months from the finality of the SC decision, to be approved by the trial court; and

c. submit a report to the trial court on each party's compliance with the execution of the SC decision.

Subsequently, the last day for complying with the foregoing directives of the SC was on March 21, 2023. The Company prayed to the SC to grant the Company an extension of 30 days from March 21, 2023, or until April 21, 2023, within which to submit the list of the income received by Company by virtue of the Contract of Loan with Real Estate Mortgage and Option to Convert to Shares of Stock, the computation of amounts to be paid and the list of all properties to be returned, together with a proposed schedule of payments and reconveyance, for approval of the SC.

On April 17, 2023, the Company filed a Manifestation with Motion to Approve Proposed Set-off and Schedule of Reconveyance with the RTC of Quezon City to comply with the orders set out in the SC decision. As at date of the issuance of the separate financial statements, the RTC of Quezon City and the SSS has yet to comment on the motion.

On August 17, 2023, Branch 76 of the RTC of Quezon City issued an Order approving the legal compensation between SSS and the WPI, ordering WPI to pay P258,117,749.89 to SSS, which is the balance of the amount due to SSS after set-off of the amounts due to WPI, and further ordering the return of real estate properties and shares of stock by SSS to defendants WPI and WIN. On September 20, 2023, SSS filed a Motion for Reconsideration with RTC of Quezon City asking that August 17, 2023 Order to be set aside. The Motion for Reconsideration was denied by the RTC on January 12, 2024. As at the date of the authorization for issue of the financial statements, the a motion for the issuance of a certificate of finality has not been executed by the RTC. Outstanding principal balance of the loan amounted to P375.00 million as at December 31, 2023 and 2022. Interest expense related to the SSS loan recognized in the consolidated statement of profit or loss and other comprehensive income amounted to nil in 2023 and P20.63 million in 2022. Accrued interest and penalties, presented as part of “Accrued interest and penalties” under “Accounts payable and accrued expenses” account in the consolidated statement of financial position, amounted to P775.32 million and P731.88 million as at December 31, 2023 and 2022, respectively.

3.2. BIR Assessment

3.2.1 On November 10, 2008, the Parent Company received a preliminary assessment notice from the BIR for deficiency taxes for the taxable year 2006. On February 9, 2009, the Parent Company sent a protest letter to BIR contesting the said assessment. On February 18, 2009, the Regional Office of the BIR sent a letter to the Parent Company informing the latter that the docket was returned to Revenue District Office for reinvestigation and further verification.

On December 8, 2009, the Parent Company received BIR’s Final Decision on Disputed Assessment for deficiency taxes for the 2006 taxable year. The final decision of the BIR seeks to collect deficiency assessments totaling to P3.3 million. However, on January 15, 2010, the Parent Company appealed the final decision of the BIR with the Court of Tax Appeals (CTA) on the grounds of lack of legal and factual bases in the issuance of the assessments.

In its decision promulgated on November 13, 2012, the CTA upheld the expanded withholding tax (EWT) assessment and cancelled the VAT and compromise penalty assessments. WPI decided not to contest the EWT assessment. The BIR filed its motion for reconsideration (MR) on December 4, 2012 and on April 24, 2013, the Court issued its amended decision reinstating the VAT assessment. The Parent Company filed its MR on the amended decision that was denied by the CTA in its resolution promulgated on September 13, 2013.

The Parent Company appealed the case to the CTA sitting En Banc on October 21, 2013. The CTA En Banc decision promulgated on December 4, 2014 affirmed the VAT and EWT assessments. The EWT assessment was paid on March 3, 2013.

The CTA En Banc decision was appealed to the SC on February 5, 2015 covering the VAT assessment only. As at the date of the authorization for issue of the consolidated financial statements the Parent Company is still awaiting the SC’s decision.

Management and its legal counsels believe that the position of the Parent Company is sustainable, and accordingly, believe that the Parent Company does not have a present obligation (legal or constructive) with respect to the assessment.

On August 31, 2023, a Formal Letter of Demand dated August 16, 2023 was received by the Parent. On October 2, 2023, the Parent Company sent a protest letter to BIR contesting the portion of the said assessment. Settlement on Documentary Stamp Tax, Registration Fee, Expanded Withholding Taxes and Withholding tax on Compensation amounting to P3.3 million was made on October 12, 2023. On March 6, 2024, the Parent Company sent a a protest letter, which was accepted by the BIR requesting for reinvestigation and verification, which includes deficiencies in income tax amounting to P22.0 million and VAT amounting to P21.3 million. As of the date of report, there was no update on the protest letter.

On May 27 2024, WPI, WIN, and TWGI tendered Manager's Checks totaling Php 258.12M to SSS. On July 16, 2024, SSS filed its Manifestation of Conditional Acceptance, stating that SSS duly acknowledges the receipt of the tendered amount as partial and initial payment only. On December 03, 2024, SSS filed a Petition for Certiorari.

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

4.1 The stockholders approved and ratified the following matters during the Stockholder's Meeting held last September 21, 2024:

4.2

a. Election of the members of the Board of Directors to serve for the term 2024-2025. Those elected regular members of the Board were:

1. Mr. Sergio R. Ortiz-Luis, Jr.
2. Mr. Arthur M. Lopez
3. Mr. Kenneth T. Gatchalian
4. Ms. Elvira A. Ting
5. Mr. Dee Hua T. Gatchalian
6. Mr. Ruben D. Torres
7. Mr. Lamberto B. Mercado, Jr.

As Independent Directors:

1. Justice Renato C. Francisco
2. Atty. Aristeo R. Cruz

Atty. Arthur R. Ponsaran acts as the Corporate Secretary of the Company.

b. The designation of KPMG R.G. Manabat and Co. as the Corporation's external auditor. For year ending 2024, the signing partner of the company is [xxxxxxx].

PART II – OPERATIONAL AND FINANCIAL INFORMATION

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

5.1 The common stock of the company is being traded currently in the Philippine Stock Exchange. On June 16, 1999, the Parent Company declared cash dividend of Php 0.02 per share on its Common Shares outstanding as of May 15, 1999. This amounted to Php 19.23 million. The Parent Company also declared a 10% stock dividend as of September 15, 1999 record date.

The Company has not issued dividends since the year 2000. However, it promises to declare dividends once the deficit is offset and the market for the coming years proper.

5.2 The stocks of WPI shares which are listed on the Philippine Stock Exchange for the last two calendar years are as set out hereunder:

Peso	**High**	**Low**
2024		
January – March 2024	0.410	0.400
April- June 2024	0.400	0.390
July- September 2024	0.375	0.365
October- December 2024	0.430	0.370

Peso	**High**	**Low**
2023		
January – March 2023	0.465	0.450
April- June 2023	0.430	0.420
July- September 2023	0.400	0.395
October- December 2023	0.415	0.375

The price of the stock is at 0.375 as of December 31, 2024 and at 0.400 as of May 13, 2025.

5.1 The number of stockholders of record as of December 31, 2024 on the Register of Shareholders was 426 but the company is not able to identify the actual number of beneficial owners who are registered under the name of the member companies of the Philippine Stock Exchange (PSE). Common shares outstanding as of December 31, 2024 were 2,498,991,753. There are no sales for the last three years of unregistered securities.

5.2 The list of top 20 stockholders of record as of December 31, 2024 is as stated hereunder:

	STOCKHOLDER'S NAME	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL
1	PCD NOMINEE CORP. (FILIPINO)	1,134,999,235	45.42%
2	THE WELLEX GROUP, INC.	1,128,466,800	45.16%
3	PCD NOMINEE CORP. (NON-FILIPINO)	45,711,239	01.83%
4	KENNETH T. GATCHALIAN	30,000,100	01.20%
5	REXLON T. GATCHALIAN	30,000,000	01.20%
6	WESLIE T. GATCHALIAN	30,000,000	01.20%
7	FORUM HOLDINGS CORPORATION	20,626,000	00.83%
8	PRIMARY STRUCTURES CORPORATION	16,212,500	00.65%
9	REXLON GATCHALIAN	14,740,000	00.59%
10	METRO ALLIANCE HOLDINGS & EQUITIES, INC.	14,370,000	00.58%
11	ELVIRA A. TING	10,000,009	00.40%
12	CATALINA ROXAS MELENDRES	6,246,000	00.25%
13	MANUEL H. OSMENA &/OR MANUEL L. OSMENA II	1,400,000	00.06%

14	ROLANDO M. LIM	1,142,500	00.05%
15	FELIPE A CRUZ, JR.	1,100,000	00.04%
16	MARIA CONCEPCION CRUZ	876,000	00.04%
17	FREYSSINET PHILIPPINES, INC.	770,000	00.03%
18	BENSON COYUCO	605,000	00.02%
19	LUCENA B. ENRIQUEZ	552,000	00.02%
20	EMILY LIM	500,000	00.02%

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

Below are the results of operations of the Parent Company and its subsidiaries, for the years ending December 31, 2024, 2023 and 2022 together with its financial conditions as of the same period.

RESULTS OF OPERATIONS (Amounts in P)

RESULTS OF OPERATIONS	2024	2023	2022
Revenues	**1,951,540,132**	1,803,586,373	1,486,441,049
Less: Costs and Expenses	**1,431,212,359**	1,143,632,602	993,377,085
Gross Income	**520,327,773**	659,953,771	493,063,964
Other (Expenses) Income	**1,238,724,832**	(513,769,081)	(376,255,667)
Net Income Before Income Tax	**1,759,052,605**	146,184,690	116,808,297
Income Tax Expense	**154,365,872**	107,627,968	65,925,125
NET INCOME	**1,604,686,733**	38,556,722	50,883,172
Earnings (Loss) Per Share	**0.34**	0.028	.033

FINANCIAL CONDITION (Amounts in P)

FINANCIAL CONDITION	2024	2023	2022
ASSETS			
Current Assets	**4,561,995,120**	**4,858,219,040**	**4,222,560,541**
Noncurrent Assets	**17,849,702,771**	**16,548,247,858**	**16,185,968,157**
Total Assets	**22,411,697,891**	**21,406,466,898**	**20,408,528,698**
LIABILITIES			
Current Liabilities	**2,531,479,659**	**2,658,409,343**	**2,375,069,374**
Non-current Liabilities	**5,153,155,732**	**5,627,334,223**	**5,641,210,653**
Total Liabilities	**7,684,635,391**	**8,285,743,566**	**8,016,280,027**
Total Stockholders' Equity	**12,384,330,712**	**11,521,383,035**	**11,040,389,800**
Minority Interest	**2,342,731,788**	**1,599,340,297**	**1,351,858,871**
Total Liabilities & S/H Equity	**22,411,697,891**	**21,406,466,898**	**20,408,528,698**

Calendar Year -ended December 31, 2024 as compared with Calendar Year ended December 31, 2023

RESULTS OF OPERATION

Revenues and Earnings per share

- Total revenues for year ended Dec. 31, 2024 was higher than the previous year. In actual performance, revenues from hotel & other subsidiaries for the year 2024 is at P1.952B compared to 2023's P1.803B, increasing by 8.20%.

Earnings per share for 2024, P0.34 and P0.028 for 2023. There are no potentially dilutive shares as of December 31, 2024.

Cost and expenses

– Cost and expenses of 2024 is at P1.431B compared to last year's P1.144B

FINANCIAL CONDITION

Cash and cash equivalents – This account decreased by P82.59M which is 17.35% lower from last year.

Receivables – Increased by 75.12% from P903.67M in 2023 to P1.582B in 2024.

Notes Receivable – Increased for the year by P4.149M or an increase of 1.55%.

Inventories – Inventories increased by 25.26% from last year.

Due from related parties-current portion – The account decreased to P2.211B, an amount 24.71% lower from last year. This represents interest bearing advances to TWGI, PRC and Crisanta Realty.

Prepaid expenses and other current assets – A decrease of P178.969M from last year's P248.457M. Prepaid expenses are defined as payment for services and/or benefits yet to be performed or received; it also includes prepaid taxes and insurance.

Property plant & equipment – There was a 0.26% decrease from last year's P11.706B to this year's P11.675B. In compliance with PAS 27, property and equipment (except operating and transportation equipment) were carried at revalued amounts effective 2009.

Other noncurrent assets – There is an increase of P173.039M on this account compared to last year's P728.656M.

Current Liabilities – The account consisted of trade payable, income tax payable, accruals and loans payable. The account decreased by 4.77% from last year; P2.658B in 2023 to P2.531B in 2024.

Loans Payable – Current portion of the loan decreased by P44.00M.

Other current liabilities – The account resulted in an increase from P63.489M last year to P72.526M this year. This refers to concessionaire, other deposits and deferred income.

Calendar Year -ended December 31, 2023 as compared with Calendar Year ended December 31, 2022

RESULTS OF OPERATION

Revenues and Earnings per share

- Total revenues for year ended Dec. 31, 2023 was higher than the previous year. In actual performance, revenues from hotel & other subsidiaries for the year 2023 is at P1.804B compared to 2022's P1.486B, increasing by 21.34%.

Earnings per share for 2023, P0.028 and P0.033 for 2022. There are no potentially dilutive shares as of December 31, 2023.

Cost and expenses

– Cost and expenses of 2023 is at P1.144B compared to last year's P993.38M

FINANCIAL CONDITION

Cash and cash equivalents – This account decreased by P107.94M which is 18.49% lower from last year.

Receivables – Increased by 3.41% from P873.87M in 2022 to P903.67M in 2023.

Notes Receivable – Increased for the year by P20.17M or an increase of 8.15%.

Inventories – Inventories d ecreased by 14.27% from last year.

Due from related parties-current portion – The account increased to P2.936B, an amount 31.09% higher from last year. This represents interest bearing advances to TWGI, PRC and Crisanta Realty.

Prepaid expenses and other current assets – An increase of P0.06M from last year's P248.40M. Prepaid expenses are defined as payment for services and/or benefits yet to be performed or received; it also includes prepaid taxes and insurance.

Property plant & equipment – There was a 6.41% increase from last year's P11.001B to this year's P11.706B. In compliance with PAS 27, property and equipment (except operating and transportation equipment) were carried at revalued amounts effective 2009.

Other noncurrent assets – There is a decrease of P3.10M on this account compared to last year's P731.76M.

Current Liabilities – The account consisted of trade payable, income tax payable, accruals and loans payable. The account increased by by 11.93% from last year; P2.375B in 2022 to P2.658B in 2023.

Loans Payable – Current portion of the loan increased by P120.00M.

Other current liabilities – The account resulted in an increase from P32.95M last year to P63.49M this year. This refers to concessionaire, other deposits and deferred income.

Calendar Year -ended December 31, 2022 as compared with Calendar Year ended December 31, 2021

RESULTS OF OPERATION

Revenues and Earnings per share
- Total revenues for year ended Dec. 31, 2022 was higher than the previous year. In actual performance, revenues from hotel & other subsidiaries for the year 2022 is at P1.486B compared to 2021's P0.998B, increasing by 48.97%.

Earnings per share for 2022, P0.033 and P0.222 for 2021. There are no potentially dilutive shares as of December 31, 2022.

Cost and expenses
– Cost and expenses of 2022 is at 993.38M compared to last year's 645.20M

FINANCIAL CONDITION

Cash and cash equivalents – This account decreased by P259.91M which is 30.80% lower from last year.

Receivables – Increased by 21.93% from P716.70M in 2021 to P873.87M in 2022.

Notes Receivable – Increased for the year by P12.11M or an increase of 5.15%.

Inventories – Inventories Increased by 21.92% from last year.

Due from related parties-current portion – The account increased to P2.240M, an amount 35.64% higher from last year. This represents interest bearing advances to TWGI, PRC and Crisanta Realty.

Prepaid expenses and other current assets – An increase of P29.86M from last year's P218.54M. Prepaid expenses are defined as payment for services and/or benefits yet to be performed or received; it also includes prepaid taxes and insurance.

Property plant & equipment – There was an 8.19% increase from last year's P10.168B to this year's P11.001B. In compliance with PAS 27, property and equipment (except operating and transportation equipment) were carried at revalued amounts effective 2009.

Other noncurrent assets – There is a decrease of P53.18M on this account compared to last year's P784.94M.

Current Liabilities – The account consisted of trade payable, income tax payable, accruals and loans payable. The account decreased by 11.31% from last year; P2.68B in 2021 to P2.38B in 2022.

Loans Payable – Current portion of the loan decreased by 41.10%.

Other current liabilities – The account resulted in an increase from P432.97M last year to P463.09M this year. This refers to concessionaire, other deposits and deferred income.

Key Variable and Other Qualitative and Quantitative Factors:

a. Any known Trends, Events or Uncertainties

The Group has assessed that although COVID-19 will not have significant effect on its ability to continue as a going concern, it will still have continuing impact on its operations. The full impact on the Group will depend on the duration of this unique crisis and how it severely impacts the economy going forward, with a range of potential outcomes too large to provide a meaningful quantification at this point. The subsequent impact of this outbreak especially on the Group's estimates of provision on financial instruments and recoverability of nonfinancial assets will be determined, quantified and recognized in the Group's financial statements when these become estimable.

b. There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Omnibus Security and Loan Agreement Covenants

As of December 31, 2020, the Group's debt service coverage ratio and debt to equity ratio have fallen below the agreed threshold, but the Group was able to obtain a waiver for the breach (see Note 26). As at the date of the authorization of the financial statements, the Group is not in default and continues to pay the maturing interest and principal in a timely manner.

c. There are no material off-balance sheet transactions, arrangements, obligations (including, contingent obligations), and other relationship of the company with unconsolidated entities or other persons created during the reporting period.

d. The group is not subject to externally-imposed capital requirements.

Financial Risk and Capital Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, receivables, notes receivable, due from related parties, short-term investments, equity securities - at FVOCI, other noncurrent assets (excluding advances to contractors and advances to supplier), accounts payable and accrued expenses (excluding local taxes, output VAT and withholding taxes), loans payable, due to a related party, lease liabilities, other current liabilities (excluding deferred income), concessionaires' deposits and retention payables. These financial instruments arise directly from operations.

The main risks arising from the financial instruments of the Group are credit risk, liquidity risk and market risk. There has been no change to the Group's exposure to risks or the manner in which it manages and measures the risks in prior financial year. The Group's management reviews and approves policies for managing each of these risks and they are summarized as follows:

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 receivables.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information, and in some cases bank references. The Group limits its exposure to credit risk by establishing credit limits and maximum payment period for each customer, reviewing outstanding balances to minimize transactions with customers in industries experiencing particular economic volatility.

With respect to credit risk from other financial assets of the Group, which mainly comprise of due from related parties, the exposure of the Group to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

There is no other significant concentration of credit risk in the Group.

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

The credit quality of the Group's financial assets that are neither past due or impaired is considered to be of good quality and expected to collectible without incurring any credit losses.

Information on the Group's receivables and due from related parties that are impaired as of December 31, 2021 and 2020 and the movement of the allowance used to record the impairment losses are disclosed in Notes 5 and 8 to the consolidated financial statements.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

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

Ultimate responsibility for liquidity risk management rests with the BOD, which has established 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 manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast 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 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, 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.

Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flow of the financial instruments will fluctuate because of the changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's financial instrument that is primarily exposed to interest risk is the interest-bearing funds made available by the Parent Company to WCCCHI to finance the construction of the Cebu City Hotel Project. Such funds were substantially sourced from a P375.00 million loan from SSS, as well as the stock rights offering of the Parent Company. Since 2006, the Parent Company charged WCCCHI on the related interests and penalties on the contention that the latter benefited from the proceeds of the SSS loan. Starting 2017, WCCCHI was not anymore charged with the interest on SSS loan because the Parent Company has assessed that if it has already fulfilled its obligations related to its use of proceeds from such loan.

Cash flow interest rate risk exposure is managed within parameters approved by management. If the exposure exceeds the parameters, the Group enters into hedging transactions.

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, 2021 and 2020 (see Note 8f). The Group has also investment in shares of stock of WMPD amounting to P50.00 million representing 5% of the total capital stock of WMPD (see Note 8f).

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.

Fair Value of Financial Assets and Liabilities

The carrying amount of cash and cash equivalents, receivables, current portion of due from related parties, accounts payable and accrued expenses and other current liabilities approximate their fair values due to the short-term maturity of these instruments.

The fair value of interest-bearing due from related parties and loans payable is based on the discounted value of expected future cash flows using the applicable market rates for similar types of instruments as of the reporting date, thus, the carrying amount approximates fair value.

The fair value of listed investment was determined using the closing market price of the investment listed on the PSE as of December 31, 2024 and 2023.

Risk Management Structure

Board of Directors

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, evaluating and analyzing of the Group's risks in line with the policies and limits set by the BOD.

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. Capital is defined as the invested money or invested purchasing power, the net assets or equity of the entity. The Group's overall strategy remains unchanged from 2021 and 2020.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. 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, foreign currency translation adjustment and fair value reserve.

The Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the omnibus and security loan agreement. Breaches in meeting the financial covenants would permit the bank to immediately call the loans. There have been no breaches of the financial covenants in the current period.

Item 7. Financial Statements

The consolidated financial statements are filed as part of this Form 17-A, attached hereto and marked as Annex 'A'.

INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

1) External Audit Fees and Services

KPMG R.G. Manabat & Co. began the external audit of the financial statements of Waterfront Philippines, Inc. and its subsidiaries for the calendar year ended December 31, 2024 until present, December 31, 2023.

A) Audit and Audit-Related Fees, net of Tax

	FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024	2023
Aggregate Fees Billed for the external audit of the Company's financial statements	4,787,500	3,676,000.00

B) Tax Fees

None

C) All Other Fees

None

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

None

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

9.1 The names and ages of the Directors and Executive Officers as of December 31, 2024 are as follows:

Office	Name	Age	Citizenship	Position in Other Listed Companies
Chairman of the Board	Sergio R. Ortiz-Luis, Jr.	81	Filipino	Independent Director- Waterfront Philippines, Inc., President & CEO - Philippine Exporters Confederation, Inc. (PHILEXPORT); Honorary Chairman - Philippine Chamber of Commerce & Industry, Employers Confederation of the Philippines, Integrated Concepts and Solutions, Inc., Vice-Chairman of Alliance Global, Inc.; Director – International Chamber of Commerce of the Philippines, Manila Exposition Complex, Inc., Lasaltech Academy, BA Securities, Rural Bank of Baguio, GS1.; Gov't Affiliations: Vice-Chairman – Export Development Council; Civic Organizations: Chairman - Rotary Club of Green Meadows, Director – PILAK Foundation, Universal Access Center for Trade Others: Honorary Consul General – Consulate of Romania in the Philippines.
Director	Kenneth T. Gatchalian	48	Filipino	Director-Wellex Industries Inc.; President & CEO of Acesite (Phils.) Hotel 2007-present; President and Chief Excutive Officer of Philippine Estates Corporation 2010-2011; Director-Forum Pacific Inc.

Director	Arthur M.Lopez	78	Filipino	Owner and Principal Consultant of AML Hotel Consultancy, Management and Technical Services Consultant of Federal Land and owner of Grand Hyatt Projects and Marco Polo Cebu; Director-Philippine Estates Corp., Chairman- Acesite Phils. Hotel Corp, Hotel Management Consultant of the B Hotel Manila, Bellevue Bohol Resort in Panglao, B Hotel Quezon City, Bellevue Baguio (opening in 2018) and Bloomberry Casino Hotels & Resorts; Regional Director of Asia Pacific Top Management International Resources Corp.; Hotel Management Consultant of Double Dragon properties Corporation. President of Legoli Holdings Inc and Arleff Holdings Inc. and President of Phil. Hotel Federation Inc.
Director	Dee Hua T. Gatchalian	76	Filipino	Director- Philippine Estates Corporation, Acesite (Philippines) Hotel Corporation; EVP-Finance and Admin The Wellex Group, Inc., & Plastic City Corporation. Chairperson of Jesus Our Life Ministries, Inc.
Director	Reno I. Magadia	54	Filipino	Managing Director- Misons Industrial & Development Corp., Metro Combined Logistics Solutions, Inc.; Director – Metro Alliance Holdings and Equities Corp. Vice-President and Director of Mercator Filter Manufacturing Corporation.
Director	Aristeo R. Cruz	58	Filipino	Director- Metro Alliance Holdings & Equities Corp., Director- Acesite (Phils.) Hotel
Director	Renato C. Francisco	76	Filipino	Associate Justice-Court of Appeals, Former Executive Judge of the Regional Trial Court, Former Assistant City Prosecutor for Makati City
Director	Ruben D. Torres	83	Filipino	Independent Director Waterfront Philippines, Inc., President –BPO Workers Association of the Phils..; Senior Partner – Torres Caparas Torres Law Offices; Secretary General-Katipunan ng Manggagawa at Magsasaka ng Pilipinas; Chairman/CEO - Service Exporters Risk Management & Consultancy Co., Towers Corporation and Optimus Medical Care and Trading Corporation.
Director and Treasurer	Elvira A. Ting	64	Filipino	President & CEO – Philippine Estates Corporation; Director-Wellex Industries, Inc., Forum Pacific, Inc., Orient Pacific Corporation, Crisanta Realty and Development Corporation, Recovery Development Corporation, The Wellex Group, Inc., Plastic City Industrial Corporation.
Corporate Secretary	Arthur R. Ponsaran	81	Filipino	Director-Philippine Estate Corporation, Wellex Industries, Inc., Forum Pacific, Inc. Acesite (Phils.) Hotel, Managing Partner-Corporate Counsels, Phils., Chairman of Value Management and Options Corp and Corp Secretary of Producers Rural Banking Corp., The Wellex Group, Inc., MRL Gold

				Phils., Inc., Village Foundation, Shuylkill Assets Strategists (SPV-AMC), Inc., Petrolift Corp.
Director	Lamberto B. Mercado, Jr.	59	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 or 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.

➤ ***Independent Directors***

A brief description of the directors' and executive officers' business experience and other directorship held in other reporting companies are provided as follows:

Sergio Ortiz-Luis, Jr.	**Chairman of the Board**

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, and PhD Business Technology from Eulogio "Amang" Rodriguez Institute of Science and Technology. He is the President and CEO 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 Vice Chairman of Alliance Global, Inc., Export Development Council. He is a Director of Manila Exposition Complex, Inc., Lasaltech Academy, Philippine Estate Corporation, BA Securities, Rural Bank of Baguio, PILAK Foundation, and Universal Access Center for Trade and Philippine International Training Corporation. He is a Council Adviser Member of Philippine Foundation, Inc., a Founding Director of International Chamber of Commerce of the Philippines and GS1. He is also a member of the Board of Advisers of Southville International School and Colleges. He is a commissioner of Patrol 117, a Financing Champion of National Competitiveness Council and a Private Sector Representative of Bamboo Council. He is also a Chairman of Rotary Club of Green Meadows Foundation and also a Chairman of Council of Advisers Eastern Police District. He is the Past President of Rotary Club of Green Meadows Quezon City RI District 3780; a Board of Advisers Member of Council of Advisers Philippine National Police, a senator of Philippine Jaycee Senate, Captain of Philippine Coastguard Auxiliary and a member of the League of Corporate Foundation. 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. 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 and Presidential Merit Award Medal in 2007. He became an Independent Director of Waterfront Philippines, Inc. since August 2006-present. In 2014, he attended Exporter's Partner in Gearing the Country for the AEC Markets of the World 2, Technology Innovation and Entrepreneurship as Competitive Strategies PHILAAS 63rd Annual Convention and lastly, Bringing the Buy Pinoy Campaign to the Next Level.

Kenneth T. Gatchalian	**President**

Mr. Kenneth T. Gatchalian is a President of the Company. He is a member of the Board of Forum Pacific, Inc. and Wellex Industries, Inc., and The Wellex Group, Inc. Holds a Degree in Bachelor of

Science in Architecture from University of Texas in San Antonio, Texas, USA. He's been the Director of Waterfront since February 2001.

Arthur M. Lopez	Director

Hotel management consultant specializing in general hotel management consultancy services, marketing, hotel design development/technical services, gaming, hotel feasibility study, pre and post hotel opening management services, asset management/owner's representative, food and beverage concept and service, mergers and acquisitions, travel and tours, theme parks and third party management and branding. The Owner and Principal Consultant of AML Hotel Consultants. Hotel Management and Development Consultant – Double Dragon Properties Corporation (PSE listed) - Hotel of Asia Inc. – Jin Jiang Ortigas, Jin Jiang Inn Makati, Injap Tower Iloilo, Hotel 101 Manila (500 rooms), Hotel 101 Fort project (600 rooms, under construction); Hotel 101 Bohol (250 rooms, under construction); Hotel Management and Development Consultant – Bellevue Bohol Resort, The Bellevue Hotel Manila, The B Hotel Manila, B Hotel Quezon City; Bellevue Baguio (under construction) opening in 2018; Bellevue Bohol Resort extension (140 rooms) opening 2019. Hotel Management and Development Consultant – Wydham Garden (Wellworth Properties and Development Corporation) Quezon City (200 rooms) opening in 2020 and in a resort hotel in Mactan, Cebu City (300 rooms) opening in 2021. The Chairman – Philippine Estates Corporation (PSE listed) and Acesite Philippines Hotel Corporation, owner of Manila Pavilion Hotel (PSE listed). Director – Waterfront Hotels and Casinos (PSE listed) – Waterfront Cebu City Hotel & Casino, Manila Pavilion Hotel & Casino, Waterfront Airport Hotel & Casino and Waterfront Insular Hotel Davao. President – Philippine Hotel Owners Association, Inc. (PHOAI) – the largest group of hotel owners and developers in the Philippines. Holds a Bachelor of Science degree in Commerce, major in Management, and a Master's Degree in Business Administration (MBA), both from the University of Santo Tomas in the Philippines. He completed a Tourism Management course at the EastWest Center, University of Hawaii, Honolulu, Hawaii and Cornell University, Ithaca, New York, USA.

Dee Hua T. Gatchalian	Director

Mrs. Gatchalian was elected director of the Company since 24 June 2004-present. She is the Executive Vice-President of The Wellex Group, Inc., and also the Executive Vice-President of Plastic City Corporation. She is a board of director of Philippine Estates Corporation, and Acesite (Phils.) Hotel Corp. She 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.

Reno I. Magadia	Director

A Master's degree holder in Business Administration from Pepperdine University in Los Angeles, California, Mr. Magadia is currently the Managing Director of holding firm, Misons Industrial and Development Corp. He is also the Managing Director of Metro Combined Logistics Solutions, Inc. He is on the Board of Directors of Metro Alliance Holdings and Equities Corporation. He held the posts of Vice President and Director of Mercator Filter Manufacturing Corporation. He also worked as Head Portfolio Manager of stock brokerage firm, Papa Securities Corporation. He was also the President and Founder of the Youth Leaders for Change, a non-profit and multi-sectoral organization for youth leaders in Quezon City. He was elected as Director of Waterfront Philippines, Inc., since September 17, 2005-present.

Aristeo R. Cruz	Director

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.

Renato C. Francisco	**Director**

A veteran legal professional, Justice Renato C. Francisco has been serving as an Associate Justice for the Court of Appeals from May 31, 2012 – August 20, 2018. An Ateneo De Manila University graduate for his Bachelor of Laws, Justice Francisco has served in the judiciary as a Presiding/Executive Judge for the Regional Trial Court – Branch 19 of Malolos, Bulacan. Prior to that, he has also been the Assistant City Prosecutor for Makati City from 1992 to 1996. His extensive knowledge about the judiciary and legislations was further improved by the training programs that he has been a part of including The Harvard Negotiation Intensive, The Seminar-Workshop on Substantive Law and Jurisprudence on Intellectual Property for Court of Appeals Justices.

Ruben D. Torres	**Director**

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 Torres6 Law Office. He is also the 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.

Elvira A. Ting	**Director and Treasurer**

Ms. Elvira A. Ting earned her Bachelor's Degree in Business Administration major in Management from the Philippine School of Business Administration. Has been the Director of Waterfront Philippines, Inc., since October 2000-present. She is also the President/Director of Philippine Estates Corp., a director Wellex Industries, Inc., The Wellex Group, Inc., and Forum Pacific, Inc. She is also a Director/CFO of Acesite Phils. Inc. since 2004-present.

Executive

Kenneth T. Gatchalian	**President**

(See above description)

Evangeline E. Soliveres	**Corporate Finance Director**

Ms. Soliveres joined Waterfront Group on February 16, 2022 as Corporate Finance Director. She is a CPA 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 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).

Maria Socorro Cotelo	Corporate Planning Director

Ms. Cotelo is the Corporate Planning Director for Waterfront Hotels & Casinos. She joined Waterfront in 2003 as Sales Accounts Manager before she moved to help establish Revenue Management in the company from there she continued to work in the Corporate Planning Division undertaking Standardization, Business Development, Reservation & Distribution and Corporate Information Technology. She earned her Bachelor's Degree in Economics at the University of San Carlos and took up masteral units for the same course before pursuing her Bachelor of Laws from SouthWestern University, Cebu City. After completing her Bachelor of Laws, she worked for the Davide, Calderon, and Tolentino Law office in 2002 and as part-time instructor for the University of San Carlos, Economics Department. She had significant training in Hotel Management and Distribution Systems and attended Revenue Management seminars specifically on Pricing, Travel distribution and technology, Project Management, Branding, and Selling Skills workshops. Her speaking engagement to two of these international seminars & forums under the Travel Distribution Summit Asia in 2008 and 2009 include topics on Revenue Management in Tough times and Integrating Sales and Marketing in Revenue Management. She completed her Certification in Revenue Management at Cornell University, New York in 2011 with focus on hotel and restaurant revenue management, strategic pricing, demand management, strategic marketing and financial management.

Lanelle Cristina M. Barba	Corporate Peers' Resources and Development Director

Ms. Barba, joined Waterfront on 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 with Waterfront, she is 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 the PDP 2009 Building the Human Capital Base: Essential HR Practices for Managers. In 2011 to Bangkok, Thailand for HR Audit training. On August 15, 2018, she completed the seminar on Corporate Governance.

9.2 The Directors of WPI are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified. Officers are appointed or elected annually by the Board of Directors at its first meeting following the Annual Meeting of Stockholders, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected, appointed or shall have qualified. For the year 2019 the Board of Directors' meeting for the election of the Executive Officers was held on last October 19, 2019. The Directors are to serve one year from then. The last annual stockholders' meeting was held at the Waterfront Cebu City Hotel.

9.3 Mr. Kenneth T. Gatchalian is a child of Ms. Dee Hua T. Gatchalian. Ms. Elvira A. Ting is a sister of Ms. Dee Hua T. Gatchalian and an aunt of Mr. Kenneth T. Gatchalian.

There are no other relationships among the officers listed.

9.4 None of the Directors and Executive Officers of the Corporation is engaged in any material litigation either as Plaintiff or Defendant, and the Directors and Executive Officers do not have any knowledge of any proceedings pending or threatened against them for the past five years that are material to evaluation of the integrity and ability of any director including but not limited to the following: (a) Any bankruptcy petition filed by or against any business of which such person was a general partner; (b) any conviction by final judgment, including the nature of the offense, including in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and minor offenses; (c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and (d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

9.5 There is no significant employee to the Company who is not an executive officer but who is expected by the Company to make a significant contribution to the business except for the Training Consultant and Legal Consultants, the organic pool of trainors as of the moment. In order to protect the long-term viability of the firm with regard to these people, the Company has included in their contracts a provision for conflict of interest, provision for lock in period and non-duplication of documents and developments with WPI copyrights.

Item 10. Executive Compensation

10.1 None of the directors receive compensation for serving as directors of the company.

10.2 The aggregate compensation paid to the four.

	Calendar Year Ending December 31		
	2024	**2023**	**2022**
a) Aggregate compensation paid to four most highly compensated executive officers: -estimated	21,225,604	20,607,383	16,786,043
b) Aggregate compensation paid to other Officers as a group unnamed –estimated	10,329,516	10,028,656	9,723,941

10.3 To date WPI has not issued any options or implemented any option scheme to its directors and officers.

10.4 There is no issuance of warrants or options for the year 2024 to the directors or executive officers.

Item 11. Security Ownership of Certain Beneficial Owners and Management

11.1 **Security Ownership of Certain Record and Beneficial Owners**

As of December 31, 2024, WPI has no knowledge of any individual or any party who beneficially owns in excess of 10% of WPI’s common stock except as set forth in the table below:

Title of Class	**Name of Record/ Beneficial Owner**	**Amount & Nature of Record/Beneficial Ownership (“r” or “b”)**	**Percent Of Class**
Common	PCD Nominee Corp.(Fil)	1,134,999,235 “r"	45.42%
Common	The Wellex Group, Inc.	1,128, 466, 800 “r” *	45.16%

*Ms. Elvira A. Ting, the Treasurer, represents The Wellex Group, Inc.

11.2 **Security Ownership of Management**

Title Of Class	**Name of Owner**	**Amount and Nature of Ownership (“r” or “b”)**	**Percent of Class**
Common	Kenneth T. Gatchalian	30, 000, 100 **r&b**	1.200
Common	Arthur M. Lopez	1 **r&b**	0.000
Common	Elvira A. Ting	10, 000, 009 **r&b**	0.400
Common	Aristeo R. Cruz	1,000 **r&b**	0.000
Common	Arthur R. Ponsaran	110 **r&b**	0.000
Common	Dee Hua T. Gatchalian	350, 000 **r&b**	0.014
Common	Reno Magadia	10, 000 **r&b**	0.000
Common	Sergio R. Otiz-Luis Jr.	100 **r&b**	0.000
Common	Ruben Torres	1, 000 **r&b**	0.000

There are no persons holding a certain class of stocks under a voting trust or similar agreement. There are also no arrangements that may result in a change in control of the registrant.

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 WPI has received or become entitled to receive any benefit by reason of:

i) a contract made with WPI 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 APR 1 1 2025, 20__.

By:

KENNETH T. GATCHALIAN
President/Director

EVANGELINE E. SOLIVERES
Corporate Finance Director

ARTHUR R. PONSARAN
Corporate Secretary

SUBSCRIBED AND SWORN to before me this _____ day of APR 1 1 2025 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. 853;
PAGE NO. 171;
BOOK NO. 5;
SERIES OF 2025.

ATTY. GILBERTO B. PASIMANERO
Notary Public until December 31, 2025
Notarial Commission 2024-012
IBP# 360140; Pasig for yr. 2025
PTR# 2041418; Mla-1-2-2025
Roll # 25473; TIN 103-098-346
MCLE Exempt. No. VII-NP004370 'til 4-14-2025

Count	Name	Holdings
1	ABACUS CAPITAL INVESTMENT CORP. A/C 583002	1,000
2	ABACUS SECURITIES CORPORATION	35,200
3	IMELDA L. ACIDERA	22,000
4	RICARDO R. AGUADO	11,000
5	AH LAY OH	13,750
6	ALBERTO MENDOZA &/OR JEANIE MENDOZA	11,000
7	MA. CYNTHIA AMIGO ALCANTARA	7,700
8	EDGAR M. ALFEREZ	25,000
9	MINERVA R. ALIAZON	4,400
10	HANNAH JALECO ALLANIGUE	6,600
11	DONATO ALMEDA	1
12	RODERICK ALAIN ALVAREZ	10,000
13	ANABELLE C. ALVARO	500
14	MA. WINNINAH S. ANCHETA	5,500
15	BANING P. ANG	2,000
16	BANING P. ANG	2,000
17	MA. LUISA AQUINO	1,000
18	ROMMEL C. AQUINO	1,100
19	EVELYN ARCENAL	11,000
20	RAMONCITO ARCEO	30,000
21	CARLO ARCHES	2,200
22	GENEROSA A. ARENAS	5,500
23	MA. THERESA L. ARGUELLES	110
24	ARIEL M. CONCEJERO &/OR MA. CONSUELO G. CONCEJERO	11,000
25	ARSENIO L. LIM &/OR RUBY O. LIM	10,000
26	ARTHUR H. OSMENA &/OR JANE Y. OSMENA	330,000
27	OWEN NATHANIEL AU	200
28	RAYMOND AZCARATE	1,000
29	GERALDINE BAD-AY	1,100
30	CARINA H. BALONES	10,000
31	DAXIM-REY L. BANAGUDOS	11,000
32	MA. ROSARIO T. BARRETTO	2,200
33	BARTHOLOMEW DY BUNCIO YOUNG	10,000
34	ARSENIO BARTOLOME, III	1
35	EDUVEGES O. BATALAN	2,000
36	AIDA BELLESTEROS	2,200
37	ELENA D. BELLEZA	500
38	BENJAMIN MOMBAY &/OR ELYSIA DELA LLANA	2,200
39	VIVIEN BILBAO	1,100
40	RAMON JAIME VILA BIROSEL	17,600
41	GARRY BOOC	10,000
42	JUN M. BORRES	3,300
43	ERLITA BUGAOAN	200
44	EXUPERTO P. CABATANA	6,600
45	BONIFACIO M. CABATIT	2,000
46	LUZVIMINDA E CABIBIJAN	1,100
47	LORENA R. CABUGAWAN	333
48	PRIMITIVO C. CAL	55,000
49	FE CALDERON	200
50	ELEANOR P. CALIMAG	3,300
51	CLEOFE D.V. CANETE	6,600

Count	Name	Holdings
52	ADELAIDA ZITA R. CARLOS	4,400
53	CARMENCITA MIRANDA &/OR DONNA DEL ROSARIO	5,500
54	JENNIFER CASAS	1,100
55	JOHN PETER CHICK B. CASTELO	1,100
56	CATHAY SEC. CO., INC. A/C# 1684	1,100
57	CATHAY SEC. CO., INC. A/C# 1030	100,000
58	RAY CELIS	2,200
59	CLARO CENIZA	2,200
60	AMELIA CERVANTES	2,200
61	ELVIN CHAN	16,500
62	VICKY L. CHAN	50,000
63	CHARTERED COMMODITIES CORPORATION	294,999
64	CHEAH TUCK	11,000
65	CHESA HOLDINGS, INC.	100,000
66	CARLOS CHING	500
67	CHIOTI HSU	22,000
68	FRANCIS S. CHOA	20,000
69	DEWEY CHOACHUY, JR	111,300
70	CHONG PENG YNG	100,000
71	WILLIAM N. CHUA CO KIONG	7,700
72	BELINDA CHUA	5,500
73	JULIE YAP CHUA	1,000
74	LUIS W. CHUA	5,500
75	YAN TO A. CHUA	132,000
76	MA. REGINA CLIMACO	5,500
77	BEDY DU CO	1,100
78	NELIA CO	20,000
79	ALFREDO COLLADO	900
80	KATHLEEN COPON	16,500
81	ROGER CORRO	2,300
82	FRANKLIN M. COSTALES	10,000
83	BENSON COYUCO	605,000
84	CARMELITA P. CRUEL	8,800
85	ARISTEO R. CRUZ	1,000
86	FELIPE A CRUZ, JR.	1,100,000
87	MA. TERESA P. CRUZ	55,000
88	MARIA CONCEPCION CRUZ	876,000
89	RODOLFO L. CRUZ	100
90	ANITA T. DAVID	11,000
91	ANGELES MORALES DE LEON	4,400
92	ROLANDO D. DE LEON	66,000
93	ROY A. DE LOS REYES	11,000
94	TERESITA I. DE LOS SANTOS	5,500
95	AUGURIO P. DE VERA	2,000
96	CYNTHIA ROXAS DEL CASTILLO	1,100
97	ELMER DELA CRUZ	2,200
98	JOSEFINA DINSAY	16,500
99	PEDRO DOMINGO	12,100
100	NARISA BERLIN R. DURAN	2,200
101	CAROLINE DY	1,100
102	MANUEL DY	11,000

Count	Name	Holdings
103	GARY GO DYCHIAO	200,000
104	EAST ASIA OIL & MINING COMPANY, INC.	40,000
105	EBC SECURITIES CORPORATION	48,400
106	EDGARDO YAMBAO &/OR MARIA ISABEL YAMBAO	11,000
107	EDILBERTO &/OR ROSITA TANYU &/OR WELLINGTON HO VELASCO	55,000
108	EDNA T. ROGANDO &/OR ESTER T. JUCO	2,200
109	LUCENA B. ENRIQUEZ	552,000
110	LEONARDO ERMITA	2,200
111	MA. ISABEL H. ERMITA	8,800
112	ERVERT AVANZADO &/OR LIAZLE AVANZADO	2,000
113	ERIBERTO E. ESTEBAN	5,500
114	FATIMA A. FARRALES	8,800
115	ARISTEO O. FERAREN, JR	17,600
116	ERIC FILAMOR	1
117	FLORENTINO A. GONZALEZ, JR. &/OR LOURDJEAN T. GONZALEZ	2,200
118	FORUM HOLDINGS CORPORATION	20,626,000
119	RENATO C. FRANCISCO	100
120	MA. ROSARIO FRANCO	3,300
121	FREYSSINET PHILIPPINES, INC.	770,000
122	JOCELYN FULACHE	6,600
123	G & L SECURITIES CO., INC.	10,000
124	GRACE M. GALANG	1,100
125	EUGENE GALICIA	3,300
126	MA. LEYLANI V. GAMBOA	2,500
127	ROGELIO GANZON	2,500
128	IMELDA GAPASIN	100
129	MARIA A. GARCIA	8,000
130	GRACIANO AUDWIN T. GARZON	5,000
131	DEE HUA T. GATCHALIAN	350,000
132	KENNETH T. GATCHALIAN	30,000,100
133	REXLON GATCHALIAN	14,740,000
134	REXLON T. GATCHALIAN	30,000,000
135	WESLIE T. GATCHALIAN	30,000,000
136	GUILLERMO F. GILI, JR	20,000
137	MARVIN J. GIROUARD	330,000
138	ANA L. GO	300,000
139	DOMINGO C GO	275,000
140	RUBY PING GO	20,000
141	EDMUNDO Z. GREGORIO	2,000
142	PATRICK C. GREGORIO	1
143	ARTURO GUANZON	33,000
144	MARLENE S. GUEVARA	11,000
145	GUIDO VILLANUEVA &/OR AMELIA VILLANUEVA	1,000
146	GUILD SECURITIES, INC.	1,100
147	GLORIA GUINTU	2,000
148	ROZANA C. GUTIERREZ	6,600
149	SARAH SAN JOSE HAIN	3,300
150	JOSEPH EDWARD HANNEN	2,200
151	HANSON G. SO &/OR LARCY MARICHI Y. SO	100,000
152	BRENDA SOLIDUM HERNANDEZ	3,300
153	LILY S. HO	36,300

Count	Name	Holdings
154	LILIAN HONG	34,000
155	HSBC SECURITIES (PHILIPPINES), INC.	5,000
156	HUNG CHUEN FEI	11,000
157	I.B. GIMENEZ SEC., INC. A/C DPA-003	2,000
158	ROYC CECIL D. IBAY	11,000
159	LUCILA D. ICBAN	2,200
160	INTERNATIONAL POLYMER CORPORATION	33,000
161	JOSE RENE ITURRALDE	200
162	JAY JACOBS	39,600
163	JAMES O. NG &/OR ELSIE Y. NG	10,000
164	ERIC JAO	16,500
165	JESUS ROBERTO SAENZ &/OR AURORA E.	3,300
166	JORGE P. LONTOC OR PACITA L. LONTOC	4,000
167	JOSE YAP &/OR CONCHITA YAP	330,000
168	AURELIO P. JR	13,200
169	RAPHAEL T. JUAN	7,700
170	KATHERINE LIM &/OR MARSHA LIM	11,000
171	KENSTAR INDUSTRIAL CORPORATION	110,000
172	KERRY SECURITIES (PHILS.), INC. -GJ01	4,400
173	JIM HO KHE BIN	20,000
174	CONSUELO DY KHU	11,000
175	CARMELITA KONG KIAT	16,500
176	PHILIP KIONG	11,000
177	ROBERT KLING	39,600
178	MUI SIN KOH-SEAH	4,400
179	CONSUELO C. KON	5,500
180	ROGELIO G. KWAN	622
181	L.M. GARCIA & ASS., INC. A/C# 160	55,000
182	LOLITA LABACLADO	5,500
183	ALEXANDRIA M. LACSON	5,500
184	RICARDO P. LAZARO	11,000
185	RODOLFO B. LEDESMA	30,000
186	ALEXANDER C. LEE	20,000
187	YVETTE LEE	27,500
188	LEONG JEE VAN	55,000
189	RICHARD ANTHONY Y. LIBORO	200
190	LIM TAY	55,000
191	BETO Y. LIM	150,000
192	CARRIE LIM	100,000
193	CELY S. LIM	112,200
194	EMILY LIM	500,000
195	GIOVANNI JOSEF B. LIM	10,000
196	JAY DEXTER A. LIM	16,200
197	JOCELYN O. LIM	2,200
198	KIRBY YU LIM	55,000
199	MONINA GRACE S. LIM	13,200
200	REBECCA TAN LIM	1,100
201	ROLANDO M. LIM	1,142,500
202	JUANITA LIMCHAYSENG	600
203	ROMEO S. LINDAIN	1,100
204	LIPPO SECURITIES, INC. FAO: SHEN KUO HSU	8,000

Count	Name	Holdings
205	LIPPO SECURITIES, INC.	56,500
206	KAROLYN LIU	5,500
207	ARMANDO S. LLARINAS	1,100
208	CHRISTOPHER D. LO	3,300
209	ADRIAN LONG	39,600
210	ARTHUR LOPEZ	1
211	JUAN ANTONIO LOPEZ	3,300
212	JOSEFA T. LUA	11,000
213	MAXIMO V. LUCAS	8,800
214	VILMA LUMANOG	2,200
215	LUKE MACABABBAD	3,300
216	MARIO T. MACADAEG	300
217	RENATO B. MAGADIA	200
218	RENO I. MAGADIA	10,000
219	MILAGROS ONG MAGAT	1,000
220	BENJAMIN G. MAGBANUA	1,100
221	GRACE MAGNAYE	16,500
222	GRACE MAGNAYE	5,500
223	LEVI Q. MAGNAYE	2,200
224	MELVIN M. MANALO	2,200
225	EMILIA MANANON	1,100
226	MANUEL H. OSMENA &/OR GRELINA L. OSMENA	100,000
227	MANUEL H. OSMENA &/OR MANUEL L. OSMENA II	1,400,000
228	JESUS B. MARAMARA	2,700
229	MA. MADONNA M. MEDENILLA	5,000
230	RUBEN MEDRANO	100
231	CATALINA ROXAS MELENDRES	6,246,000
232	ROCHELLE V. MENDOZA	200
233	ELIZABETH MERCADO	11,000
234	LAMBERTO B. MERCADO, JR	100
235	MERIDIAN SEC., INC. A/C# 844	200,000
236	METRO ALLIANCE HOLDINGS & EQUITIES, INC.	14,370,000
237	MANUEL S. MILAN	4,400
238	MIZPAH HOLDINGS, INC.	100,000
239	ALBERTO MOGUEL	1,200
240	CONSUELO A. MOPAS	22,000
241	MUI SIN KOH-SEAH &/OR DENNIS CHEE CHIANG SEAH	3,300
242	CRISTINO NAGUIAT, JR.	181,500
243	NG GHIM HWA	4,000
244	LAWRENCE C. NG	10,000
245	BELINDA NGO	5,500
246	NATIVIDAD C. NGUI	4,400
247	VIDA MARIE E. NISPEROS	1,100
248	NOBLE ARCH REALTY AND CONSTRUCTION CORP.	10,000
249	MARCELO S. NUGUID	22,000
250	CARMELO OBCEMEA	10,000
251	TERESITO P. OCAMPO	2,000
252	VENUS DE OCAMPO	20,000
253	OCBC SECURITIES PHILS., INC.	40,000
254	OMAR C. POLINTAN &/OR MELITA POLINTAN	1,100
255	ONG YU LING	27,500

Count	Name	Holdings
256	CARMEN ONG	11,000
257	JIMMY G. ONG	4,400
258	STEVEN M. ONG	6,600
259	VICKY ONG	22,000
260	JUANA ONGKA	5,500
261	REMEDIOS S. ORBETA	14,300
262	ORION-SQUIRE CAPITAL, INC. - 0267	200
263	VIRGIE R. ORTEGA	5,500
264	SERGIO R. ORTIZ-LUIS, JR	110
265	CONSUELO G. OSI	2,200
266	DAVID LAO OSMENA	314,600
267	DAVID LAO OSMENA	275,000
268	GLADYS MAY L. OSMENA	39,600
269	HARVEY OSMENA	11,000
270	MANUEL L. OSMENA, II	39,600
271	MANILYNN L. OSMENA	39,600
272	MEGHANN GAIL L. OSMENA	39,600
273	ANTONIO MAPUA OSTREA	5,500
274	VENUS PACIA	11,000
275	PACIFIC CONCORDE CORPORATION	100,000
276	PACIFIC IMAGES, INC.	100,000
277	PACIFIC REHOUSE CORPORATION	100,000
278	PACIFIC WIDE REALTY DEVELOPMENT CORP.	100,000
279	MA. TERESITA M. PALO	4,400
280	GAUDENCIO H. PANALIGAN	11,000
281	VICENTE LIM PANG	1,000
282	PANTALEON NIEVA &/OR ANGELITA NIEVA	3,300
283	ROSE LUZELLE PAPA	200
284	LYDIA C. PASCUA	1,100
285	SANDRA E. PASCUAL	50,000
286	CIRILO E. PASUCAL	11,000
287	PATRICIA MIADO &/OR MARIO ANGEL MIADO	3,300
288	PCD NOMINEE CORP. (FILIPINO)	1,134,999,235
289	PCD NOMINEE CORP. (NON-FILIPINO)	45,711,239
290	MA. THERESA C. PE	11,000
291	ARACELI P. PENAS	1,100
292	PAUL PESTANO	3,300
293	PHILIP NG CLARIN & EVELYN NG LEE	22,000
294	PIERCE INTERLINK SECURITIES, INC.	150,000
295	ELENETTE C. PINGUL	300
296	MABEL POBLETE	1,100
297	ARTHUR R. PONSARAN	110
298	AMANDO J. PONSARAN, JR	16,500
299	PORFIRIO G. MACARAEG &/OR MICHAEL MACARAEG	1,100
300	CHARLES M. PRATT	5,500
301	IMELDA M. PRECION	5,000
302	PRIMARY STRUCTURES CORPORATION	16,212,500
303	PUBLIC SEC. CORP.	800
304	DEREK PUERTOLLANO	5,500
305	WINSTON P. PUNZALAN	1,500
306	QUALITY INVESTMENTS & SECURITIES CORP.	22,000

Count	Name	Holdings
307	JAIME R. QUIJANO	3,300
308	MAHALIA C. QUINONES	5,000
309	NERISSA C. QUINTANA	11,000
310	RICARDA B. QUIROS	22,000
311	R. COYIUTO SECURITIES, INC.	11,000
312	MELITA G. RAGAS	2,200
313	RCBC T/A# 33-398-0	300
314	REGINA CAPITAL DEVT., CORP. A/C#1845	20,000
315	JOHN PATRICK REGNER	2,200
316	BEVERLY G. REJANTE	1,100
317	RENATO C. ALARCON &/OR VIRGINIA M. ALARCON	5,500
318	RENATO C. GENDRANO &/OR GENDRANO BERNADETTE	55,000
319	REXLON INDUSTRIAL CORPORATION	17,000
320	DAISY S.A REYES	1,100
321	FIDELINA B. REYES	1,000
322	JUANA M. REYES	7,700
323	DOMINADOR A. REYNO	500
324	ILDEFONSO REYNOSO, II	8,800
325	SALVADOR T. RIGOR, JR	7,700
326	CARLOS BENEDICT K. RIVILLA, IV	110
327	ROBERTO ABELLO &/OR MA. ANTONIA ABELLO	5,500
328	BING ROJO	6,700
329	ROLANDO I. LOMBOY &/OR MILAGROS R.LOMBOY	10,000
330	NORA ROSS	200
331	LETICIA ROXAS	1,100
332	RODOLFO V. SAEZ	1,000
333	ERNESTO R. SALAS, JR	22,000
334	DONNIE SALVADOR	600
335	MA. TERESA T. SAN AGUSTIN	3,300
336	FRANCISCO C. SAN DIEGO	50,000
337	AURORA V. SAN JOSE	143,000
338	EPIFANIA G. SANTOS	2,750
339	FLORENCIO SANTOS	2,000
340	ROLANDO S. SANTOS, JR	2,200
341	SAPPHIRE SECURITIES, INC.	4,000
342	SEAFRONT RESOURCES CORP.	33,000
343	SEGUNDO SEANGIO &/OR VIRGINIA SEANGIO	297,000
344	SHAREHOLDERS` ASSOCIATION OF THE PHILIPPINES, INC.	1,000
345	PROSERFINA SIGUENZA	6,600
346	SILVER GREEN INVESTMENTS LTD.	230,000
347	SIMEON SAMSON &/OR CHARLIE RAVALO	5,000
348	GLENN ANTHONY O. SOCO	16,500
349	PABLO SON KENG PO	22,000
350	DELFIN R. SUPAPO, JR	27,500
351	LYDIA J. SY	55,000
352	MICHELLE T. SY	2,200
353	RONALD SY	600
354	LEOPOLDO SY-QUIA, JR	5,000
355	IBURI TADAFUMI	13,750
356	SEIICHIRO TAKAHASHI	11,000
357	TAN DAISY TIENG	46,500

Count	Name	Holdings
358	TAN LIN LAY	30,000
359	DOUGLAS TAN	1,100
360	EDWARD W. TAN	3,300
361	FATIMA L. TAN	1,100
362	LINDA TAN	5,500
363	MIRABEL TAN	1,100
364	RAYMOND G. TAN	1,100
365	ROSIE TAN	2,300
366	SUZETTE TAN	1,100
367	LOLITA TANSENGCO	1,100
368	STELLA TANSENGCO-SCHAPERO	1,200
369	MACARIO TE	1
370	REYNALDO NAVARRA TECECHIAN	1,000
371	TEE LING KIAT &/OR LEE LIN HO	200
372	FRUTO M. TEODORICO, JR	55,000
373	TERESITA GO &/OR SATURNINA GO	87,000
374	THE WELLEX GROUP, INC.	1,128,466,800
375	RUFINO B. TIANGCO	8,800
376	MERLINDO R. TINAPAY	2,200
377	ELVIRA A. TING	10,000,009
378	ROBERT C. TING	22,000
379	RUBY TING	2,200
380	RAMON A. TINIO	25,000
381	WILLIE TIO	159,500
382	IRMINIA A. TIPGOS	1,100
383	LEONCIO TIU	33,000
384	LUISIANA DELOS SANTOS TONDO	1,100
385	RAYMOND TONG	23,300
386	RUBEN D. TORRES	1,000
387	TRITON SECURITIES CORPORATION	20,000
388	TOMAS F. TUASON, IV	110
389	ELIZABETH TUBALE	1,100
390	TYBALT INVESTMENT LTD.	10,000
391	ALVIN TAN UNJO	88,000
392	UY TIAK ENG	50,000
393	PHILIP L. UY	11,000
394	ROBERTO S. UY	5,500
395	ROBERTO L. UY	50,000
396	ZITA O. UY-TIOCO	2,200
397	AGAPITO R. VALENCIA	6,600
398	JESUS SAN LUIS VALENCIA	1,000
399	FEDELIZA R. VARGAS	1,100
400	SALUD VELORIA	6,600
401	ANTONIO VERZOSA	2,200
402	BENEDICTO V. VIARDO	2,200
403	MA. SALOME VILLASIS	1,000
404	RIZA C. VILLEGAS	110
405	ROBERTO C. VILLEGAS	4,000
406	WANG YU HUEI	110,000
407	WATERFRONT NOMINEES SDN BHD A/C#6	107,800
408	WATERFRONT NOMINEES SDN BHD A/C#9	20,900

Count	Name	Holdings
409	WEALTH SECURITIES, INC.	5,500
410	JOHN CRHISTOPHER D. WEIGEL	110,000
411	HELEN F. WILLIMANN	5,000
412	WILSON CHUA &/OR BECKY QUE CHUA	110,000
413	STEVE WOODWARD	39,600
414	LUZ YAMANE	38,500
415	JEFFERSON Y. YAO	11,000
416	YEOH CHEAW TAU	1,100
417	CHARISSA YLAYA	8,800
418	CATHERINE LAO YOUNG	19,800
419	GEORGE U. YOUNG, JR	82,500
420	YU PEK KIAN	11,000
421	YU SIOK HUI	22,000
422	CECILIA CO YU	4,000
423	JOHN BENEDICT O. YU	10,000
424	NEIL JOHN A. YU	50,000
425	JOCELYN L. ZARATE	4,000
426	EUFEMIA ZULUAGA	7,700
	Total Stockholders :	2,498,991,753

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, 2024**

Description of the Disclosure
WPI PSE Disclosure List of Top 100 Stockholders

Number of Issued and Outstanding Common Shares	**2,498,991,753**
Number of Treasury Common Shares, if any	**0**
Number of Outstanding Common Shares	**2,498,991,753**
Number of Listed Common Shares	**2,498,991,753**
Number of Lodged Common Shares	**1,180,710,474**
PCD Nominee – Filipino	1,134,999,235
PCD Nominee – Non-Filipino	45,711,239
Number of Certificated Common Shares	**1,318,281,279**

Change from previous submission

Stock Transfer Service Inc.
WATERFRONT PHILIPPINES, INCORPORATED
List of Top 100 Stockholders
As of 12/31/2024

Rank	Name	Holdings	Percentage
1	PCD NOMINEE CORP. (FILIPINO)	1,134,999,235	45.42%
2	THE WELLEX GROUP, INC.	1,128,466,800	45.16%
3	PCD NOMINEE CORP. (NON-FILIPINO)	45,711,239	01.83%
4	KENNETH T. GATCHALIAN	30,000,100	01.20%
5	REXLON T. GATCHALIAN	30,000,000	01.20%
6	WESLIE T. GATCHALIAN	30,000,000	01.20%
7	FORUM HOLDINGS CORPORATION	20,626,000	00.83%
8	PRIMARY STRUCTURES CORPORATION	16,212,500	00.65%
9	REXLON GATCHALIAN	14,740,000	00.59%
10	METRO ALLIANCE HOLDINGS & EQUITIES, INC.	14,370,000	00.58%
11	ELVIRA A. TING	10,000,009	00.40%
12	CATALINA ROXAS MELENDRES	6,246,000	00.25%
13	MANUEL H. OSMENA &/OR MANUEL L. OSMENA II	1,400,000	00.06%
14	ROLANDO M. LIM	1,142,500	00.05%
15	FELIPE A CRUZ, JR.	1,100,000	00.04%
16	MARIA CONCEPCION CRUZ	876,000	00.04%
17	FREYSSINET PHILIPPINES, INC.	770,000	00.03%
18	BENSON COYUCO	605,000	00.02%
19	LUCENA B. ENRIQUEZ	552,000	00.02%
20	EMILY LIM	500,000	00.02%
21	DEE HUA T. GATCHALIAN	350,000	00.01%
22	ARTHUR H. OSMENA &/OR JANE Y. OSMENA	330,000	00.01%
23	JOSE YAP &/OR CONCHITA YAP	330,000	00.01%
24	MARVIN J. GIROUARD	330,000	00.01%
25	DAVID LAO OSMENA	314,600	00.01%
26	ANA L. GO	300,000	00.01%

Rank	Name	Holdings	Percentage
27	SEGUNDO SEANGIO &/OR VIRGINIA SEANGIO	297,000	00.01%
28	CHARTERED COMMODITIES CORPORATION	294,999	00.01%
29	DOMINGO C GO	275,000	00.01%
30	DAVID LAO OSMENA	275,000	00.01%
31	SILVER GREEN INVESTMENTS LTD.	230,000	00.01%
32	GARY GO DYCHIAO	200,000	00.01%
33	MERIDIAN SEC., INC. A/C# 844	200,000	00.01%
34	CRISTINO NAGUIAT, JR.	181,500	00.01%
35	WILLIE TIO	159,500	00.01%
36	BETO Y. LIM	150,000	00.01%
37	PIERCE INTERLINK SECURITIES, INC.	150,000	00.01%
38	AURORA V. SAN JOSE	143,000	00.01%
39	YAN TO A. CHUA	132,000	00.01%
40	CELY S. LIM	112,200	00.00%
41	DEWEY CHOACHUY, JR	111,300	00.00%
42	JOHN CRHISTOPHER D. WEIGEL	110,000	00.00%
43	WANG YU HUEI	110,000	00.00%
44	WILSON CHUA &/OR BECKY QUE CHUA	110,000	00.00%
45	KENSTAR INDUSTRIAL CORPORATION	110,000	00.00%
46	WATERFRONT NOMINEES SDN BHD A/C#6	107,800	00.00%
47	CATHAY SEC. CO., INC. A/C# 1030	100,000	00.00%
48	MANUEL H. OSMENA &/OR GRELINA L. OSMENA	100,000	00.00%
49	CHONG PENG YNG	100,000	00.00%
50	PACIFIC WIDE REALTY DEVELOPMENT CORP.	100,000	00.00%
51	PACIFIC CONCORDE CORPORATION	100,000	00.00%
52	MIZPAH HOLDINGS, INC.	100,000	00.00%

Rank	Name	Holdings	Percentage
53	CHESA HOLDINGS, INC.	100,000	00.00%
54	PACIFIC REHOUSE CORPORATION	100,000	00.00%
55	HANSON G. SO &/OR LARCY MARICHI Y. SO	100,000	00.00%
56	PACIFIC IMAGES, INC.	100,000	00.00%
57	CARRIE LIM	100,000	00.00%
58	ALVIN TAN UNJO	88,000	00.00%
59	TERESITA GO &/OR SATURNINA GO	87,000	00.00%
60	GEORGE U. YOUNG, JR	82,500	00.00%
61	ROLANDO D. DE LEON	66,000	00.00%
62	LIPPO SECURITIES, INC.	56,500	00.00%
63	L.M. GARCIA & ASS., INC. A/C# 160	55,000	00.00%
64	MA. TERESA P. CRUZ	55,000	00.00%
65	PRIMITIVO C. CAL	55,000	00.00%
66	LEONG JEE VAN	55,000	00.00%
67	KIRBY YU LIM	55,000	00.00%
68	LIM TAY	55,000	00.00%
69	FRUTO M. TEODORICO, JR	55,000	00.00%
70	RENATO C. GENDRANO &/OR GENDRANO BERNADETTE	55,000	00.00%
71	LYDIA J. SY	55,000	00.00%
72	EDILBERTO &/OR ROSITA TANYU &/OR WELLINGTON HO VELASCO	55,000	00.00%
73	NEIL JOHN A. YU	50,000	00.00%
74	ROBERTO L. UY	50,000	00.00%
75	UY TIAK ENG	50,000	00.00%
76	SANDRA E. PASCUAL	50,000	00.00%
77	FRANCISCO C. SAN DIEGO	50,000	00.00%
78	VICKY L. CHAN	50,000	00.00%

Rank	Name	Holdings	Percentage
79	EBC SECURITIES CORPORATION	48,400	00.00%
80	TAN DAISY TIENG	46,500	00.00%
81	EAST ASIA OIL & MINING COMPANY, INC.	40,000	00.00%
82	OCBC SECURITIES PHILS., INC.	40,000	00.00%
83	MANILYNN L. OSMENA	39,600	00.00%
84	MEGHANN GAIL L. OSMENA	39,600	00.00%
85	MANUEL L. OSMENA, II	39,600	00.00%
86	GLADYS MAY L. OSMENA	39,600	00.00%
87	STEVE WOODWARD	39,600	00.00%
88	ROBERT KLING	39,600	00.00%
89	JAY JACOBS	39,600	00.00%
90	ADRIAN LONG	39,600	00.00%
91	LUZ YAMANE	38,500	00.00%
92	LILY S. HO	36,300	00.00%
93	ABACUS SECURITIES CORPORATION	35,200	00.00%
94	LILIAN HONG	34,000	00.00%
95	INTERNATIONAL POLYMER CORPORATION	33,000	00.00%
96	SEAFRONT RESOURCES CORP.	33,000	00.00%
97	ARTURO GUANZON	33,000	00.00%
98	LEONCIO TIU	33,000	00.00%
99	RAMONCITO ARCEO	30,000	00.00%
100	RODOLFO B. LEDESMA	30,000	00.00%

Total Top 100 Shareholders :	**2,496,888,982**	**99.91%**
Total Issued Shares	**2,498,991,753**	

WPI000000000 December 27, 2024

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

December 27, 2024

WPI000000000

BPNAME	QUANTITY
UPCC SECURITIES CORP.	65,000
A & A SECURITIES, INC.	845,200
ABACUS SECURITIES CORPORATION	40,043,169
PHILSTOCKS FINANCIAL INC	72,076,472
A. T. DE CASTRO SECURITIES CORP.	34,000
ALL ASIA SECURITIES MANAGEMENT CORP.	202,500
ALPHA SECURITIES CORP.	2,517,000
BA SECURITIES, INC.	1,667,700
AP SECURITIES INCORPORATED	17,679,500
ANSALDO, GODINEZ & CO., INC.	3,275,200
AB CAPITAL SECURITIES, INC.	7,598,265
SB EQUITIES,INC.	2,799,100
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	832,800
ASIASEC EQUITIES, INC.	1,175,000
ASTRA SECURITIES CORPORATION	5,000
BELSON SECURITIES, INC.	3,470,100
JAKA SECURITIES CORP.	15,500
BPI SECURITIES CORPORATION	24,726,852
CAMPOS, LANUZA & COMPANY, INC.	2,442,202
SINCERE SECURITIES CORPORATION	1,045,000
CTS GLOBAL EQUITY GROUP, INC.	669,138
TRITON SECURITIES CORP.	36,009,450
IGC SECURITIES INC.	4,815,000
CUALOPING SECURITIES CORPORATION	105,000
DAVID GO SECURITIES CORP.	1,770,200
DIVERSIFIED SECURITIES, INC.	4,443,800
E. CHUA CHIACO SECURITIES, INC.	7,844,500
EQUITABLE SECURIITES (PHILS.) INC.	27,200
EAST WEST CAPITAL CORPORATION	400,000
EASTERN SECURITIES DEVELOPMENT CORPORATION	3,321,200
EQUITIWORLD SECURITIES, INC.	347,600
EVERGREEN STOCK BROKERAGE & SEC., INC.	3,769,100
FIRST ORIENT SECURITIES, INC.	1,367,100
FIRST INTEGRATED CAPITAL SECURITIES, INC.	100
F. YAP SECURITIES, INC.	298,000
AURORA SECURITIES, INC.	676,700
GLOBALINKS SECURITIES & STOCKS, INC.	464,000
JSG SECURITIES, INC.	173,150

GOLDSTAR SECURITIES, INC.	4,365,300
GUILD SECURITIES, INC.	151,000
HDI SECURITIES, INC.	28,482,500
H. E. BENNETT SECURITIES, INC.	2,180,000
HK SECURITIES, INC.	9,100
I. ACKERMAN & CO., INC.	30,000
I. B. GIMENEZ SECURITIES, INC.	225,185
INVESTORS SECURITIES, INC,	1,187,000
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	393,800
INTRA-INVEST SECURITIES, INC.	4,400
ASIAN CAPITAL EQUITIES, INC.	56,100
STRATEGIC EQUITIES CORP.	1,006,400
LARRGO SECURITIES CO., INC.	122,000
LUCKY SECURITIES, INC.	263,500
LUYS SECURITIES COMPANY, INC.	1,154,500
MANDARIN SECURITIES CORPORATION	1,593,200
COL Financial Group, Inc.	110,932,072
DA MARKET SECURITIES, INC.	222,200
MERCANTILE SECURITIES CORP.	149,800
MERIDIAN SECURITIES, INC.	2,132,700
MDR SECURITIES, INC.	70,000
REGIS PARTNERS, INC.	66,300
MOUNT PEAK SECURITIES, INC.	30,000
NEW WORLD SECURITIES CO., INC.	2,263,000
OPTIMUM SECURITIES CORPORATION	3,599,650
RCBC SECURITIES, INC.	3,878,300
PAN ASIA SECURITIES CORP.	30,000
PAPA SECURITIES CORPORATION	1,230,200
MAYBANK SECURITIES, INC.	4,397,100
PLATINUM SECURITIES, INC.	23,000
PNB SECURITIES, INC.	1,883,260
PREMIUM SECURITIES, INC.	1,753,600
PRYCE SECURITIES, INC.	12,124
SALISBURY SECURITIES CORPORATION	15,300
QUALITY INVESTMENTS & SECURITIES CORPORATION	15,063,800
R & L INVESTMENTS, INC.	42,000
R. COYIUTO SECURITIES, INC.	7,763,200
REGINA CAPITAL DEVELOPMENT CORPORATION	7,576,876
R. NUBLA SECURITIES, INC.	4,012,500
AAA SOUTHEAST EQUITIES, INCORPORATED	2,216,200
R. S. LIM & CO., INC.	1,048,400
RTG & COMPANY, INC.	149,600
S.J. ROXAS & CO., INC.	1,003,500
SECURITIES SPECIALISTS, INC.	2,200

FIDELITY SECURITIES, INC.	75,500
SUMMIT SECURITIES, INC.	707,300
STANDARD SECURITIES CORPORATION	1,376,200
SUPREME STOCKBROKERS, INC	31,350
TANSENGCO & CO., INC.	670,400
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	37,200
TOWER SECURITIES, INC.	8,782,600
APEX PHILIPPINES EQUITIES CORPORATION	5,000
TRENDLINE SECURITIES CORPORATION	11,200
DRAGONFI SECURITIES, INC.	7,195
LANDBANK SECURITIES, INC.	2,331,200
UOB KAY HIAN SECURITIES (PHILS.), INC.	3,330,000
E.SECURITIES, INC.	3,300
VENTURE SECURITIES, INC.	216,900
FIRST METRO SECURITIES BROKERAGE CORP.	30,280,540
WEALTH SECURITIES, INC.	7,039,590
WESTLINK GLOBAL EQUITIES, INC.	611,943,440
BERNAD SECURITIES, INC.	142,100
WONG SECURITIES CORPORATION	27,500
YAO & ZIALCITA, INC.	321,000
YU & COMPANY, INC.	2,066,000
BDO SECURITIES CORPORATION	19,396,268
EAGLE EQUITIES, INC.	592,800
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	2,161,576
SOLAR SECURITIES, INC.	6,330,600
G.D. TAN & COMPANY, INC.	6,764,300
PHILIPPINE EQUITY PARTNERS, INC.	3,191,950
UNICAPITAL SECURITIES INC.	1,072,900
SunSecurities, Inc.	400,000
ARMSTRONG SECURITIES, INC.	5,300
TIMSON SECURITIES, INC.	8,246,000
VC SECURITIES CORPORATION	200,600
CITIBANK N.A.	100,000
STANDARD CHARTERED BANK	635,000
SEEDBOX SECURITIES, INC.	400,000
Total Lodged Shares	**1,180,710,474**

WATERFRONT PHILIPPINES, INCORPORATED

SEPARATE FINANCIAL STATEMENTS
December 31, 2024 and 2023

With Independent Auditors’ Report

KPMG

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REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Waterfront Philippines, Incorporated
No. 1 Waterfront Drive
Off Salinas Drive, Lahug
Cebu City, Philippines

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Waterfront Philippines, Incorporated (the Company), which comprise the separate statements of financial position as at December 31, 2024 and 2023, and the separate statements of profit or loss and other comprehensive income, separate statements of changes in equity and separate statements cash flows for each of the three years in the period ended December 31, 2024, and notes, comprising 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, 2024 and 2023, and its unconsolidated financial performance and its unconsolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). 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.

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 PFRS Accounting Standards, 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 PSA 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 PSA, 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.

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 18 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 supplementary 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 Oliver C. Bucao.

R.G. MANABAT & CO.

OLIVER C. BUCAO
Partner
CPA License No. 0086699
Tax Identification No. 129-433-612
BIR Accreditation No. 08-001987-053-2023
Issued March 10, 2023; valid until March 10, 2026
PTR No. MKT 10467168
Issued January 2, 2025 at Makati City

May 16, 2025
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
Waterfront Philippines, Incorporated
No. 1 Waterfront Drive
Off Salinas Drive, Lahug
Cebu City, Philippines

We have audited the accompanying separate financial statements of Waterfront Philippines, Incorporated (the Company) as at and for the year ended December 31, 2024, on which we have rendered our report dated May 16, 2025.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the manager, president, members of the board of directors or principal stockholders of the Company.

R.G. MANABAT & CO.

OLIVER C. BUCAO
Partner
CPA License No. 0086699
Tax Identification No. 129-433-612
BIR Accreditation No. 08-001987-053-2023
  Issued March 10, 2023; valid until March 10, 2026
PTR No. MKT 10467168
  Issued January 2, 2025 at Makati City

May 16, 2025
Makati City, Metro Manila

WATERFRONT PHILIPPINES, INCORPORATED
SEPARATE STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	**2024**	2023
ASSETS			
Current Assets			
Cash in banks	*4, 14*	**P63,996,481**	P64,764,063
Due from related parties - current portion	*6, 14*	**1,342,160,960**	1,495,065,977
Other current assets		**2,166,734**	3,205,559
Total Current Assets		**1,408,324,175**	1,563,035,599
Noncurrent Assets			
Equity securities - at fair value through other comprehensive income	*6, 14*	**50,000,000**	50,000,000
Investments and advances to subsidiaries	*5, 14*	**4,834,212,030**	4,833,058,757
Due from related parties - noncurrent portion	*6, 14*	**1,234,815,914**	1,212,415,914
Deferred tax asset	*11*	**182,968,952**	182,968,953
Other noncurrent assets		**23,002,124**	23,579,319
Total Noncurrent Assets		**6,324,999,020**	6,302,022,943
		7,733,323,195	P7,865,058,542
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other payables	*8*	**P783,846,983**	P774,728,660
Due to related parties - current portion	*6, 14*	**1,322,315,921**	1,196,561,488
Loans payable - current portion	*9, 14, 16*	**670,000,000**	715,000,000
Total Current Liabilities		**2,776,162,904**	2,686,290,148
Noncurrent Liabilities			
Loans payable - net of current portion	*9, 14, 16*	**2,140,000,000**	2,435,000,000
Due to related parties - noncurrent portion	*6, 14*	**847,574,557**	482,517,884
Total Noncurrent Liabilities		**2,987,574,557**	2,917,517,884
Total Liabilities		**5,763,737,461**	5,603,808,032
Equity			
Capital stock	*13*	**2,498,991,753**	2,498,991,753
Additional paid-in capital		**706,364,357**	706,364,357
Accumulated deficit		**(1,235,770,376)**	(944,105,600)
Net Equity		**1,969,585,734**	2,261,250,510
		P7,733,323,195	P7,865,058,542

See Notes to the Separate Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED

SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	**2024**	2023	2022
REVENUE				
Interest income	*4, 6*	**P74,611,480**	P69,255,625	P75,614,188
GENERAL AND ADMINISTRATIVE EXPENSES				
Representation and entertainment		**61,962,341**	16,810,218	560,000
Taxes and licenses		**23,050,728**	13,916,422	6,486,963
Professional fees		**5,423,521**	2,432,944	1,509,595
Annual meeting expenses		**285,364**	293,649	177,075
Impairment losses	*5*	**-**	-	308,514
Others	*10*	**10,067,140**	11,882,934	8,406,205
		100,789,094	45,336,167	17,448,352
INCOME BEFORE OTHER EXPENSE (INCOME) AND INCOME TAX BENEFIT		**(26,177,614)**	23,919,458	58,165,836
OTHER EXPENSE (INCOME)				
Interest expense	*6, 9, 16*	**274,327,347**	294,012,146	163,906,498
Miscellaneous income		**(10,332,414)**	(11,226,564)	(9,806,544)
		263,994,933	282,785,582	154,099,954
LOSS BEFORE INCOME TAX BENEFIT		**(290,172,546)**	(258,866,124)	(95,934,118)
INCOME TAX EXPENSE (BENEFIT)	*11*	**1,492,230**	1,038,834	(4,402,321)
NET LOSS/TOTAL COMPREHENSIVE LOSS		**(P291,664,776)**	(P259,904,958)	(P91,531,797)

See Notes to the Separate Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED
SEPARATE STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31		
	Note	**2024**	2023	2022
CAPITAL STOCK	*13*	**P2,498,991,753**	P2,498,991,753	P2,498,991,753
ADDITIONAL PAID-IN CAPITAL		**706,364,357**	706,364,357	706,364,357
ACCUMULATED DEFICIT				
Balance at beginning of year		**(944,105,600)**	(684,200,642)	(592,668,845)
Net loss for the year		**(291,664,776)**	(259,904,958)	(91,531,797)
Balance at end of year		**(1,235,770,376)**	(944,105,600)	(684,200,642)
		P1,969,585,734	P2,261,250,510	P2,521,155,468

See Notes to the Separate Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED
SEPARATE STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	**2024**	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax benefit		**(P290,172,546)**	(P258,866,124)	(P95,934,118)
Adjustments for:				
Interest income	*4, 6*	**(74,611,480)**	(69,255,625)	(75,614,188)
Interest expense	*6, 9, 16*	**19,297,944**	114,688,147	163,906,498
Reversal of accrual	*9*	**-**	(95,390,203)	-
Impairment losses	*5*	**-**	-	308,514
Operating loss before working capital changes		**(345,486,082)**	(308,823,805)	(7,333,294)
Decrease (increase) in:				
Due from related parties		**152,905,017**	-	-
Other current assets		**1,038,825**	(3,205,559)	-
Increase (decrease) in:				
Accrued expenses and other payables		**9,118,323**	5,572,156	(114,932,543)
Due to related parties		**125,754,433**	-	-
CASH GENERATED FROM OPERATIONS		**(56,669,484)**	(306,457,208)	(122,265,837)
Interest received	*4*	**-**	-	21,837
Income taxes paid		**(1,450,399)**	(1,392,767)	(2,607,976)
Net cash used in operating activities		**(58,119,883)**	(307,849,975)	(124,851,976)
CASH FLOWS FROM INVESTING ACTIVITIES				
Deposits for future stock subscription in subsidiaries		**-**	-	(2,304,252,800)
Due from related parties		**52,211,480**	-	-
Other noncurrent assets		**535,365**	(1,019,240)	(3,592,771)
Total cash used in investing activities		**52,746,845**	(1,019,240)	(2,307,845,571)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from loan availment	*16*	**-**	-	3,050,000,000
Due to related parties	*5, 6*	**344,605,456**	529,327,090	(498,034,765)
Payments of loans	*16*	**(340,000,000)**	(220,000,000)	(55,000,000)
Net cash provided by financing activities		**4,605,456**	309,327,090	2,496,965,235
NET INCREASE (DECREASE) IN CASH IN BANK		**(767,582)**	457,875	64,267,688
CASH IN BANK AT BEGINNING OF YEAR		**64,764,063**	64,306,188	38,500
CASH IN BANK AT END OF YEAR	*4, 14*	**P63,996,481**	P64,764,063	P64,306,188

See Notes to the Separate Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED
NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Reporting Entity

Waterfront Philippines, Incorporated (the Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on September 23, 1994 as an investment holding company. The Company is listed on the Philippine Stock Exchange (PSE) and is 46%-owned by The Wellex Group, Inc. (TWGI), an entity registered and domiciled in the Philippines.

The details of the equity interest of the Company in its subsidiaries as at December 31, 2024 and 2023 are as follows:

	Percentage of Ownership	
	Direct	**Indirect**
Hotels and Resorts		
Waterfront Cebu City Casino Hotel, Incorporated (WCCCHI)	**100**	**-**
Waterfront Mactan Casino Hotel, Incorporated (WMCHI)	**100**	**-**
Waterfront Iloilo Hotel Inc. (WIHI)	**100**	**-**
Waterfront Puerto Princesa Hotel, Inc. (WPPHI)	**100**	**-**
Davao Insular Hotel Company, Inc. (DIHCI)	**98**	**-**
Acesite (Phils.) Hotel Corporation (Doing business under the name and style of Waterfront Manila Hotel and Casino) (APHC)	**56**	**-**
Grand Ilocandia Resort and Development, Inc. (GIRDI)	**54**	**-**
Real Estate		
Acesite Realty, Inc. (ARI) (through direct ownership in APHC)	**-**	**56**
Fitness Gym		
Waterfront Wellness Group, Inc. (WWGI)	**100**	**-**
International Marketing and Promotion of Casinos		
Waterfront Promotion Limited (WPL)	**100**	**-**
Mayo Bonanza, Inc. (MBI)	**100**	**-**
Club Waterfront International Limited (CWIL) (through direct ownership in WPL)	**-**	**100**
Pastries Manufacturing		
Waterfront Food Concepts, Inc. (WFC)	**100**	**-**
Hotel Management and Operation		
Waterfront Hotel Management Corp. (WHMC)	**100**	**-**
Waterfront Horizon Corporation (WHC)	**100**	**-**
Pavillion Enterprises Corp. (through direct ownership in APHC) (PEC)	**-**	**56**
Pavillion Leisure and Entertainment Corp. (through direct ownership in APHC) (PLEC)	**-**	**56**
Investment Holding Company		
Waterfront Cebu Ventures, Inc. (WCVI)	**100**	**-**

The Company and all of the above subsidiaries (collectively referred to as the Group) were incorporated in the Philippines, except for WPL and CWIL, which were registered in the Cayman Islands.

The Company's percentages of ownership for the above subsidiaries are the same in 2024, 2023 and 2022.

The registered office of the Company is located at No. 1 Waterfront Drive, Off Salinas Drive, Lahug, Cebu City, Philippines.

Status of APHC Operation
On March 18, 2018, a fire broke out in the APHC'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". APHC incurred casualty losses due to damages on to its inventories and hotel property. APHC filed for property damage and business insurance claims which were finalized in 2020 amounting to P1.72 billion. As at December 31, 2024 and 2023, Insurance claims receivable amounted to nil and P18.4 million, respectively.

APHC 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, 2024. The management expects to complete the Phase 1 of a reconstruction project by the 1st quarter of 2026. 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 APHC 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 and 3 are expected to be completed by the 3rd quarter of 2026 and 1st quarter of 2027, respectively. 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

Statement of Compliance
The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). PFRS Accounting Standards which are issued by the Financial and Sustainability Reporting Standards Council (FSRSC) consist of PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretations.

In compliance with PFRS 10, *Consolidated Financial Statements*, the Company has prepared consolidated financial statements for the same periods in which it consolidates all investments in subsidiaries in accordance with the said standard. Such consolidated financial statements provide information about the economic activities of the Group of which the Company is the parent. Details of the Company's material accounting policies are included in Note 17.

Users of these separate financial statements should read them together with the consolidated financial statements as at and for the years ended December 31, 2024 and 2023 in order to obtain full information on the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company and its subsidiaries as a whole. The consolidated financial statements can be obtained from the SEC and from the website of the PSE (www.pse.com.ph).

Authorization for Issuance of the Financial Statements

They were authorized for issue by the Company's Board of Directors (BOD) on April 28, 2025.

Basis of Measurement

These separate financial statements have been prepared on the historical cost basis.

Functional and Presentation Currency

These separate financial statements are presented in Philippine peso, 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 and estimates 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:

Provisions and Contingencies

The Company is currently involved in certain cases. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsels handling the Company's defense in these matters and is based upon an analysis of potential results. The Company currently does not believe that these proceedings will have a material adverse effect on its financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

Classifying Financial Instruments
The Company exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, financial liability, or an equity instrument in accordance with the substance of the contractual agreement and the definition of a financial asset, 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.

<u>Assumptions and Estimation Uncertainties</u>
Information about assumptions and estimation uncertainties at December 31, 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

Fair Value Measurement of Financial Instruments
When the fair values of financial instruments recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Further details on the carrying amount of financial instruments are disclosed in Note 14.

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. The model represents a probability-weighted estimate of the difference over the remaining life of the receivables. The maturity of the Company's receivables is less than one (1) year so the lifetime ECL and the 12-month ECL are similar. In addition, management assessed the credit risk of the receivables and due from related parties as at the reporting date as low, therefore the Company did not have to assess whether a significant increase in credit risk has occurred.

Further details on carrying amount of advances to subsidiaries and due from related parties are disclosed in Notes 5 and 6, respectively.

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 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 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's policy on estimating the impairment of nonfinancial assets is discussed in Note 17. The Company assesses at each reporting date whether there is an indication that the carrying amount of nonfinancial assets may be impaired. If such indication exists, the Company makes an estimate of the asset's recoverable amount. Though management believes that the assumptions used in the estimation of the recoverable amounts reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the results of operations of the Company.

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.

As at December 31, 2024 and 2023, based on the assessment of the Company, there is no indication of impairment on its nonfinancial assets.

Deferred Tax Asset
The Company reviews its deferred tax asset at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Significant management judgment is required to determine the amount of deferred tax asset 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 tax asset are disclosed in Note 11.

4. Cash in Banks

Cash in banks amounting to P64.00 million and P64.76 million in 2024 and 2023, respectively, is unrestricted and immediately available for use.

Interest income earned from cash in banks amounted to P0.06 million and P0.06 million in 2024 and 2023, respectively, is presented as part of "Interest income" account under "Revenue" in the separate statements of profit or loss and other comprehensive income.

5. Investments and Advances to Subsidiaries

Investments and advances to subsidiaries consist of the following (amounts in thousands):

	December 31, 2024													
	WCCCHI	**WMCHI**	**WIHI**	**WPPHI**	**DIHCI**	**APHC**	**GIRDI**	**WWGI**	**MBI**	**WFC**	**WHMC**	**WHC**	**WCVI**	**Total**
Investment cost	**P1,013,800**	**P13,800**	**P25,000**	**P6,250**	**P584,363**	**P479,228**	**P253,667**	**P625**	**P25**	**P125**	**P125**	**P125**	**P1,250**	**P2,378,383**
Advances	**-**	**-**	**595**	**516**	**-**	**188,702**	**-**	**2,061**	**4,880**	**1,936**	**99,166**	**-**	**254**	**298,110**
Deposits for stock subscription	**-**	**-**	**125,000**	**90,620**	**-**	**-**	**-**	**13,000**	**35,000**	**6,000**	**204,253**	**2,100,000**	**100**	**2,573,973**
Total	**1,013,800**	**13,800**	**150,595**	**97,386**	**584,363**	**667,930**	**253,667**	**15,686**	**39,905**	**8,061**	**303,544**	**2,100,125**	**1,604**	**5,250,466**
Allowance for impairment losses	**-**	**-**	**-**	**-**	**-**	**-**	**(253,667)**	**(15,686)**	**(39,771)**	**(8,065)**	**(99,065)**	**-**	**-**	**(416,254)**
	P1,013,800	**P13,800**	**P150,595**	**P97,386**	**P584,363**	**P667,930**	**P -**	**P -**	**P134**	**(P4)**	**P204,479**	**P2,100,125**	**P1,604**	**P4,834,212**

	December 31, 2023													
	WCCCHI	WMCHI	WIHI	WPPHI	DIHCI	APHC	GIRDI	WWGI	MBI	WFC	WHMC	WHC	WCVI	Total
Investment cost	P1,013,800	P13,800	P25,000	P6,250	P584,363	P479,228	P253,667	P625	P25	P125	P125	P125	P1,250	P2,378,383
Advances	-	-	528	451	-	187,950	-	2,061	4,814	1,936	99,030	-	187	296,957
Deposits for stock subscription	-	-	125,000	90,620	-	-	-	13,000	35,000	6,000	204,253	2,100,000	100	2,573,973
Total	1,013,800	13,800	150,528	97,321	584,363	667,178	253,667	15,686	39,839	8,061	303,408	2,100,125	1,537	5,249,313
Allowance for impairment losses	-	-	-	-	-	-	(253,667)	(15,686)	(39,771)	(8,065)	(99,065)	-	-	(416,254)
	P1,013,800	P13,800	P150,528	P97,321	P584,363	P667,178	P -	P -	P68	(P4)	P204,343	P2,100,125	P1,537	P4,833,059

Deposits to Subsidiaries
As part of the Company's continuing commitment and guarantee for the subsidiaries to continue as going concern entities, the Company and its subsidiaries agreed to set aside a portion of the Company's outstanding advances to the subsidiaries as deposits for future stock subscriptions. The amounts set aside will be used as subscription payments by the Company once the planned increase in the authorized capital stock of the subsidiaries has materialized.

Advances to Subsidiaries
Advances to subsidiaries mainly represent funds provided to primarily support the subsidiaries' daily operations.

The advances to subsidiaries are annually renegotiated and repriced based on the agreement entered by the Company and subsidiaries.

Discussed below are the descriptions and the financial information of each subsidiary.

WCCCHI
WCCCHI was incorporated and registered with the SEC on September 23, 1994, primarily to own and operate hotels and other related businesses. The facilities of WCCCHI include an international convention center, an international casino building and a 561-room deluxe hotel at the former Lahug Airport, Cebu City. WCCCHI started operations in 1998.

The registered office of WCCCHI is at No. 1, Waterfront Drive, Off Salinas Drive, Lahug, Cebu City.

The significant information on the financial statements of WCCCHI is as follows (in thousands):

	2024	2023
Total current assets	**P3,246,915**	P2,752,228
Total assets	**7,012,570**	6,696,090
Total current liabilities	**892,998**	884,210
Total liabilities	**1,955,790**	1,881,154
Revenue	**1,202,334**	1,176,659
Net income	**240,927**	278,418

WMCHI
WMCHI was incorporated and registered with the SEC on September 23, 1994, primarily to own and operate hotels and other related businesses. The facilities of WMCHI include an international casino and a 167-room deluxe hotel (Airport Hotel Project) at the Mactan Cebu International Airport. WMCHI started commercial operations in 1996.

The registered office of WMCHI is located at No. 1 Airport Road, Mactan Island, Lapu-Lapu City, Cebu.

The significant information on the financial statements of WMCHI is as follows (in thousands):

	2024	2023
Total current assets	**P1,598,662**	P1,416,349
Total assets	**2,592,084**	2,560,706
Total current liabilities	**197,666**	156,227
Total liabilities	**600,453**	559,194
Revenue	**386,044**	362,503
Net income	**44,763**	107,407

WIHI

WIHI was incorporated and registered with the SEC on March 29, 2019, primarily to operate and manage a resort hotel and a restaurant that caters to the guests of the hotel.

As at December 31, 2024, WIHI has not yet started its commercial operations.

The registered office of WIHI is located at 7th Floor Manila Pavilion Hotel, U.N. Avenue corner Ma. Orosa, Barangay 666, Ermita, City of Manila, NCR, Philippines, 1000.

The significant information on the financial statements of WIHI is as follows (in thousands):

	2024	2023
Total current assets	**P71**	P71
Total assets	**150,071**	150,071
Total current liabilities	**672**	602
Total liabilities	**125,672**	125,602
Net loss	**(70)**	(65)

WPPHI

WPPHI was incorporated and registered with the SEC on May 15, 2017, primarily to acquire and hold real property such as lands, buildings and personal property of all kinds, to sell, lease, convey, mortgage, construct, improve and develop, contract for, manage, administer and or operate, alone or jointly with others any interest in real or personal property as well as in hotels, inns, lodging houses, resorts and all adjunct and accessories thereto, including restaurants, cafes, bars, stores and offices, barbershops and beauty lounges, sports facilities, places of amusement and entertainment of all kinds; to invest in other corporations for the advancement of its interest or to grant concessions, rights or licenses to others to operate, manage or deal with the same, to do any and all things necessary, suitable, convenient, proper or incidental to the accomplishment of the above purposes.

As at December 31, 2024, WPPHI has not yet started its commercial operations.

The registered office of WPPHI is located at 7th Floor Manila Pavilion Hotel, U.N. Avenue corner Ma. Orosa St., Ermita, Brgy. 666, Manila City 1000.

The significant information on the financial statements of WPPHI is as follows (in thousands):

	2024	2023
Total current assets	**P124**	P124
Total assets	**96,994**	96,994
Total current liabilities	**6,354**	5,335
Total liabilities	**96,974**	95,955
Net loss	**(1,020)**	(316)

DIHCI

DIHCI was incorporated and registered with the SEC in the Philippines on July 3, 1959 to engage primarily in the operation of hotel and hotel-related businesses.

The registered office of DIHCI is located at Waterfront Insular Hotel Davao, Km. 8000 Lanang, Davao City.

The significant information on the financial statements of DIHCI is as follows (in thousands):

	2024	2023
Total current assets	**P286,614**	P237,789
Total assets	**3,643,733**	3,620,745
Total current liabilities	**112,876**	93,887
Total liabilities	**936,240**	925,425
Revenue	**258,592**	250,094
Net Income	**11,624**	4,041

APHC

APHC was incorporated and registered with the 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.

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

APHC's subsidiaries consist of ARI, PEC and PLEC.

The registered office of APHC is located at 8th Floor, Waterfront Manila Hotel and Casino, United Nations Avenue corner Maria Orosa Street, Ermita, Manila.

The significant information on the consolidated financial statements of APHC is as follows (in thousands):

	2024	2023
Total current assets	**P242,688**	P455,206
Total assets	**4,510,421**	2,925,079
Total current liabilities	**878,665**	834,565
Total liabilities	**1,571,670**	1,136,430
Net loss	**(102,329)**	(77,574)

GIRDI

GIRDI was incorporated and registered with the SEC on December 18, 1990 to engage in the hotel and resort business.

The registered office of GIRDI is located at located at No. 37 Calayab, Laoag City, Ilocos Norte.

In September 2000, the Company entered into a Memorandum of Understanding (the "MOA") with the Fort Ilocandia Property Holdings & Development Corporation (the "Buyer") for the purchase of and the right to operate the Fort Ilocandia Resort in Laoag, Ilocos Norte (the "Subject Property").

In December 2016, the Company learned from news reports and further determined that the Buyer is a foreign national unqualified to own and operate real properties in the Philippines. In the same period, the Company filed a complaint with the Regional Trial Court in Laoag for the nullity of the MOA entered into with the Buyer.

In February 2021, the Supreme Court ruled with finality that the MOA and the subsequent and resulting Asset Purchase Agreement entered into by the parties was void ab initio, ordering the Company to return and pay to the Buyer the purchase price of the Subject Property and for the Buyer to vacate and deliver possession of the Subject Property to the Company.

In April 2024, in accordance with the Compromise Agreement, Fort Ilocandia Property Holdings & Development Corporation undertakes to revert the property to Grand Ilocandia Resort and Development, Inc. with the latter to refund the purchase price to the former. In May 2024, after the execution of a Compromise Agreement with the Buyer, the Company regained possession of the Subject Property and resumed the hotel's operations. Grand Ilocandia Resort Development, Inc. shall take possession of Fort Ilocandia Resort and take over the entire operations of the hotel with its own set of books of accounts.

The significant information on the financial statements of GIRDI is as follows (in thousands):

	2024	2023
Total assets	**P2,219,597**	P451,723
Total liabilities	**77,726,679**	1,029
Net loss	**(1,691,176)**	(1,141)

WWGI

WWGI was incorporated and registered with the SEC on January 26, 2006, to engage in, conduct and carry on the general business of sporting and other recreational activities. The facilities of WWGI, which commenced commercial operations on May 1, 2006, include a fitness gym with top-of-the line equipment and amenities. WWGI also offers in-house massage for guests staying in WCCCHI, a fellow subsidiary.

The registered office of WWGI is located at No. 1 Waterfront Drive, Off Salinas Drive, Lahug, Cebu City.

Due to accumulated losses which resulted in capital deficiency of P53.80 million, the Company has provided an allowance for impairment losses on its investment in and advances to WWGI. The allowance for impairment losses on its investment and advances amounted to P15.69 million as at December 31, 2024 and 2023. Impairment losses recognized in the separate statements of profit or loss and other comprehensive income amounted to nil in 2024 and 2023.

The significant information on the financial statements of WWGI is as follows (in thousands):

	2024	2023
Total current assets	**P30,295**	P25,225
Total assets	**39,842**	40,949
Total current liabilities	**61,992**	58,495
Total liabilities	**91,041**	91,569
Revenue	**13,153**	11,345
Net loss	**(517)**	(107)

WPL and CWIL

WPL and its wholly-owned subsidiary, CWIL, were incorporated in the Cayman Islands on March 6, 1995 and June 11, 1996, respectively.

WPL and CWIL's primary business purpose is to invite and organize groups of foreign casino players to play in Philippine casinos pursuant to certain agreements entered into with the PAGCOR under the latter's Foreign High-Roller Marketing Program (the Program). WPL and its subsidiary's participation with PAGCOR's Program, however, has been terminated in 2003 due to unfavorable economic conditions.

To support the Program, WPL and CWIL entered into several agreements with various junket operators to market and promote the Philippine casinos to foreign casino players. In consideration for marketing and promoting of the Philippine casinos, these operators receive certain incentives such as free hotel accommodations, free airfares, and rolling commissions from the Group. Due to the termination of the WPL and CWIL's participation with PAGCOR's Program, agreements with the junket operators were also terminated.

In 2024, WPL's BOD approved the cessation of its business operations.

The significant information on the consolidated financial statements of WPL is as follows (in thousands):

	2024	2023
Total assets	**\$3,778**	\$3,946
Total liabilities	**1,448**	1,435
Net loss	**(180)**	(251)

MBI

MBI was incorporated and registered with the SEC on November 24, 1995. Its primary purpose is to establish, operate, and manage the business of amusement, entertainment, and recreation facilities for the use of the paying public. MBI entered into an agreement with the PAGCOR whereby the latter shall operate the former's slot machines outside of casinos in line with PAGCOR's slot machine arcade project.

The registered office of MBI is located at 27th Floor, Wynsum Corporate Tower, 22 Emerald Avenue, Ortigas Center, Pasig City.

Due to accumulated losses which resulted in capital deficiency of P44.17 million, the Company has provided an allowance for impairment losses on its investment and advances to MBI. The allowance for impairment losses on its investment and advances amounted to P39.77 million as at December 31, 2024 and 2023. Impairment losses recognized in the separate statements of profit or loss and other comprehensive income amounted to nil in 2024, 2023 and 2022.

In 2016, MBI's BOD approved the cessation of its business operations.

The significant information on the financial statements of MBI is as follows (in thousands):

	2024	2023
Total assets	**P132**	P133
Total current liabilities	**9,278**	9,208
Total liabilities	**44,278**	44,208
Net loss	**(70)**	(68)

WFC
WFC was incorporated and registered with the SEC on January 26, 2004 to engage in the operation of restaurants and food outlets and to manufacture baked and unbaked desserts, breads and pastries supplied to in-store bakeries, coffee shops and food service channels.

The registered office of WFC is located at No. 1 Waterfront Drive, Off Salinas Drive, Lahug, Cebu City.

Due to accumulated losses which resulted in capital deficiency of P69.97 million, the Company has provided an allowance for impairment losses on its investment in and advances to WFC. The allowance for impairment losses on its investment and advances amounted to P8.07 million as at December 31, 2024 and 2023. Impairment losses recognized in the separate statements of profit or loss and other comprehensive income amounted to nil in 2024, 2023 and 2022.

The significant information on the financial statements of WFC is as follows (in thousands):

	2024	2023
Total current assets	**P14,303**	P9,911
Total assets	**15,872**	13,068
Total current liabilities	**74,888**	68,791
Total liabilities	**85,844**	80,529
Revenue	**724**	769
Net loss	**(2,512)**	(7,706)

WHMC
WHMC was incorporated and registered with the SEC on March 31, 2003, to engage in the management and operation of hotels, except management of funds, portfolios, securities and other similar assets of the managed entities.

The registered office of WHMC is located at No.1 Salinas Drive, Lahug, Cebu City, Cebu.

In 2014, WHMC's BOD approved the cessation of its business operations. The Company has provided an allowance for impairment losses on its investment and advances to WHMC. The allowance for impairment losses on its investment and advances amounted to P99.07 million as at December 31, 2024 and 2023. Impairment losses recognized in the separate statements of profit or loss and other comprehensive income amounted to nil in 2024, 2023 and 2022.

On February 17, 2022, the BOD approved the increase in the WHMC's authorized capital stock from P2.00 million divided into 2 million common stock with a par value of P1 per share to P300.00 million divided into 300 million common stock with par value P1 per share.

On the same date, the shareholders approved the amendment of the articles of incorporation to reflect the increase in authorized capital stock from P2.00 million divided into 2 million common stock with a par value of P1 per share to P300.00 million divided into 300 million common stock with par value P1 per share.

The significant information on the financial statements of WHMC is as follows (in thousands):

	2024	2023
Total assets	**P204,917**	P204,912
Total current liabilities	**122,286**	122,143
Total liabilities	**326,539**	326,396
Net loss	**(139)**	(127)

<u>WHC</u>
WHC was incorporated and registered with the SEC on August 13, 2003 to engage in the business of producing and co-producing concerts and shows.

The registered office of WHC is located at No. 1 Waterfront Drive, Off Salinas Drive, Lahug, Cebu City.

On February 17, 2022 the BOD authorized the Company to acquire an Option to Purchase (the Option Contract) four (4) hectares of reclaimed land in the Manila Waterfront City at an Option price of P50,000 per square meter and a strike price of P300,000 per square meter. In June 2022 the Company advanced P2.10 billion to WMPD for the Option Contract.

The significant information on the financial statements of WHC is as follows (in thousands):

	2024	2023
Total current assets	**P20,286**	P20,254
Total assets	**2,122,086**	2,123,172
Total current liabilities	**15,038**	14,188
Total liabilities	**2,116,526**	2,117,489
Revenue	**-**	3,443
Net loss	**(170)**	(790)

<u>WCVI</u>
WCVI was incorporated and registered with the SEC on August 24, 2018, primarily to carry on the business of an investment holding company. Provided, that WCVI will not engage in the business of being a broker/dealer in securities, transfer agent, commodity/financial futures exchange/broker/merchant, investment house, and an investment company adviser/mutual fund distributor of any investment company/mutual fund company.

As at December 31, 2024, WCVI has not yet started its commercial operations.

The registered office of WCVI is located at No. 1 Waterfront Drive, Off Salinas Drive, Lahug, Cebu City.

The significant information on the financial statements of WCVI is as follows (in thousands):

	2024	2023
Total assets	**P1,354**	P1,354
Total liabilities	**431**	361
Net loss	**(70)**	(65)

Total impairment losses on the abovementioned investments and advances to subsidiaries recognized in the separate statements of profit or loss and other comprehensive income amounted to nil in 2024, 2023 and 2022.

6. Related Party Transactions

The Company's related party transactions include transactions with its subsidiaries enumerated in Notes 1 and 5, its key management personnel (KMP) and related parties enumerated in the table below.

Related Party	Relationship
TWGI	Parent
Pacific Rehouse Corporation (PRC)	Stockholder
Crisanta Realty Development Corporation (CRDC)	Under common control
Westland Pacific Properties Corporation (WPPC)	Under common control
Pacific Wide Realty Development Corp. (PWRDC)	Stockholder
Acesite Leisure and Entertainment Corporation (ALEC)	Under common control
Waterfront Manila Premier Development, Inc. (WMPD)	Under common control
Philippine Estates Corporation (PHES)	Under common control
Forum Holdings Corporation (FHC)	Stockholder
Plastic City Industrial Corporation (PCIC)	Under common control
East Asia Oil & Mining Company, Inc. (East Asia)	Stockholder

Significant Transactions with Related Parties

The Company's transactions with related parties consist of (in thousands):

Category/ Transaction	Year	Note	Amount of the Transaction	Outstanding Balance: Due from Related Parties – Current	Due from Related Parties – Non current	Equity Securities - at FVOCI	Due to Related Parties – Current	Due to Related Parties – Non current	Investment and Advances to Subsidiaries	Terms and Conditions
Parent										
▪ TWGI										Secured; interest-
Advances,	**2024**	*6a*	**(P101,606)**	**P652,952**	**P -**	**P -**	**P -**	**P -**	**P -**	bearing; due in one
interest and	2023	*6a*	(27,053)	754,559	-	-	-	-	-	year subject to
settlement	2022	*6a*	45,166	781,614	-	-	-	-	-	renewal; net of
										allowance for
										impairment
Stockholders/ Under Common Control										
▪ PRC										Secured; interest-
Advances,	**2024**	*6a*	**10,652**	**616,526**	**-**	**-**	**-**	**-**	**-**	bearing; due in one
interest and	2023	*6a*	10,652	605,874	-	-	-	-	-	year subject to
settlement	2022	*6a*	10,651	595,222	-	-	-	-	-	renewal;
										not impaired
▪ CRDC										
Advances and	**2024**	*6a*	**30,104**	**130,757**	**558,941**	**-**	**-**	**-**	**-**	Unsecured;
interest	2023	*6a*	20,771	100,652	558,941	-	-	-	-	interest-bearing;
	2022	*6a*	215,792	-	638,822	-	-	-	-	due in five years;
										not impaired
▪ WPPC										
Advances and	**2024**	*6a*	**22,400**	**-**	**675,875**	**-**	**-**	**-**	**-**	Unsecured;
interest	2023	*6a*	22,400	-	653,475	-	-	-	-	interest-bearing;
	2022	*6a*	22,400	-	631,075	-	-	-	-	due in five years;
										not impaired
▪ PWRDC										
Advances	**2024**	*6b*	**-**	**-**	**-**	**-**	**-**	**-**	**-**	Unsecured;
	2023	*6b*	-	-	-	-	-	-	-	noninterest-bearing;
	2022	*6b*	-	-	-	-	-	-	-	due on demand;
										not impaired
▪ ALEC										
Advances and	**2024**	*6d*	**-**	**-**	**-**	**-**	**-**	**-**	**-**	Unsecured;
settlement	2023	*6d*	-	-	-	-	-	-	-	noninterest-bearing;
	2022	*6d*	-	-	-	-	-	-	-	due on demand
▪ WMPD										
Equity	**2024**	*6g*	**-**	**-**	**-**	**50,000**	**-**	**-**	**-**	Unsecured;
securities - at	2023	*6g*	-	-	-	50,000	-	-	-	not impaired
FVOCI	2022	*6g*	-	-	-	50,000	-	-	-	
▪ Other										
Advances and	**2024**	*6b*	**(92,055)**	**1,544**	**-**	**-**	**-**	**-**	**-**	Unsecured;
interest	2023	*6b*	-	93,600	-	-	-	-	-	noninterest-bearing;
	2022	*6b*	-	93,599	-	-	-	-	-	due on demand;
										not impaired
Subsidiaries										
▪ WCCCHI										
Advances and	**2024**	*5, 6c*	**386,670**	**-**	**-**	**-**	**505,950**	**847,560**	**-**	Unsecured;
settlement	2023	*5, 6c*	(156,746)	-	-	-	484,337	482,503	-	interest-bearing; due
	2022	*5, 6c*	(260,831)	330,532	-	-	560,024	233,029	-	in three years
▪ WMCHI										
Advances and	**2024**	*5, 6d*	**(165,049)**	**-**	**-**	**-**	**470,932**	**-**	**-**	Unsecured;
settlement	2023	*5, 6d*	(6,154)	-	-	-	305,882	-	-	noninterest-bearing;
	2022	*5, 6d*	1,702	-	-	-	299,728	-	-	due on demand
▪ DIHCI										
Advances and	**2024**	*5, 6d*	**-**	**-**	**-**	**-**	**14,053**	**15**	**-**	
settlement	2023	*5, 6d*	-	-	-	-	14,053	15	-	
	2022	*5, 6d*	(15)	-	-	-	14,053	15	-	
▪ APHC										
Advances and	**2024**	*5, 6e*	**752**	**-**	**-**	**-**	**-**	**-**	**188,703**	Unsecured;
settlement	2023	*5, 6e*	731	-	-	-	-	-	187,950	noninterest-bearing;
	2022	*5, 6e*	872	-	-	-	-	-	187,219	due on demand;
										not impaired
▪ GIRDI										
Advances and	**2024**	*5, 6d*	**60,773**	**-**	**-**	**-**	**132,293**	**-**	**-**	Unsecured;
settlement	2023	*5, 6d*	3,120	-	-	-	193,066	-	-	noninterest-bearing;
	2022	*5, 6d*	(58)	-	-	-	196,186	-	-	due on demand
▪ WWGI										
Advances and	**2024**	*5, 6e*	**-**	**-**	**-**	**-**	**-**	**-**	**2,061**	Unsecured;
settlement	2023	*5, 6e*	-	-	-	-	-	-	2,061	noninterest-bearing;
	2022	*5, 6e*	-	-	-	-	-	-	2,061	due on demand; fully
										impaired
Deposit	**2024**	*5, 6f*	**-**	**-**	**-**	**-**	**-**	**-**	**13,000**	
	2023	*5, 6f*	-	-	-	-	-	-	13,000	
	2022	*5, 6f*	-	-	-	-	-	-	13,000	
▪ MBI										
Advances and	**2024**	*5, 6e*	**67**	**-**	**-**	**-**	**-**	**-**	**4,881**	Unsecured;
settlement	2023	*5, 6e*	64	-	-	-	-	-	4,814	noninterest-bearing;
	2022	*5, 6e*	-	-	-	-	-	-	4,746	due on demand; fully
										impaired
Deposit	**2024**	*5, 6f*	**-**	**-**	**-**	**-**	**-**	**-**	**35,000**	
	2023	*5, 6f*	-	-	-	-	-	-	35,000	
	2022	*5, 6f*	-	-	-	-	-	-	35,000	
▪ WIHI										
Advances and	**2024**	*5, 6e*	**67**	**-**	**-**	**-**	**-**	**-**	**595**	Unsecured;
settlement	2023	*5, 6e*	85	-	-	-	-	-	528	noninterest-bearing;
	2022	*5, 6e*	58	-	-	-	-	-	444	not impaired
Deposit	**2024**	*5, 6f*	**-**	**-**	**-**	**-**	**-**	**-**	**125,000**	
	2023	*5, 6f*	-	-	-	-	-	-	125,000	
	2022	*5, 6f*	-	-	-	-	-	-	125,000	

Forward

Category/ Transaction	Year	Note	Amount of the Transaction	Outstanding Balance: Due from Related Parties: Current	Outstanding Balance: Due from Related Parties: Non current	Outstanding Balance: Equity Securities - at FVOCI	Outstanding Balance: Due to Related Parties: Current	Outstanding Balance: Due to Related Parties: Non current	Outstanding Balance: Investment and Advances to Subsidiaries	Terms and Conditions
▪ WPPHI										
Advances and settlement	**2024**	*5, 6e*	**64**	**-**	**-**	**-**	**-**	**-**	**516**	Unsecured;
	2023	*5, 6e*	64	-	-	-	-	-	451	noninterest-bearing;
	2022	*5, 6e*	58	-	-	-	-	-	387	not impaired
Deposit	**2024**	*5, 6f*	**-**	**-**	**-**	**-**	**-**	**-**	**90,620**	
	2023	*5, 6f*	-	-	-	-	-	-	90,620	
	2022	*5, 6f*	-	-	-	-	-	-	90,620	
▪ WCVI										
Advances and settlement	**2024**	*5, 6e*	**67**	**-**	**-**	**-**	**-**	**-**	**254**	Unsecured;
	2023	*5, 6e*	64	-	-	-	-	-	187	noninterest-bearing;
	2022	*5, 6e*	57	-	-	-	-	-	122	not impaired
Deposit	**2024**	*5, 6f*	**-**	**-**	**-**	**-**	**-**	**-**	**100**	
	2023	*5, 6f*	-	-	-	-	-	-	100	
	2022	*5, 6f*	-	-	-	-	-	-	100	
▪ WFC										
Advances and settlement	**2024**	*5, 6e*	**(1)**	**-**	**-**	**-**	**6**	**-**	**1,937**	Unsecured;
	2023	*5, 6e*	(5)	-	-	-	5	-	1,937	noninterest-bearing;
	2022	*5, 6e*	-	-	-	-	-	-	1,940	due on demand; fully impaired
Deposit	**2024**	*5, 6f*	**-**	**-**	**-**	**-**	**-**	**-**	**6,000**	
	2023	*5, 6f*	-	-	-	-	-	-	6,000	
	2022	*5, 6f*	-	-	-	-	-	-	6,000	
▪ WHMC										
Advances and settlement	**2024**	*5, 6e*	**136**	**-**	**-**	**-**	**-**	**-**	**99,166**	Unsecured;
	2023	*5, 6e*	90	-	-	-	-	-	99,030	noninterest-bearing;
	2022	*5, 6e*	-	-	-	-	-	-	98,940	due on demand; fully impaired
Deposit	**2024**	*5, 6f*	**-**	**-**	**-**	**-**	**-**	**-**	**204,253**	
	2023	*5, 6f*	-	-	-	-	-	-	204,253	
	2022	*5, 6f*	204,253	-	-	-	-	-	204,253	
▪ WHC										
Advances and settlement	**2024**	*5, 6d*	**-**	**-**	**-**	**-**	**4,835**	**-**	**-**	Unsecured;
	2023	*5, 6d*	(8)	-	-	-	4,835	-	-	noninterest-bearing;
	2022	*5, 6d*	10	-	-	-	4,827	-	-	due on demand
Deposit	**2024**	*5, 6f*	**-**	**-**	**-**	**-**	**-**	**-**	**2,100,000**	
	2023	*5, 6f*	-	-	-	-	-	-	2,100,000	
	2022	*5, 6f*	2,100,000	-	-	-	-	-	2,100,000	
▪ WPL										
Advances and settlement	**2024**	*5, 6d*	**136**	**-**	**-**	**-**	**194,247**	**-**	**-**	Unsecured;
	2023	*5, 6d*	129	-	-	-	194,383	-	-	noninterest-bearing;
	2022	*5, 6d*	(115)	-	-	-	194,512	-	-	due on demand
Allowance for impairment losses	**2024**	*6i*		**(59,619)**	**-**	**-**	**-**	**-**	**(416,255)**	
	2023	*6i*		(59,619)	-	-	-	-	(416,255)	
	2022	*6i*		(59,619)	-	-	-	-	(161,689)	
TOTAL	**2024**			**P1,342,160**	**P1,234,816**	**P50,000**	**P1,322,316**	**P847,575**	**P2,455,831**	
TOTAL	2023			P1,495,066	P1,212,416	P50,000	P1,196,561	P482,518	P2,454,676	

a. Interest-bearing Advances to Related Parties

The Company granted interest-bearing advances to TWGI, PRC, CRDC and WPPC.

TWGI and PRC
The advances granted to TWGI and PRC were substantially used to finance the acquisition or development of real properties for the Company. These advances are due in one (1) year, subject to renewal. The advances to TWGI charge interest at 4% per annum in 2024 and 2023, while the advances to PRC charge interest at 2% per annum in 2024 and 2023. TWGI paid nil in 2024 and 2023, respectively, while PRC made no payments in 2024 and 2023.

In a Resolution dated February 5, 2015, the Company, TWGI and PRC entered into a Memorandum of Understanding (MOU) whereby the parties agreed that the outstanding balance of the advances from TWGI and PRC will be settled using parcels of land owned by PRC.

On April 3, 2019, the Company, TWGI and PRC made amendments to the previously issued MOU for the inclusion of the new outstanding liabilities of PWRDC to the Company. The amended MOU stated that PWRDC shall be a party to the said MOU, and all references to any obligation or rights that PWRDC shall have under the said MOU shall be in force. All other terms and conditions shall remain unchanged.

On January 6, 2021, the Company, TWGI, PRC and PWRDC made amendments to the previously issued amended MOU to exclude PWRDC since its outstanding liability was already paid in full in 2020. All other terms and conditions shall remain unchanged.

As at December 31, 2024 and 2023, the fair value of PRC's land based on valuation performed by an accredited independent appraiser, with a recognized and relevant professional qualification and with recent experience in the locations and categories of the land being valued, amounted to P7.76 billion.

On April 11, 2018, TWGI initiated the transfer of certain parcels of land totaling to P96.87 million located in Puerto Princesa, Palawan as partial settlement of the advances. On April 11, 2019, the deed of absolute sale for the transfer of certain parcels of land was signed.

On December 9, 2019, WIHI and PRC entered into a Memorandum of Agreement (MOA) whereby PRC agreed to sell WIHI certain parcels of land to settle the advances as indicated in the MOU. In 2020, WIHI made partial payments amounting to P150.00 million for the purchase of certain parcels of land.

Interest receivable from TWGI amounted to P320.78 million and P300.44 million as at December 31, 2024 and 2023, respectively, while interest receivable from PRC amounted to P141.01 million and P130.36 million as at December 31, 2024 and 2023, respectively. Interest income recognized in the separate statements of profit or loss and other comprehensive income amounted to P31.00 million, P29.66 million, P28.71 million in 2024, 2023 and 2022, respectively. Allowance for impairment losses on receivables from TWGI amounted to P59.62 million as at December 31, 2024 and 2023.

CRDC
On December 21, 2015, the Company granted advances to CRDC with an interest of 2% per annum and maturity on December 21, 2020. At the end of 2020, the Company extended the maturity of the advances for a period of 5 years up to December 31, 2025 at an increased rate of 2.55% per annum.

On June 9, 2022, the Company granted additional advances to CRDC with an interest of 9% per annum and maturity on June 9, 2027.

Interest receivable from CRDC amounted to P130.76 million and P100.65 million as at December 31, 2024 and 2023, respectively. It was agreed that CRDC has the option to pay the balance before maturity date without payment of penalty fees and in case the latter refuses or fails to pay the principal and interest within the time agreed upon, the same shall be due and demandable. Interest income recognized in the separate statements of profit or loss and other comprehensive income amounted to P26.88 million, P19.54 million, P26.88 million in 2024, 2023 and 2022, respectively while accretion income amounted to nil in 2024, 2023 and 2022.

WPPC
On June 1, 2018, the Company granted advances to WPPC amounting to P500.00 million for general corporate purposes. The advances bear interest at 7.5% per annum and repayable in lump-sum at maturity on June 1, 2021.

On December 31, 2018, the Company granted additional advances to WPPC amounting to P33.83 million for general corporate purposes which was also paid in 2019. The advances bear interest at 7.5% per annum and repayable in lump-sum at maturity. WPPC made no payment in 2022 and 2021.

In 2020, the Company extended the maturity of the advances for a period of 5 years up to December 21, 2025 at a decreased rate of 4% per annum.

Interest receivable from WPPC amounted to P175.88 million and P153.48 million as at December 31, 2024 and 2023, respectively. Interest income recognized in the separate statements of profit or loss and other comprehensive income amounted to P20.00 million in 2024, 2023 and 2022.

b. Noninterest-bearing Advances to Related Parties

The Company granted noninterest-bearing advances to PWRDC, PHES, FHC, PCIC and East Asia with no fixed term of repayment. The said advances are due and demandable at anytime.

PWRDC
On July 5, 2018, the Company granted noninterest-bearing, collateral-free advances to PWRDC which are due on demand. PWRDC paid the full amount in 2020.

PHES, FHC, PCIC and East Asia
The Company has noninterest-bearing, collateral-free advances to PHES, FHC, PCIC and East Asia with no fixed term of repayment. The said advances are due on demand.

The collectability of the aforementioned advances is unconditionally recognized and guaranteed by TWGI, representing the majority stockholder.

c. Interest-bearing Advances from a Related Party

On June 1, 2018, the Company received advances from WCCCHI with an interest of 7.5% per annum and maturity on June 1, 2021. In 2021, WCCCHI extended the maturity of the advances for a period of 2.5 years up to December 31, 2023. Accrued interest payable to WCCCHI amounted to P248.64 million and P227.03 million as at December 31, 2024 and 2023, respectively. Interest expense related to the advances recognized in the separate statements of profit or loss and other comprehensive income amounted to P19.30 million, P19.30 million and P19.30 million in 2024, 2023 and 2022, respectively.

d. Noninterest-bearing Advances from Related Parties

In the ordinary course of business, the Company obtains noninterest-bearing, collateral-free cash and non-cash advances from related parties for working capital purposes. The above advances are due and demandable at anytime.

e. Advances to Subsidiaries

These mainly represent funds provided to support subsidiaries' daily operations (see Note 5).

f. Deposits to Subsidiaries

These represent amounts set aside that will be used as subscription payments by the Company once the planned increase in the authorized capital stock of the subsidiaries has materialized (see Note 5).

g. Equity Securities - at Fair Value through Other Comprehensive Income (FVOCI)

The Company has investment in shares of stocks in WMPD amounting to P12.50 million consisting of 12.50 million shares with par value of P1.00 as at December 31, 2019. Additional investment was made in 2020 amounting to P37.50 million consisting of 37.50 million shares. This investment is measured at cost due to the lack of reliable estimates of unobserved inputs, less impairment, if any.

h. KMP

Currently, the Company is being managed by its subsidiaries' KMP. Hence, there is no key management compensation and benefits being recorded by the Company.

i. Details of the allowance for impairment losses related to due from and advances to related parties are as follows:

	2024	2023
WHMC	**P98,940,208**	P98,940,208
TWGI	**59,619,429**	59,619,429
MBI	**39,746,418**	39,746,418
WWGI	**15,061,497**	15,061,497
WFC	**7,940,491**	7,940,491
	P221,308,043	P221,308,043

The outstanding balances of related party transactions are generally settled in cash.

Total interest income on the abovementioned advances recognized in the separate statements of profit or loss and other comprehensive income amounted to P69.20 million, P75.59 million and P60.16 million in 2023, 2022 and 2021, respectively.

7. Property and Equipment

The Company's fully depreciated property and equipment with cost amounting to P6,583,775 is still being used, as at December 31, 2024 and 2023, respectively.

8. Accrued Expenses and Other Payables

This account consists of:

	Note	**2024**	2023
Accrued interest and penalties	*9*	**P729,841,010**	P729,841,010
Others		**54,005,973**	44,887,650
	14	**P783,846,983**	P774,728,660

9. Loans Payable

Social Security System Loan

On October 28, 1999, the Company obtained a 5-year term loan from SSS amounting to P375.00 million originally due on October 29, 2004. The SSS loan bears interest at the prevailing market rate plus 3% or 14.5% per annum, whichever is higher. Interest is repriced annually and is payable semi-annually. Initial interest payments are due 180 days from the date of the release of the proceeds of the loan. The repayment of the principal shall be based on eight (8) semi-annual payments, after a 1-year grace period.

The SSS loan was availed to finance the completion of the facilities of WCCCHI. It was secured by a first mortgage over parcels of land owned by Wellex Industries, Inc. (WII), a related party and by the assignment of 200 million common shares of the Company owned by TWGI. The common shares assigned were placed in escrow in the possession of an independent custodian mutually agreed upon by both parties.

On August 7, 2003, when the total loan obligation to SSS, including penalties and interest, amounted to P605.00 million, the Company was considered in default with the payments of the loan obligations, thus, on the same date, SSS executed a foreclosure proceeding on the mortgaged parcels of land. The SSS's winning bid on the foreclosure sale amounting to P198.00 million was applied to penalties and interest amounting to P74.00 million and P124.00 million, respectively. In addition, the Company accrued penalties charged by SSS amounting to P30.50 million covering the month of August until December 2003, and unpaid interest expense of P32.00 million.

The Company, WII and TWGI were given the right to redeem the foreclosed property within one (1) year from October 17, 2003, the date of registration of the certificate of sale. The Company recognized the proceeds of the foreclosure sale as its liability to WII and TWGI. The Company, however, agreed with TWGI to offset this directly against its receivable from the latter. In August 2004, the redemption period for the Company, WII and TWGI expired.

The remaining balance of the SSS loan is secured by the shares of stock of the Company owned by TWGI and shares of stock of WII totaling 235 million and 80 million shares, respectively.

On May 13, 2004, SSS filed a civil suit against the Company for the collection of the total outstanding loan obligation before the Regional Trial Court (RTC) of Quezon City. SSS likewise asked the RTC of Quezon City for the issuance of a writ of preliminary attachment on the collateral property.

On June 18, 2004, the RTC of Quezon City issued its first order granting SSS's request and the issuance of a writ of preliminary attachment based on the condition that SSS shall post an attachment bond in the amount of P452.80 million. After the lapse of three (3) months from the issuance of RTC order, no attachment bond was posted. Thus on September 16, 2004 and September 17, 2004, the Company filed a Motion to Set Aside Order of Attachment and Amended Motion to Set Aside Order of Attachment, respectively.

On January 10, 2005, the RTC of Quezon City issued its second order denying the Company's petition after finding no compelling grounds to reverse or reconsider its initial findings dated June 18, 2004. In addition, since no writ of preliminary attachment was actually issued for failure of SSS to file a bond on the specified date, the RTC granted SSS an extension of 15 days from receipt of its second order to post the required attachment bond.

On February 10, 2005, SSS filed a Motion for Partial Reconsideration of the Order dated January 10, 2005 requesting that it be allowed to post a real property bond in lieu of a cash/surety bond and asking for another extension of 30 days within which to post the said property bond. On March 7, 2005, the Company filed its opposition to the said Motion.

On July 18, 2005, the RTC of Quezon City issued its third order denying the Company's petition and granted SSS the 30 days extension to post the said attachment bond. Accordingly, on August 25, 2005, the Company filed a Motion for Reconsideration (MR).

On September 12, 2005, the RTC of Quezon City issued its fourth order approving SSS's property bond in the total amount of P452.80 million. Accordingly, the RTC ordered the corresponding issuance of the writ of preliminary attachment. On November 3, 2005, the Company submitted a Petition for Certiorari before the Court of Appeals (CA) seeking the nullification of the orders of the RTC of Quezon City dated June 18, 2004, January 10, 2005, July 18, 2005 and September 12, 2005.

On February 22, 2006, the CA granted the Company's petition for the issuance of the Temporary Restraining Order to enjoin the implementation of the orders of the RTC of Quezon City specifically on the issuance of the writ of preliminary attachment.

On March 28, 2006, the CA granted the Company's petition for the issuance of a writ of preliminary injunction prohibiting the RTC of Quezon City from implementing the questioned orders.

On August 24, 2006, the CA issued a decision granting the Petition for Certiorari filed by the Company on November 3, 2005 and nullifying the orders of the RTC of Quezon City dated June 18, 2004, January 10, 2005, July 18, 2005 and September 12, 2005 and consequently making the writ of preliminary injunction permanent.

Accordingly, SSS filed a Petition for Review on Certiorari on the CA's decision before the Supreme Court (SC).

On November 15, 2006, the First Division of the SC issued a Resolution denying SSS's petition for failure of SSS to sufficiently show that the CA committed any reversible error in its decision which would warrant the exercise of the SC's discretionary appellate jurisdiction.

The Company, at various instances, initiated negotiations with the SSS for restructuring of the loan but was not able to conclude a formal restructuring agreement.

On January 13, 2015, the RTC of Quezon City issued a decision declaring null and void the contract of loan and the related mortgages entered into by the Company with SSS on the ground that the officers and the SSS are not authorized to enter the subject loan agreement. In the decision, the RTC of Quezon City directed the Company to return to SSS the principal amount of loan amounting to P375.00 million and directed the SSS to return to the Company and to its related parties titles and documents held by SSS as collaterals.

On January 22, 2016, SSS filed an appeal with the CA assailing the RTC of Quezon City decision in favor of the Company, et al. SSS filed its Appellant's Brief and the Company filed a Motion for Extension of Time to file Appellee's Brief until May 16, 2016.

On May 16, 2016, the Company filed its Appellee's Brief with the CA, furnishing the RTC of Quezon City and the Office of the Solicitor General with copies. SSS was given a period to reply but it did not file any.

On September 6, 2016, a resolution for possible settlement was received by the Company from the CA. However, on February 7, 2017 a Notice to Appear dated December 7, 2016 was received by the Company from the Philippine Mediation Center Unit - Court of Appeals (PMCU-CA) directing the Company and SSS to appear in person and without counsel at the PMCU-CA on January 23, 2017 to choose their mediator and the date of initial mediation conference and to consider the possibility of settlement. Since the Notice to Appear was belatedly received, the parties were not able to appear before the PMCU-CA.

On February 27, 2017, a Second Notice to Appear issued by the PMCU-CA directing all parties to appear on February 27, 2017 at a specified time was received by the Company only on February 27, 2017 after the specified time of the meeting. The Company failed to appear.

On June 30, 2017, a resolution issued by the CA, resolved to submit the appeal for decision.

On August 30, 2019, the CA rendered its Decision reversing and setting aside the Decision dated January 13, 2015 and Order dated May 11, 2015 rendered by the RTC of Quezon City.

On November 4, 2019, the counsel for the Company, WII and TWGI filed a Petition for Review with the SC.

On February 5, 2020, the SC issued its Resolution requiring SSS to file its Comment. SSS appealed for an extension to file its Comment until March 23, 2020. On August 14, 2020, the counsel for the Company received a copy of the Comment dated June 24, 2020.

On July 26, 2021 the SC rendered a favorable decision in favor of the Company which includes the declaration of the contract of loan and the foreclosure sale as null and void and ordered the following:

- The Company to pay SSS P375.00 million subject to 12% legal interest from October 28, 1999 to June 30, 2013, and 6% legal interest from July 1, 2013 until full payment; and
- SSS to return to the Company the amount of P35.83 million, subject to a legal interest of 12% from the dates that the individual payments were remitted until June 30, 2013, and 6% legal interest from July 1, 2013 until full payment.

As a result of the SC decision, the Company recognized a reversal of previously accrued interest and penalties on the SSS Loan amounting to P415.67 million as at December 31, 2021. The reversal was recognized and presented as "Reversal of accrual" in the separate statements of profit or loss and other comprehensive income.

On January 28, 2022, the SSS filed a Motion for Reconsideration with the SC. On February 2, 2022, the Office of the Solicitor General filed a Manifestation with the SC that it filed/served by electronic means its Motion for Reconsideration due to the physical closure of its offices as a result of the COVID-19 pandemic. On May 4, 2022, The Company filed a Comment to Respondent's Motion for Reconsideration with Motion to Admit.

On September 21, 2022, the SC issued a resolution denying SSS' Motion for Reconsideration with Finality. On December 20, 2022, the SC issued an Entry of Judgment certifying the SC decision made on July 6, 2021 and that the same has, on September 21, 2022, become final and executory and is hereby recorded in the Book of Entries of Judgement.

The Company is hereby ordered to:

a. submit to the trial court a list of all fruits, income, or dividends received by virtue of the Contract of Loan with Real Estate Mortgage and Option to Convert to Shares of Stock;
b. provided a computation of all amounts to be paid and a list of all properties to be returned by each party, together with a proposed schedule of payments and reconveyance, over a period which shall not exceed six (6) months from the finality of the SC decision, to be approved by the trial court; and
c. submit a report to the trial court on each party's compliance with the execution of the SC decision.

On March 13, 2023, the Company filed a motion praying to the SC to grant the Company an extension of 30 days from March 21, 2023, or until April 21, 2023, within which to submit the list of the income received by the Company by virtue of the Contract of Loan with Real Estate Mortgage and Option to Convert to Shares of Stock, the computation of amounts to be paid and the list of all properties to be returned, together with a proposed schedule of payments and reconveyance, for approval of the SC.

On April 17, 2023, the Company filed a Manifestation with Motion to Approve Proposed Set-off and Schedule of Reconveyance with the RTC of Quezon City to comply with the orders set out in the SC decision. As at date of the issuance of the separate financial statements, the RTC of Quezon City and the SSS has yet to comment on the motion.

On May 27 2024, WPI, WIN, and TWGI tendered Manager's Checks totaling P258.12 million to SSS. On July 16, 2024, SSS filed its Manifestation of Conditional Acceptance, stating that SSS duly acknowledges the receipt of the tendered amount as partial and initial payment only. On December 03, 2024, SSS filed a Petition for Certiorari.

Outstanding principal balance of the loan amounted to P375.00 million as at December 31, 2024 and 2023. Interest expense related to the SSS loan recognized in the separate statements of profit or loss and other comprehensive income amounted to nil in 2024 and 2023 and P20.63 million in 2022. Accrued interest and penalties presented under "Accrued expenses and other payables" account in the separate statements of financial position amounted to P783.85 million and P774.73 million as at December 31, 2024 and 2023, respectively (see Note 8).

10. Other General and Administrative Expenses

Other general and administrative expenses include employees' allowances, postal services and other miscellaneous expenses.

11. Income Taxes

The Company's current income tax expense in 2024, 2023 and 2022 represents regular corporate income tax being the higher amount compared to minimum corporate income tax.

The components of the income tax benefit are as follows:

	2024	2023	2022
Current	**P1,492,230**	P1,038,834	P755,924
Deferred	**-**	-	(5,158,245)
	P1,492,230	P1,038,834	(P4,402,321)

Current tax expense pertains to Minimum Corporate Income Tax (MCIT) in 2024, 2023 and 2022.

The deferred tax asset recognized as at December 31, 2024 and 2023 amounting to P182.97 million and P182.97 million, respectively, pertains to the tax effect on the accrued interest expense (see Notes 8 and 9).

In 2024 and 2023, the management did not recognize deferred tax assets arising from MCIT and net operating loss carryover (NOLCO) below after the management assessed that it may not be able to generate sufficient taxable income from which MCIT and NOLCO can be applied in future periods:

	2024	2023
NOLCO	**P228,253,485**	P242,127,815
MCIT	**1,492,230**	1,038,834
	P229,745,715	P243,166,649

NOLCO which can be claimed as tax credit against future taxable income is as follows:

Year Incurred	Amount	Additions	Applied	Balance	Year of Expiration
2023	P88,653,331	P -	P -	P88,653,331	2026

The excess MCIT which can be claimed as tax credit against future Regular Corporate Income Tax (RCIT) due is as follows:

Year Incurred	Amount	Additions	Expired	Balance	Year of Expiration
2024	P1,492,230	P -	P -	P1,492,230	2026
2023	1,038,834	-	-	1,038,834	2025
2022	755,924	-	-	755,924	2024
2021	3,893,711	-	(3,893,711)	-	2023
	P7,180,699	P -	(P3,893,711)	P3,286,988	

Tax Losses Carried Forward
On September 30, 2020, the Bureau of Internal Revenue issued Revenue Regulation No. 25-2020 implementing Section 4 of Republic Act No. 11494, otherwise known as "Bayanihan to Recover as One Act" relative to NOLCO which allows the Hotel to carry over the net operating loss incurred for the taxable years 2020 and 2021 as a deduction from its gross income for the next five consecutive taxable years immediately following the year of such loss.

The reconciliation of the income tax benefit computed at the statutory tax rate to the actual income tax benefit presented in the separate statements of profit or loss and other comprehensive income is as follows:

	2024	2023	2022
Loss before income tax benefit	**(P290,172,546)**	(P258,866,124)	(P95,934,118)
Income tax benefit	**(P72,543,137)**	(P64,716,531)	(P23,983,530)
Tax effects of:			
Unrecognized deferred tax	**58,562,815**	61,570,788	19,368,174
Nondeductible expenses	**15,490,585**	4,202,555	218,494
Income not subjected to income tax	**(18,033)**	(17,978)	(5,459)
	P1,492,230	P1,038,834	(P4,402,321)

12. Right to Provide Venue for Land-based Casinos

PAGCOR has granted the Company the right to provide venue for land-based casinos. By virtue of this right, the Company's subsidiaries, namely WCCCHI and WMCHI, have existing lease agreements with PAGCOR. The lease agreement of WCCCHI with PAGCOR covered the Main Area (8,123.60 sq.m.), Slot Machine Expansion Area (883.38 sq.m.), Mezzanine (2,335 sq.m.) and 5th Floor Junket Area (2,336 sq.m.) for a total area of 13,677.98 sq.m. which commenced on March 3, 2011 and March 16, 2011, for the Main Area and Slot Machine Expansion Area, respectively. The lease agreement of WMCHI with PAGCOR covered the Main Area (4,076.24 sq.m.) and Chip Washing Area (1,076 sq.m.) for a total area of 5,152.24 sq.m. which was renewed on March 21, 2011. Both leases expired on August 2, 2016. Thereafter, PAGCOR paid the WCCCHI and WMCHI rental on a month-to-month basis. The leases were renewed on February 15, 2018, for a period of 1 year. On May 29, 2019, the leases were further renewed until the year 2032.

In 2008, the Company file an application for a license of its planned integrated resort, *Grand Waterfront Casino and Hotel*, in Expo Pilipino Entertainment City, commonly known as Entertainment City.

However, PAGCOR failed to respond to the application, and the Company filed legal action in 2015 which Manila RTC ruled in favor of the Company. In 2018, CA upheld the decision, and it ordered PAGCOR to issue the Company a license like that of the integrated resorts currently existing in Entertainment City.

In February 2020, the Supreme Court denied the petition of PAGCOR for review and in October 2020, the Company received notice that the decision has become final and executory.

13. Equity

<u>Capital Stock</u>
Details of capital stock as at December 31, 2024 and 2023 are as follows:

	Number of Common Shares	Amount
Authorized capital stock:		
Common shares at P1 par value each	**5,000,000,000**	**P5,000,000,000**
Issued and outstanding	**2,498,991,753**	**P2,498,991,753**

A summary of the Company's securities registration is as follows:

Date of Registration/Listing	Securities
March 17, 1995 (Initial Public Offering)	112.50 million shares On October 7, 1994, the SEC approved the increase in the authorized capital stock of the Company to P450.00 million divided into 450 million shares with a par value of P1 per share, out of which, 337.50 million shares were already subscribed.
April 18, 1996	944.97 million shares On September 18, 1995, the BOD resolved to increase the authorized capital stock of the Company to P2.00 billion divided into 2 billion shares with a par value of P1 per share. The purpose of the increase was to finance the construction of WCCCHI's hotel project.
December 15, 1999	888.47 million shares On August 7, 1999, the BOD resolved to increase the authorized capital stock of the Company to P5.00 billion divided into 5 billion shares with a par value of P1 per share. The purpose of the increase was to accommodate the acquisition of DIHCI's outstanding common shares for 888.47 million shares of the Company with an offer price of P2.03 per share.

On July 20, 2007, the BOD resolved to increase the authorized capital stock of the Company to P10.00 billion with 10 billion shares at par value of P1 per share. This resolution was ratified by the Company's stockholders owning at least two-thirds of the outstanding capital stock during the annual stockholders' meeting held on August 25, 2007.

In 2009, the BOD passed a resolution temporarily suspending the implementation of the above proposed increase in the authorized capital stock of the Company. As at December 31, 2024, the Company has no updated plans to increase its authorized capital stock, or to modify any issued shares or to exchange them to another class.

The Company has not sold any unregistered securities for the past 3 years. As at December 31, 2024 and 2023, the Company has 2.50 billion shares listed on the PSE and has a total of 426 shareholders and 429 shareholders, respectively.

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. Capital is defined as the invested money or invested purchasing power, the net assets or equity of the entity. The Company's overall strategy remains unchanged from 2024 and 2023.

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 its shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes in 2024 and 2023.

For purposes of the Company's capital management, capital includes all equity items that are presented in the separate statements of changes in equity.

The Company's capital management, among other things, aims to ensure that it meets financial covenants attached to the Omnibus Loan and Security Agreement (the Agreement) (see Note 16). Breaches in meeting the financial covenants would permit the bank to immediately call the loans. As at As at December 31, 2024, the Parent Company did not meet the minimum debt service coverage ratio of 1.25:1 (see Note 16). As at December 31, 2024 and 2023, the Company did not meet the minimum debt service coverage ratio of 1.25:1 as described in Section 4.4 Debt Service Coverage Ratio of the Agreement (see Note 16).

14. Financial Instruments - Fair Values and 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 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 comprise of cash in bank, advances to subsidiaries, due from related parties, equity securities - at FVOCI, accrued expenses and other payables, loan payable and due to related parties. These financial instruments arise directly from operations.

The main risks arising from the financial instruments of the Company are credit risk and liquidity risk. The Company's management reviews and approves policies for managing each of these risks, which are summarized below.

Credit Risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from related parties. 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 table below shows the credit quality of the Company's financial assets based on their historical experience with the corresponding debtors and subsidiaries (in thousands):

	2024			
		At Amortized Cost		
	FVOCI	**12-month ECL**	**Lifetime ECL - not credit impaired**	**Lifetime ECL - credit impaired**
Grade A	**P50,000**	**P3175,620**	**P -**	**P -**
Grade B	**-**	**1,887,279**	**-**	**-**
Grade C	**-**	**314,189**	**-**	**-**
Gross carrying amount	**50,000**	**5,377,088**	**-**	**-**
Loss allowance	**-**	**314,189**	**-**	**-**
Carrying amount	**P50,000**	**P5,062,899**	**P -**	**P -**

	2023			
		At Amortized Cost		
	FVOCI	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P50,000	P3,433,598	P -	P -
Grade B	-	2,047,888	-	-
Grade C	-	221,311	-	-
Gross carrying amount	50,000	5,702,797	-	-
Loss allowance	-	221,311	-	-
Carrying amount	P50,000	P5,481,486	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.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the separate statements of financial position (or in the detailed analysis provided in the notes to the separate financial statements), as summarized below:

	Note	**2024**	2023
Cash in banks	*4*	**P63,996,481**	P64,764,063
Advances to subsidiaries	*5*	**2,676,494,394**	2,870,931,926
Due from related parties	*6*	**2,636,596,303**	2,767,101,320
Equity securities - at FVOCI	*6*	**50,000,000**	50,000,000
		P5,427,087,178	P5,752,797,309

Except for the impaired advances to subsidiaries amounting to P161.69 million and due from related parties amounting to P59.62 million, management believes that all its financial assets are of standard grade and of good credit quality. Standard grade financial assets are those past due but not impaired receivables and with fair collection status. This category includes credit grades 4-5. The standard grade category includes 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 considerable length of time.

The following table summarizes the aging and credit quality of the Company's financial assets as at December 31 (in thousands):

2024	**Total**	**Neither Past Due nor Impaired**	**Past Due but not Impaired** **<30 Days**	**31 - 60 Days**	**61 - 90 Days**	**>90 Days**	**Impaired**
Cash in bank	**P63,996**	**P63,996**	**P -**	**P -**	**P -**	**P -**	**P -**
Advances to subsidiaries	**2,676,494**	**2,421,928**	**-**	**-**	**-**	**-**	**254,566**
Due from related parties	**2,636,596**	**689,698**	**-**	**-**	**-**	**1,887,279**	**59,619**
Equity securities - at FVOCI	**50,000**	**50,000**	**-**	**-**	**-**	**-**	**-**
	P5,427,086	**P3,225,622**	**P -**	**P -**	**P -**	**P1,887,279**	**P314,185**

2023	Total	Neither Past Due nor Impaired	Past Due but not Impaired <30 Days	31 - 60 Days	61 - 90 Days	>90 Days	Impaired
Cash in bank	P64,764	P64,764	P -	P -	P -	P -	P -
Advances to subsidiaries	2,870,932	2,709,241	-	-	-	-	161,691
Due from related parties	2,767,101	659,593	-	-	-	2,047,888	59,620
Equity securities - at FVOCI	50,000	50,000	-	-	-	-	-
	P5,752,797	P3,483,598	P -	P -	P -	P2,047,888	P221,311

Allowance for impairment losses of P221.31 million on the Company's advances to subsidiaries and due from related parties was recognized by the Company as at December 31, 2024 and 2023, respectively (see Notes 5 and 6).

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 financial assets and financial liabilities. There has been no change to the Company's exposure to liquidity risks 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 its activities. Additional short-term funding is obtained from related party advances and bank loans, when necessary.

The financial liabilities of the Company at the reporting date include accrued expenses and other payables, current portion of due to related parties and loan payable which are all short-term in nature and are payable within one (1) year from the reporting date. In order to meet its maturing financial obligations, the Company will use the cash collections from its related parties.

The table below summarizes the maturity profile of the Company's financial liabilities as at December 31, based on contractual undiscounted payments (in thousands):

2024	***Note***	**Total Carrying Amount**	**Contractual Undiscounted Payments**				
			Total	**On Demand**	**< 1 Year**	**1 to 5 Years**	**> 5 Years**
Accrued expenses and other payables	*8*	**P783,847**	**P783,847**	**P783,847**	P -	P -	P -
Loan payable	*9*	**2,810,000**	**2,810,000**	**471,000**	295,000	2,044,000	-
Due to related parties	*6*	**2,169,890**	**2,169,890**	**2,169,890**	-	-	-
		P5,763,737	**P5,763,737**	**P3,424,737**	295,000	2,044,000	-

Excluding statutory payables

2023	*Note*	Total Carrying Amount	Contractual Undiscounted Payments				
			Total	On Demand	< 1 Year	1 to 5 Years	> 5 Years
Accrued expenses and other payables	*8*	P774,729	P774,729	P774,729	P -	P -	P -
Loan payable	*9*	3,150,000	3,150,000	375,000	340,000	2,435,000	-
Due to related parties	*6*	1,679,079	1,679,079	1,679,079	-	-	-
		P5,603,808	P5,603,808	P2,828,808	P340,000	P2,435,000	P -

Excluding statutory payables

Fair Value of Financial Instruments

The carrying amount of cash, advances to subsidiaries, noninterest-bearing due from related parties, accrued expenses and other payables and due to related parties approximate their fair values due to the short-term maturity of these instruments.

The equity securities - at FVOCI are not actively traded in organized financial markets, thus, its fair value cannot be determined reliably. In effect, the investment is carried at cost less impairment loss, if any.

The fair value of interest-bearing due from related parties and loan payable is based on the discounted value of expected future cash flows using the applicable market rates for similar types of instruments as at the reporting date, thus, the carrying amount approximates fair value.

The table below summarizes the carrying amounts and fair values of the Company's financial assets and liabilities as at December 31, 2024 and 2023 (in thousands):

	2024		2023	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Assets				
Cash in bank	**P63,996**	**P63,996**	P64,764	P64,764
Advances to subsidiaries - net	**2,421,926**	**2,421,926**	2,709,241	2,709,241
Due from related parties - net	**2,576,978**	**2,576,978**	2,707,482	2,707,482
Equity securities - at FVOCI	**50,000**	**50,000**	50,000	50,000
	P5,112,900	**P5,112,900**	P5,531,487	P5,531,487

	2024		2023	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Liabilities				
Accrued expenses and other payables*	**P783,847**	**P783,847**	P774,729	P774,729
Loan payable	**2,810,000**	**2,810,000**	3,150,000	3,150,000
Due to related parties	**2,169,890**	**2,169,890**	1,679,079	1,679,079
	P5,763,737	**P5,763,737**	P5,603,808	P5,603,808

**Excluding statutory payables*

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.

15. BIR Assessment

On November 10, 2008, the Company received a preliminary assessment notice from the BIR for deficiency taxes for the taxable year 2006. On February 9, 2009, the Company sent a protest letter to BIR contesting the said assessment. On February 18, 2009, the Regional Office of the BIR sent a letter to the Company informing the latter that the docket was returned to Revenue District Office for reinvestigation and further verification.

On December 8, 2009, the Company received BIR's Final Decision on Disputed Assessment for deficiency taxes for the 2006 taxable year. The final decision of the BIR seeks to collect deficiency assessments totaling to P3.30 million. However, on January 15, 2010, the Company appealed the final decision of the BIR with the Court of Tax Appeals (CTA) on the grounds of lack of legal and factual bases in the issuance of the assessments.

In its decision promulgated on November 13, 2012, the CTA upheld the expanded withholding tax (EWT) assessment and cancelled the value-added tax (VAT) and compromise penalty assessments. The Company decided not to contest the EWT assessment. The BIR filed its MR on December 4, 2012 and on April 24, 2013, the Court issued its amended decision reinstating the VAT assessment. The Company filed its MR on the amended decision that was denied by the CTA in its resolution promulgated on September 13, 2013.

The Company appealed to the CTA sitting En Banc on October 21, 2013. The CTA En Banc decision promulgated on December 4, 2014 affirmed the VAT and EWT assessments. The EWT assessment was paid on March 3, 2013.

The CTA En Banc decision was appealed to the SC on February 5, 2015 covering the VAT assessment only.

Management and its legal counsels believe that the position of the Company is sustainable, and accordingly, believe that the Company does not have a present obligation (legal or constructive) with respect to the assessment.

Subsequently, the Company received on February 14, 2023, a notice dated December 7, 2022, whereby the SC required the Company and the BIR to submit their respective memoranda. On March 15, 2023, the Company submitted its memorandum to the SC.

As at the date of the authorization for issue of the separate financial statements, the Company is still awaiting SC's decision.

16. Omnibus Loan and Security Agreement

Original Loan Agreement

On December 21, 2017, the Company, WCCCHI, WMCHI, DIHCI, CRDC and PRC (collectively, the Borrowers) entered into the Agreement with Philippine Bank of Communications (PBCOM) for the latter to provide the Borrowers multiple term loan facilities (the Loan Facilities) for general corporate purposes in the maximum aggregate amount of up to P1.50 billion.

The Loan Facilities consists of the following:

Facility 1 - represents secured term loan facility in the amount of P850.00 million available through a single or multiple drawdowns with term of 54 months from the initial drawdown date, regardless of the number of drawdowns. Any amount not drawn after the expiration of the commitment period shall be automatically cancelled and may not be reinstated. Commitment period means the period commencing from the date of the agreement and terminating on the earliest of: (a) six (6) months from the signing of the Agreement; (b) the date when the commitment is fully drawn or availed by mutual agreement of the parties; or (c) the date when the commitment is terminated or cancelled in accordance with the terms of the Agreement.

Facility 2 - represents secured term loan facility in the amount of P200.00 million available through a single or multiple drawdowns with term of 54 months from the initial drawdown date, regardless of the number of drawdowns. Any amount not drawn after the expiration of the commitment period shall be automatically cancelled and may not be reinstated.

Facility 3 - represents secured term loan facility in the amount of P450.00 million available through a single or multiple drawdowns with term of 42 months from the initial drawdown date, regardless of the number of drawdowns. Any amount not drawn after the expiration of the commitment period shall be automatically cancelled and may not be reinstated. Facility 3 requires, on or before the initial drawdown date, the borrower to cause the relevant mortgagors to constitute in favor of PBCOM a first ranking real estate mortgage over Davao Agricultural Property located at Matina, Pangi, Tolomo, Davao City consisting of parcels of agricultural real property containing an aggregate area of 70 hectares registered in the names of CRDC and PRC, and Locob property still registered in the name of an individual, and register such security interest with appropriate Registry of Deeds.

The loan principal is repayable on equal monthly installments to commence at the end of sixth (6th) month from the initial drawdown date subject to balloon payment upon maturity. Interest is charged at the higher of four (4)-year PDSTR2 rate on the date of availment and spread of 3.25% per annum or 7.75% per annum, and repayable monthly from the drawdown date.

The Loan Facilities are secured by chattel and real mortgages over various operating assets of WCCCHI and DIHCI; real estate mortgages over Davao Agricultural Property; assignment over leasehold rights on the land owned by Mactan Cebu International Airport Authority (MCIAA) on which WCCCHI stands; and pledge of shares of stocks representing ownership of the Company in WCCCHI and DIHCI.

Each of the Borrowers is required to comply with certain covenants during the term of the Agreement and until the full payment of the amounts due which include, among others:

1. Debt to Equity Ratio of not higher than 2.5:1;
2. Debt Service Coverage Ratio of at least 1.25x;
3. To appoint PBCOM's nominees as Corporate Secretary in WCCCHI and DIHCI and nominate and elect such number of PBCOM's nominees as will comprise the majority of the Board of Directors in WCCCHI and DIHCI, provided however, that the exercise of the abovementioned proxy and/or voting rights granted to PBCOM shall be exercised solely for the purpose of protecting, preserving, and enforcing its rights and interests under the Agreement and shall not be used by the latter to effect any takeover of the day-to-day operations of said corporations; and
4. Negative covenants which prohibit each of the Borrowers to:

    - Change the nature or scope of its business as presently conducted, or liquidate or dissolve, or enter into any consolidation, merger, pool, joint venture, syndicate or other combination, or sell, lease or dispose of a substantial portion (as determined by PBCOM) of its business or assets, with market or book value of P500.00 million or more;
    - Permit any change in ownership (direct or indirect), management or control of its business, which results in the present majority stockholders ceasing to hold, whether directly or indirectly through any person beneficially, at least sixty-eight percent (68%) of the direct or indirect beneficial or economic interest in each of the Borrowers;
    - Declare or pay dividends to stockholders and make any capital or asset distribution to stockholders;
    - Purchase, redeem, retire or otherwise acquire for value any of capital stock now or hereafter outstanding (other than as a result of the conversion of any shares of capital stock into shares of any other class of capital stock), return any capital to its stockholders as such, or make any distribution of assets to its stockholders as such (other than distribution payable in shares of its own outstanding capital stock);
    - File any legal action to question any corporate act or transaction;
    - Extend any loans, advances or subsidies to any corporation, partnership or entity owned by the Borrowers or in which it may have equity, other than advances in the ordinary course of business; and
    - Extend any loans or advances to any of its directors, officers, stockholders, affiliates and partners other than advances in the ordinary course of business.

All drawdowns from the Loan Facilities (2017) were fully paid as of December 31, 2024 and 2023.

Supplemental Loan Agreement
On March 22, 2022, the Borrowers entered into a Supplemental Loan Agreement to the Agreement with PBCOM granting the Borrowers additional multiple loan facilities (the New Loan Facilities) for the following purposes: (1) refinancing the outstanding loan obligation; (2) payment of any and all fees, stamps, and other taxes to the execution and delivery of the loan documents in order to implement the refinancing; and, (3) general corporate requirements, in the maximum aggregate amount of P3.05 billion.

The New Loan Facilities are secured by the chattel and real estate mortgages and other security interests under the Agreement as well as the following: additional chattel and real mortgages over various operating assets of WMCHI; pledge of movable assets consisting of machinery and equipment owned by WCCCHI, WMCHI and DIHCI; new chattel and real estate mortgages over various operating assets of CRDC and PRC; assignment over leasehold rights on the land owned by MCIAA on which WMCHI stands; pledge of shares of stocks representing ownership of the Company in WCCCHI, WMCHI and DIHCI; assignment of all rental receivables of WCCCHI and WMCHI from PAGCOR; and assignment of the cash collateral peso-denominated interest-bearing account Debt Service Reserve Account.

Each of the Borrowers are required to comply the same covenants set forth under the Agreement.

The New Loan Facilities consists of the following:

New Facility 1 - represents secured term loan facility in the amount of P550.00 million to re-finance the payment of the Facility 3 of the Original Loan Agreement available through maximum of two (2) drawdowns within September 2022 with term of 30 months from the initial drawdown date. The loan principal for this facility is payable in equal monthly installments to commence one month from the drawdown date. Interest is charged at the higher of three (3)-year BVAL rate on the date of availment and spread of 3.25% per annum or 7.75% per annum; floating rate re-priceable every quarter; and repayable monthly in arrears.

New Facility 2 - represents secured term loan facility in the amount of P1.00 billion available through a single or multiple drawdowns with term of 60 months from the initial drawdown date, regardless of the number of drawdowns. Any amount not drawn after the expiration of the commitment period shall be automatically cancelled and may not be reinstated.

New Facility 3 - represents secured term loan facility in the amount of P600.00 million available through a single or multiple drawdowns with term of 60 months from the initial drawdown date, regardless of the number of drawdowns. Any amount not drawn after the expiration of the commitment period shall be automatically cancelled and may not be reinstated.

New Facility 4 - represents secured term loan facility in the amount of P900.00 million available through a single or multiple drawdowns with term of 60 months from the initial drawdown date, regardless of the number of drawdowns. Any amount not drawn after the expiration of the commitment period shall be automatically cancelled and may not be reinstated.

The loan principals for New Facilities 2, 3 and 4 are payable on equal monthly installments to commence at the end of twenty-fourth (24th) month from the initial drawdown date subject to balloon payment upon maturity. Interest is charged at the higher of five (5)-year BVAL rate on the date of availment and spread of 3.25% per annum or 7.75% per annum; floating rate re-priceable every quarter; and repayable monthly in arrears.

All drawdowns were made by the Company. As at December 31, 2024 and 2023, the Company did not meet the minimum debt service coverage ratio of 1.25:1, and as of December 31, 2024, it also failed to meet the maximum debt-to-equity ratio of 2.5:1, as outlined in Sections 4.3 and 4.4 of the Agreement. While these constituted non-compliance with financial covenants, the Agreement provides a process that includes notifications between the Company and PBCOM, as well as a rectification period, prior to any breach being considered an event of default. In relation to this, the Company notified PBCOM of the breach, and PBCOM subsequently agreed not to treat it as an event of default as at December 31, 2024 and 2023. As a result, the breach did not result in the loans being declared immediately due and demandable.

The outstanding balances of the loans under the Loan Facilities are presented in the financial position of the Company as follows:

Loan Facility	Current Portion	Noncurrent Portion	Outstanding Balance
New Facility 1	**P55,000,000**	**P -**	**P55,000,000**
New Facility 2	**96,000,000**	**760,000,000**	**856,000,000**
New Facility 3	**57,600,000**	**513,600,000**	**571,200,000**
New Facility 4	**86,400,000**	**770,400,000**	**856,800,000**
	P295,000,000	**P2,044,000,000**	**P2,339,000,000**

The drawdowns and payments made by the Company under the New Loan Facilities are presented below:

2024

Loan Facility	Drawdown Date	Maturity Date	Payment Terms	Monthly Amortization	Principal	Principal Payments	Outstanding Balance
New Facility 1	9/13/2022	3/13/2025	30 months	**P18,333,333**	**P275,000,000**	**P220,000,000**	**P55,000,000**
New Facility 2	6/16/2022	6/4/2027	60 months	**8,000,000**	**1,000,000,000**	**48,000,000**	**952,000,000**
New Facility 3	6/6/2022	6/4/2027	60 months	**4,800,000**	**600,000,000**	**28,800,000**	**571,200,000**
New Facility 4	6/8/2022	6/4/2027	60 months	**7,200,000**	**900,000,000**	**43,200,000**	**856,800,000**
					P2,775,000,000	**P340,000,000**	**P2,435,000,000**

2023

Loan Facility	Drawdown Date	Maturity Date	Payment Terms	Monthly Amortization	Principal	Principal Payments	Outstanding Balance
New Facility 1	9/13/2022	3/13/2025	30 months	P18,333,333.33	P495,000,000	P220,000,000	P275,000,000
New Facility 2	6/16/2022	6/4/2027	60 months	8,000,000	1,000,000,000	-	1,000,000,000
New Facility 3	6/6/2022	6/4/2027	60 months	4,800,000	600,000,000	-	600,000,000
New Facility 4	6/8/2022	6/4/2027	60 months	7,200,000	900,000,000	-	900,000,000
					P2,995,000,000	P220,000,000	P2,775,000,000

Total interest incurred by the Company arising for the Loan Facilities amounted to P255.03 million and P274.71 million in 2024 and 2023, respectively.

17. Summary of Material Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these separate financial statements.

Adoption of Amendments to Standards and Interpretations
The Company has adopted the following relevant amendments to standards and interpretations starting January 1, 2024 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption did not have any significant impact on the Hotel's financial statements.

- *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.

Standards Issued but Not Yet Adopted
A number of amended standards are effective for annual periods beginning after January 1, 2024 and have not been applied in preparing the financial statements. Unless otherwise indicated, none of these are expected to have a significant effect on the financial statements.

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 Hotel's financial reporting.

Financial Instruments

Recognition and Initial Measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

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.

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

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

Debt Instruments

Financial Assets at Amortized Cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Included in this category are the Company's cash in bank, advances to subsidiaries, and due from related parties.

FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

There is no financial asset that is a debt instrument measured at FVOCI as at December 31, 2024 and 2023.

FVTPL

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. 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 the date of initial application and as at December 31, 2024 and 2023.

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.

Included in this category are the Company’s equity securities - at FVOCI.

<u>Equity Securities - at FVOCI</u>

Equity securities - at FVOCI are nonderivative financial assets that are either designated in this category or not classified in any of the other categories. Changes in the fair value of such assets are accounted for as other comprehensive income (OCI) and included in the fund balance. These financial assets are classified as noncurrent assets unless there is intention to dispose of such assets within 12 months from the reporting date.

The fair value of equity securities - at FVOCI that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business of the reporting date. For equity securities - at FVOCI where there is no active market, fair value is determined using valuation techniques. However, when fair value cannot be determined reliably, the investment is accounted for at cost less impairment loss, if any.

The Company's financial assets measured at FVOCI pertain to equity securities carried at cost.

Equity securities at cost represent investment holdings that the Company originally intended to hold for long-term strategic purposes. The Company recognized this investment at cost because these investments do not have a quoted market price in an active market, and its fair value cannot be measured reliably. An assessment for impairment is undertaken at least each reporting date whether or not there is objective evidence that the financial asset is impaired.

Business Model Assessment
The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

a. the stated policies and objectives for the portfolio 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, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
b. how the performance of the portfolio is evaluated and reported to the Company's management;
c. the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
d. 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
e. the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Assessment whether Contractual Cash Flows are Solely Payments of Principal and Interest (SPPI)
In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instruments. This includes assessing whether the financial asset contains contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this 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's claim to cash flows from specified asset.

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. Other net gains and losses are recognized in OCI and are never reclassified 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.

Financial Liabilities
Classification, Subsequent Measurement and Gains and Losses
Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

As at December 31, 2024 and 2023, other financial liabilities at amortized cost include accrued expenses and other payables, due to related parties and loan payable (see Notes 6, 8 and 9). There are no financial liabilities measured at FVTPL.

Derecognition of Financial Instruments
Financial Asset
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its separate statements of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial Liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset, and the net amount is reported in the separate statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the 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 separate statements of financial position.

As at December 31, 2024 and 2023, only due to/from related party transactions were offset in the separate 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 of Fair Values
A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and nonfinancial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes, when necessary, based on the market values, being the estimated amount for which assets could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The different levels of fair value of financial instruments carried at fair value, by valuation method 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Impairment of Financial Assets
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.

Measurement of ECL
ECL 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).

ECL are discounted at the effective interest rate 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. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Objective evidence that financial assets were impaired included:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer would enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security because of financial difficulties; or
- observable data indicating that there was a measurable decrease in the expected cash flows from a group of financial assets.

Presentation of Allowance for ECL in the Separate Statements of Financial Position
Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt investments at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

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.

Measurement Subsequent to Recognition

Property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

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 furniture, fixtures and equipment ranging from 5 to ten (10) years. Leasehold improvements are depreciated using the straight-line method over the term of the lease or the estimated useful lives of the improvements, whichever is shorter.

The estimated useful lives and the depreciation method are reviewed at each reporting date to ensure that these 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, no further charges for depreciation are made in respect of those assets.

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 related 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 amounts of the Company's nonfinancial assets are 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 (CGU) exceeds its recoverable amount. Impairment losses on assets recognized at cost are recognized in the profit or loss. However, impairment losses on revalued assets are recognized in the separate statements of changes in equity as a reduction of revaluation surplus to the extent that the impairment losses do not exceed the amount in the revaluation surplus.

The recoverable amount is the higher of the asset's fair value less costs of disposal and value-in-use (VIU). Fair value less costs 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 VIU, the estimated future cash flows are discounted to their present value using a pretax 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 CGU to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the carrying 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.

Equity

Capital stock is classified as equity and is determined using the nominal value of share that have been issued. Capital stock is recognized at par value for all issued shares. Consideration received in excess of par value is recognized as additional paid-in capital net of incremental costs that are directly attributable to the issuance of new shares.

Accumulated deficit includes accumulated results of operations as reported in the separate statements of comprehensive income less any dividends declared. Dividends are recorded in the period in which the dividends are approved by the BOD.

Revenue Recognition

Revenue from Contracts with Customers

The Company's business is primarily engaged in holding equity interests in hotels and resorts, a fitness gym, entities engaged in the international marketing and promotion of casinos, manufacturing of pastries, and hotel management and operations.

The following specific recognition criteria must also be met before revenue is recognized:

Interest Income

Interest income is recognized as it accrues using the effective interest method.

Miscellaneous Income

Other Income is recognized when earned.

Determination of whether the Company is Acting as a Principal or an Agent

The Company assesses its revenue arrangements against the following criteria to determine whether it is acting as a principal or an agent:

- whether the Company has primary responsibility for providing the goods and services;
- whether the Company has discretion in establishing prices; and
- whether the Company bears the credit risk.

If the Company has determined it is acting as a principal, the Company recognizes revenue on a gross basis with the amount remitted to the other party being accounted as part of costs and expenses. If the Company has determined it is acting as agent, only the net amount retained is recognized as revenue.

The Company assessed its revenue arrangements and concluded that it is acting as principal in all arrangements

<u>Expense Recognition</u>
Expenses are recognized in profit or loss upon utilization of the service or at the date they are incurred. Interest expense are reported on an accrual basis.

<u>Income Taxes</u>
Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that they relate to items recognized in equity or OCI.

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 comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred Tax
Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if and only if it has a legally enforceable right to set off current tax assets and liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Provisions and Contingencies
A provision is a liability of uncertain timing or amount. It is recognized when the Company has a legal or constructive obligation as a result of a past event; when it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The amount to be recognized as provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

When it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognized in the separate financial statements but are disclosed when the inflow of economic benefits is probable.

Events After the End of the Reporting Date
The Company identifies post-yearend events as events that occurred after the reporting date but before the date when the financial statements were authorized for issue. Any post-yearend events that provide additional information about the Company's separate financial position or performance at the end of a reporting period (adjusting events) are recognized in the separate financial statements. Events that are not adjusting events are disclosed in the notes to the separate financial statements when material.

18. Supplementary Information Required Under RR No. 15-2010 of the BIR

In addition to the disclosures mandated under PFRS Accounting Standards, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to the basic 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 PFRS Accounting Standards. The following are the supplementary tax information required for the taxable year ended December 31, 2024.

A. Withholding Taxes

During the year, the Company withheld expanded withholding tax amounting to P5,217,001.36

B. All Other Taxes (Local and National)

Other taxes paid during the year recognized as "Taxes and licenses" under General and Administrative Expenses	
Gross receipt tax	**P12,751,470**
License and other fees	**10,253,079**
Documentary stamp tax	**46,179**
	P23,050,728

C. Deficiency Tax Assessments

As at December 31, 2024, the Company is still awaiting SC's decision on its appeal related to the VAT assessment covering taxable year 2006.

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	4	-	8	6	7	8

COMPANY NAME

WATERFRONT PHILIPPINES,
INCORPORATED

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

No. 1 Waterfront Drive
Off Salinas Drive, Lahug
Cebu City, Philippines

Form Type	Department requiring the report	Secondary License Type, If Applicable
AFS24		

COMPANY INFORMATION

Company's email Address	Company's Telephone Number/s	Mobile Number
N/A	(032) 232-6888	09985948640

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
426	September 21	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	Mobile Number
Evangeline E. Soliveres	e.soliveres@waterfronthotels.net	(032) 232-6888	09985948640

CONTACT PERSON's ADDRESS

No. 1 Waterfront Drive, Off Salinas Drive, Lahug

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.*

Gmail

WPI EAFS <wpieafs20@gmail.com>

Your BIR AFS eSubmission uploads were received

1 message

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eafs@bir.gov.ph <eafs@bir.gov.ph> Fri, May 16, 2025 at 3:00 PM
To: WPIEAFS20@gmail.com
Cc: WPIEAFS20@gmail.com

Hi WATERFRONT PHILIPPINES, INC.,

Valid files

- EAFS003978254ITRTY122024.pdf
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- EAFS003978254AFSTY122024.pdf

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- <None>

Transaction Code: **AFS-0-34VWWRZP0C9L697CJN3V1SR4P044YVZYSN**
Submission Date/Time: **May 16, 2025 03:00 PM**
Company TIN: **003-978-254**

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WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024, 2023 and 2022

With Independent Auditors' Report

R.G. Manabat & Co.
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REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Waterfront Philippines, Incorporated
No. 1 Waterfront Drive
Off Salinas Drive, Lahug
Cebu City, Philippines

Opinion

We have audited the consolidated financial statements of Waterfront Philippines, Incorporated and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes, comprising 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, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). 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.

Key Audit Matters

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

Revenue Recognition

(P1.95 billion, see consolidated statements of profit or loss and other comprehensive income and Notes 23 and 24 to the consolidated financial statements).

The Risk

The Group's revenue transactions are not complex and no significant judgment is applied over the amounts recorded. However, market expectations and profit-based targets may place pressure on management to distort revenue recognition. There is potential risk of management override to achieve revenue targets.

Our Response

As part of our audit procedures, we evaluated and tested the relevant key management controls over the completeness, existence and accuracy of revenue recognized in the consolidated financial statements. We performed substantive analytical procedures, test of details, and cutoff testing procedures to ensure whether transactions occurring near yearend were recorded in the proper period and journal entries testing procedures around revenue to identify any unusual or irregular items posted in the accounting records. We also assessed whether the Group's revenue recognition policies and disclosures are in accordance with PFRS Accounting Standards.

Valuation of Property and Equipment

(P11.68 billion, see consolidated statements of financial position and Note 9 to the consolidated financial statements).

The Risk

The Group's land, land improvements, hotel buildings and improvements, furniture, fixtures and equipment, and transportation equipment are measured using the revaluation model which is based on fair values. The models applied to determine the fair value of property and equipment are complex and sensitive to assumptions. Accordingly, we placed significant focus during the audit on the fair value measurement because the amounts involved are material and significant judgments were applied in the assessment.

Our Response

As part of our audit procedures, we evaluated the objectivity, knowledge, skills and ability of the independent external appraisers and determined whether they are accredited by Securities and Exchange Commission.We evaluated the appraisal reports issued by the independent external appraisers by testing the completeness and accuracy of underlying data used, assessing the appropriateness of the valuation methods applied and the assumptions in determining the fair values and considered whether these were in accordance with PFRS Accounting Standard.

We also assessed the adequacy of the Group's disclosures whether they met the requirements under the PFRS Accounting Standard.

Capitalization of Costs on Construction

(P1.03 billion, see Note 9 to the consolidated financial statements)

The Risk

The subsidiary has incurred significant costs in relation to the reconstruction and restoration project of its hotel property. Costs amounting to P1.03 billion 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 PFRS Accounting Standard, 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 obtained the certified progress report from the subsidiary's engineering department and vouched on a sampling basis capitalized costs to supporting documents such as progress billings from contractors. We also evaluated the design and implementation of management controls to address the risk of inappropriate capitalization of costs. We also considered the adequacy of the subsidiary's disclosures and determined whether they met the disclosure requirements under the PFRS Accounting Standard.

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, 2024 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, 2024 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 PFRS Accounting Standard, 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 PSA 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 PSA, 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 those 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 Oliver C. Bucao.

R.G. MANABAT & CO.

OLIVER C. BUCAO
Partner
CPA License No. 0086699
Tax Identification No. 129-433-612
BIR Accreditation No. 08-001987-053-2023
Issued March 10, 2023; valid until March 10, 2026
PTR No. MKT 10467168
Issued January 2, 2025 at Makati City

May 16, 2025
Makati City, Metro Manila

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REPORT OF INDEPENDENT AUDITORS ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
Waterfront Philippines, Incorporated
No. 1 Waterfront Drive
Off Salinas Drive, Lahug
Cebu City, Cebu

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Waterfront Philippines, Incorporated and Subsidiaries (the Group) as at and for the years ended December 31, 2024 and 2023, included in this Form 17-A, on which we have rendered our report thereon dated May 16, 2025.

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.

The above schedule 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. 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, 2024 and 2023 and no material exceptions were noted.

R.G. MANABAT & CO.

OLIVER C. BUCAO
Partner
CPA License No. 0086699
Tax Identification No. 129-433-612
BIR Accreditation No. 08-001987-053-2023
Issued March 10, 2023; valid until March 10, 2026
PTR No. MKT 10467168
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REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

The Board of Directors and Stockholders
Waterfront Philippines, Incorporated
No. 1 Waterfront Drive
Off Salinas Drive, Lahug
Cebu City, Cebu

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Waterfront Philippines, Incorporated and Subsidiaries (the Group) as at and for the years ended December 31, 2024 and 2023, included in this Form 17-A, on which we have rendered our report thereon dated May 16, 2025.

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.

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

KPMG

The above 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 consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

R.G. MANABAT & CO.

OLIVER C. BUCAO
Partner
CPA License No. 0086699
Tax Identification No. 129-433-612
BIR Accreditation No. 08-001987-053-2023
Issued March 10, 2023; valid until March 10, 2026
PTR No. MKT 10467168
Issued January 2, 2025 at Makati City

May 16, 2025
Makati City, Metro Manila

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31		
	Note	**2024**	2023 (As restated) Note 27	January 1, 2023 (As restated) Note 27
ASSETS				
Current Assets				
Cash and cash equivalents	*4, 21*	**P393,356,310**	P475,947,998	P583,888,860
Short-term Investments	*21*	**2,856,000**	1,277,615	-
Receivables - net	*5, 21*	**1,582,470,998**	903,674,116	873,865,491
Notes receivable	*8, 21*	**271,702,728**	267,553,447	247,382,185
Due from related parties - current portion	*8, 21*	**2,210,869,398**	2,936,358,422	2,239,921,125
Inventories	*6*	**31,251,767**	24,950,383	29,102,436
Prepaid expenses and other current assets	*7*	**69,487,919**	248,457,059	248,400,444
Total Current Assets		**4,561,995,120**	4,858,219,040	4,222,560,541
Noncurrent Assets				
Equity securities - at fair value through other comprehensive income	*8, 21*	**68,382,520**	70,255,800	69,943,300
Due from related parties - noncurrent portion	*8, 21*	**4,823,173,674**	3,591,306,466	3,921,476,815
Property and equipment - net	*9*	**11,675,078,943**	11,705,835,715	11,001,110,315
Right-of-use assets - net	*24*	**121,087,451**	133,800,348	118,357,933
Deferred tax assets	*19*	**187,416,235**	248,599,526	270,406,996
Retirement benefits asset	*18*	**72,868,817**	69,794,281	72,916,925
Other noncurrent assets - net	*10, 21*	**901,695,131**	728,655,722	731,755,873
Total Noncurrent Assets		**17,849,702,771**	16,548,247,858	16,185,968,157
		P22,411,697,891	P21,406,466,898	P20,408,528,698
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued expenses	*11, 21*	**P1,713,190,913**	P1,800,621,785	P1,692,671,289
Loans payable - current portion	*13, 21, 26*	**671,000,000**	715,000,000	595,000,000
Lease liabilities - current portion	*21, 24*	**3,944,388**	2,795,134	116,255
Due to related parties - current portion	*8*	**5,013,613**	30,000	-
Income tax payable		**65,805,063**	76,473,704	54,330,458
Other current liabilities	*12, 21*	**72,525,682**	63,488,720	32,951,372
Total Current Liabilities		**2,531,479,659**	2,658,409,343	2,375,069,374
Noncurrent Liabilities				
Loans payable - noncurrent portion	*21, 26*	**2,140,000,000**	2,435,000,000	2,775,000,000
Retirement benefits liability	*18*	**8,738,089**	341,300	-
Lease liabilities - net of current portion	*21, 24*	**148,117,668**	146,114,456	128,015,290
Deferred tax liabilities	*19*	**2,373,719,754**	2,571,564,257	2,400,127,450
Other noncurrent liabilities	*14, 21*	**482,580,221**	474,314,210	463,088,384
Total Noncurrent Liabilities		**5,153,155,732**	5,627,334,223	5,766,231,124
		7,684,635,391	8,285,743,566	8,141,300,498

Forward

		December 31		
	Note	**2024**	2023 (As restated) Note 27	January 1, 2023 (As restated) Note 27
Equity Attributable to Equity Holders of the Parent Company				
Capital stock	*16*	**P2,498,991,753**	P2,498,991,753	2,498,991,753
Additional paid-in capital		**706,364,357**	706,364,357	706,364,357
Revaluation surplus on property and equipment	*9*	**5,571,304,631**	5,778,561,874	5,528,893,756
Retirement benefits reserve		**148,325,721**	151,384,105	154,436,033
Foreign currency translation adjustment		**75,088,486**	68,945,429	70,558,260
Fair value reserve		**3,415,552**	4,284,906	4,284,906
Retained earnings		**3,380,840,212**	2,312,850,611	2,051,797,945
Total Equity Attributable to Equity Holders of the Parent Company		**12,384,330,712**	11,521,383,035	11,015,327,010
Noncontrolling Interests	*16*	**2,342,731,788**	1,599,340,297	1,251,901,190
Total Equity		**14,727,062,500**	13,120,723,332	12,267,228,200
		P22,411,697,891	P21,406,466,898	P20,408,528,698

See Notes to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

			Years Ended December 31	
	Note	**2024**	2023 (As restated) Note 27	2022
REVENUES				
Rent and related income	*23, 24*	**P625,689,821**	P618,256,151	P606,752,740
Food and beverage		**736,170,148**	673,544,166	516,359,149
Rooms		**545,899,121**	472,469,953	338,806,344
Others		**43,781,042**	39,316,103	24,522,816
		1,951,540,132	1,803,586,373	1,486,441,049
COSTS AND EXPENSES OTHER THAN DEPRECIATION, INTEREST, GAINS AND INCOME TAX EXPENSE				
Energy costs		**250,587,510**	222,505,747	264,122,679
Food and beverage	*6*	**243,094,371**	244,142,783	206,876,970
Personnel costs	*18*	**236,301,823**	160,124,546	153,542,582
Repairs and maintenance	*6*	**63,851,040**	60,472,333	24,848,080
Rooms		**23,659,630**	25,162,207	20,815,645
Rent	*24*	**19,368,301**	17,527,739	12,903,991
Others	*17*	**594,349,684**	413,697,247	310,267,138
		1,431,212,359	1,143,632,602	993,377,085
INCOME BEFORE DEPRECIATION, INTEREST, GAINS AND INCOME TAX EXPENSE		**520,327,773**	659,953,771	493,063,964
DEPRECIATION, INTEREST AND (LOSSES) GAIN				
Gain on sale of property and equipment	*8*	**1,761,454,396**	-	-
Interest income	*4, 8*	**123,229,442**	141,173,479	91,418,445
Gain from insurance claims	*1*	**30,401,133**	-	-
Impairment losses	*5, 8, 10*	**-**	(9,572,112)	(308,514)
Foreign exchange losses - net		**(8,540,083)**	(12,144,791)	(5,617,636)
Interest expense	*13, 23, 24, 26*	**(310,001,802)**	(299,821,604)	(166,383,473)
Depreciation	*9, 24*	**(362,303,023)**	(333,404,053)	(295,364,489)
Others		**4,484,769**	-	-
		1,238,724,832	(513,769,081)	(376,255,667)
INCOME BEFORE INCOME TAX EXPENSE		**1,759,052,605**	146,184,690	116,808,297
INCOME TAX EXPENSE	*19*	**154,365,872**	107,627,968	65,925,125
NET INCOME		**1,604,686,733**	38,556,722	50,883,172

Forward

	Note	2024	2023 (As restated) Note 27	2022
			Years Ended December 31	
OTHER COMPREHENSIVE INCOME				
Items that will never be reclassified to profit or loss				
Appraisal increase on property and equipment	*9*	**P -**	P911,673,363	P864,622,641
Remeasurement gains on defined benefit plan	*18*	**(3,861,823)**	4,089,691	10,007,878
Unrealized gains on equity securities at fair value through other comprehensive income	*8*	**(1,560,780)**	-	-
Deferred tax effect	*19*	**931,976**	(227,918,340)	(218,657,631)
		(4,490,627)	687,844,714	655,972,888
Item that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations		**6,143,057**	935,085	15,429,483
		1,652,433	688,779,799	671,402,371
TOTAL COMPREHENSIVE INCOME		**P1,606,339,163**	P727,336,521	P722,285,543
Net income attributable to:				
Equity holders of the Parent Company		**P860,732,358**	P68,843,761	P82,789,942
Noncontrolling interests	*16*	**743,954,376**	(30,287,039)	(31,906,770)
		1,604,686,734	P38,556,722	P50,883,172
Total comprehensive income attributable to:				
Equity holders of the Parent Company		**P862,947,674**	P349,610,375	P585,400,417
Noncontrolling interests	*16*	**743,391,490**	377,726,146	136,885,126
		P1,606,339,164	P727,336,521	P722,285,543
EARNINGS PER SHARE - Basic and Diluted	*20*	**0.34**	P0.028	P0.033

See Notes to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years Ended December 31

	Equity Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 16)	Additional Paid-in Capital	Revaluation Surplus on Property and Equipment	Retirement Benefits Reserve	Foreign Currency Translation Adjustment	Fair Value Reserve	Retained Earnings	Total	Non-controlling Interests (Note 16)	Total Equity
As at January 1, 2024, as restated	P2,498,991,753	P706,364,357	P5,778,561,874	P151,384,105	P68,945,429	P4,284,906	P2,312,850,611	P11,521,383,035	P1,599,340,297	P13,120,723,332
Total Comprehensive Income for the Year										
Net income for the year	-	-	-	-	-	-	860,732,358	860,732,358	743,954,376	1,604,686,734
Other comprehensive income - net of tax effect	-	-	-	(3,058,384)	6,143,057	(869,354)	-	2,215,319	(562,885)	1,652,434
	-	-	-	(3,058,384)	6,143,057	(869,354)	860,732,358	862,947,677	743,391,491	1,606,339,168
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	-	(207,257,243)	-	-	-	207,257,243	-	-	-
As at December 31, 2024	P2,498,991,753	P706,364,357	P5,571,304,631	P148,325,721	P75,088,486	P3,415,552	P3,380,840,212	P12,384,330,712	P2,342,731,788	P14,727,062,500

See Notes to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years Ended December 31

	Equity Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 16)	Additional Paid-in Capital	Revaluation Surplus on Property and Equipment	Retirement Benefits Reserve	Foreign Currency Translation Adjustment	Fair Value Reserve	Retained Earnings	Total	Non-controlling Interests (Note 16)	Total Equity
As at January 1, 2023, as restated	P2,498,991,753	P706,364,357	P5,528,893,756	P154,436,033	P70,558,260	P4,284,906	P2,051,797,945	P11,015,327,010	P1,251,901,190	P12,267,228,200
Total Comprehensive Income for the Year										
Net income for the year	-	-	-	-	-	-	68,843,761	68,843,761	(30,287,039)	38,556,722
Other comprehensive income - net of tax effect	-	-	441,877,023	(3,051,928)	(1,612,831)	-	-	437,212,264	377,726,146	814,938,410
	-	-	441,877,023	(3,051,928)	(1,612,831)	-	68,843,761	506,056,025	347,439,107	853,495,132
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	-	(192,208,905)	-	-	-	192,208,905	-	-	-
As at December 31, 2023	P2,498,991,753	P706,364,357	P5,778,561,874	P151,384,105	P68,945,429	P4,284,906	P2,312,850,611	P11,521,383,035	P1,599,340,297	P13,120,723,332

See Notes to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years Ended December 31

	Equity Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 16)	Additional Paid-in Capital	Revaluation Surplus on Property and Equipment	Retirement Benefits Reserve	Foreign Currency Translation Adjustment	Fair Value Reserve	Retained Earnings	Total	Non-controlling Interests (Note 16)	Total Equity
As at January 1, 2022	P2,498,991,753	P706,364,357	P5,376,130,748	P147,014,110	P55,128,777	P4,284,906	P1,642,011,942	P10,429,926,593	P1,115,016,064	P11,544,942,657
Total Comprehensive Income for the Year										
Net income for the year	-	-	-	-	-	-	82,789,942	82,789,942	(31,906,770)	50,883,172
Other comprehensive income - net of tax effect	-	-	479,759,069	7,421,923	15,429,483	-	-	502,610,475	168,791,896	671,402,371
	-	-	479,759,069	7,421,923	15,429,483	-	82,789,942	585,400,417	136,885,126	722,285,543
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	-	(326,996,061)	-	-	-	326,996,061	-	-	-
As at December 31, 2022	P2,498,991,753	P706,364,357	P5,528,893,756	P154,436,033	P70,558,260	P4,284,906	P2,051,797,945	P11,015,327,010	P1,251,901,190	P12,267,228,200

See Notes to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	**2024**	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax expense		**P1,759,052,605**	P146,184,690	P116,808,297
Adjustments for:				
Depreciation	*9, 24*	**352,717,002**	327,077,010	291,733,073
Interest expense	*13, 23, 26*	**310,001,802**	285,745,321	166,383,473
Retirement benefits expense (income)	*18*	**1,153,664**	(198,032)	4,094,139
Gain on sale of property and equipment	*8*	**(1,761,454,396)**	-	-
Interest income	*4, 8*	**(123,229,442)**	(141,173,479)	(91,418,446)
Gain from insurance claims	*1*	**(30,401,133)**	-	-
Unrealized foreign exchange losses (gains) - net		**(850,958)**	(2,349,483)	21,058,768
Impairment losses	*5, 8, 10*	**17,050,056**	18,585,407	-
Income due to rent concession	*24*	**-**	(1,814,550)	(485,346)
Income before working capital chan(		**524,039,200**	632,056,884	508,173,958
Decrease (increase) in:				
Receivables	*5*	**(661,746,826))**	29,808,625	(183,348,904)
Inventories	*6*	**(6,301,384)**	(4,939,298)	(5,232,581)
Short-term investment	*21*	**(1,578,385)**	1,277,615	-
Prepaid expenses and other current assets		**178,969,140**	208,347	(29,857,156)
Increase (decrease) in:				
Accounts payable and accrued expenses		**(624,103,901)**	107,950,497	(11,018,597)
Other noncurrent liabilities	*14*	**8,266,011**	11,225,826	30,122,164
Other current liabilities	*12*	**9,036,962**	30,537,348	(10,419,338)
Cash received from operations		**88,327,643**	808,125,844	298,419,546
Interest received		**4,397,747**	6,785,285	5,484,594
Retirement benefits paid	*18*	**-**	-	(1,500,000)
Interest paid		**(2,577,407)**	(14,076,283)	(36,400,906)
Income taxes paid		**(172,739,671)**	(85,484,722)	(88,882,125)
Net cash provided by operating activities		**(82,591,688)**	715,350,124	177,121,109
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in:				
Other noncurrent assets		**(173,039,409)**	(3,100,151)	53,182,749
Notes receivable		**(4,149,281)**	20,171,262	(3,531,198)
Due from related parties		**(506,378,184)**	(712,157,886)	(297,338,011)
Proceeds from sale of property and equipment	*8*	**1,761,454,396**	-	-
Proceeds from insurance claims on property damages	*1*	**18,394,446**	-	-
Additions to property and equipment	*9*	**(500,180,230)**	120,129,047	(260,211,904)
Purchase of option contract	*8*	**-**	-	(2,074,704,732)
Deposit for acquisition of land	*8*	**-**	-	(204,252,800)
Net cash provided by (used in) investing activities		**596,101,738**	(574,957,728)	(2,786,855,896)

Forward

	Note	2024	2023	2022
		Years Ended December 31		
CASH FLOWS FROM FINANCING ACTIVITIES				
Loan proceeds	*26*	**P -**	P -	P3,050,000,000
Loan payments	*26*	**(339,000,000)**	(220,000,000)	(690,106,382)
Payment of lease liabilities	*24*	**(15,793,351)**	(28,363,258)	(10,065,081)
Increase in due to a related party		**-**	30,000	-
Net cash provided by (used in) financing activities		**(354,793,351)**	(248,333,258)	2,349,828,537
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(82,591,688)**	(107,940,862)	(259,906,250)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**475,947,998**	583,888,860	843,795,110
CASH AND CASH EQUIVALENTS AT END OF YEAR	*4*	**P393,356,310**	P475,947,998	P583,888,860

See Notes to the Consolidated Financial Statements.

1. Reporting Entity

Waterfront Philippines, Incorporated (the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 23, 1994 as an investment holding company. The Parent Company is listed on the Philippine Stock Exchange (PSE) and is 45%-owned by The Wellex Group, Inc. (TWGI), an entity registered and domiciled in the Philippines.

The details of the equity interest of the Parent Company in its subsidiaries as at December 31, 2024 and 2023 are as follows:

	Percentage of Ownership	
	Direct	**Indirect**
Hotels and Resorts		
Waterfront Cebu City Casino Hotel, Incorporated (WCCCHI)	**100**	**-**
Waterfront Mactan Casino Hotel, Incorporated (WMCHI)	**100**	**-**
Waterfront Iloilo Hotel Inc. (WIHI)	**100**	**-**
Waterfront Puerto Princesa Hotel, Inc. (WPPHI)	**100**	**-**
Davao Insular Hotel Company, Inc. (DIHCI)	**98**	**-**
Acesite (Phils.) Hotel Corporation (Doing business under the name and style of Waterfront Manila Hotel and Casino) (APHC)	**56**	**-**
Grand Ilocandia Resort and Development, Inc. (GIRDI)	**54**	**-**
Real Estate		
Acesite Realty, Inc. (formerly CIMA Realty Phils., Inc.) (through direct ownership in APHC)	**-**	**56**
Fitness Gym		
Waterfront Wellness Group, Inc. (WWGI)	**100**	**-**
International Marketing and Promotion of Casinos		
Waterfront Promotion Limited (WPL)	**100**	**-**
Mayo Bonanza, Inc. (MBI)	**100**	**-**
Club Waterfront International Limited (CWIL) (through direct ownership in WPL)	**-**	**100**
Pastries Manufacturing		
Waterfront Food Concepts, Inc. (WFC)	**100**	**-**
Hotel Management and Operation		
Waterfront Hotel Management Corp. (WHMC)	**100**	**-**
Watefront Horizon Corporation (formerly Waterfront Entertainment Corporation) (WHC)	**100**	**-**
Pavillion Enterprises Corp. (through direct ownership in APHC)	**-**	**56**
Pavillion Leisure and Entertainment Corp. (through direct ownership in APHC)	**-**	**56**
Investment Holding Company		
Waterfront Cebu Ventures, Inc. (WCVI)	**100**	**-**

All of the above subsidiaries were incorporated and registered in the Philippines except for WPL and its subsidiary, CWIL, which were registered in the Cayman Islands.

Management decided to temporarily cease the operations of MBI, WHMC, WPL, CWIL and GIRDI in 2016, 2014, 2003, 2001 and 2000, respectively, due to unfavorable economic conditions.

The registered office of the Parent Company is at No. 1 Waterfront Drive, Off Salinas Drive, Lahug, Cebu City, Philippines.

GIRDI

GIRDI was incorporated and registered with the SEC on December 18, 1990 to engage in the hotel and resort business.

The registered office of GIRDI is located at located at No. 37 Calayab, Laoag City, Ilocos Norte.

In September 2000, the Company entered into a Memorandum of Understanding (the "MOA") with the Fort Ilocandia Property Holdings & Development Corporation (the "Buyer") for the purchase of and the right to operate the Fort Ilocandia Resort in Laoag, Ilocos Norte (the "Subject Property").

In December 2016, the Company learned from news reports and further determined that the Buyer is a foreign national unqualified to own and operate real properties in the Philippines. In the same period, the Company filed a complaint with the Regional Trial Court in Laoag for the nullity of the MOA entered into with the Buyer.

In February 2021, the Supreme Court ruled with finality that the MOA and the subsequent and resulting Asset Purchase Agreement entered into by the parties was void ab initio, ordering the Company to return and pay to the Buyer the purchase price of the Subject Property and for the Buyer to vacate and deliver possession of the Subject Property to the Company.

In April 2024, in accordance with the Compromise Agreement, Fort Ilocandia Property Holdings & Development Corporation undertakes to revert the property to Grand Ilocandia Resort and Development, Inc. with the latter to refund the purchase price to the former. In May 2024, after the execution of a Compromise Agreement with the Buyer, the Company regained possession of the Subject Property and resumed the hotel's operations. Grand Ilocandia Resort Development, Inc. shall take possession of Fort Ilocandia Resort and take over the entire operations of the hotel with its own set of books of accounts.

Status of APHC 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 Group incurred casualty losses due to damage of inventories and hotel property. The Group filed for property damage and business insurance claims which were finalized in 2020 amounting to P1.72 billion. As at December 31, 2024 and 2023, insurance claims receivable amounted to nil and P18.4 million, respectively (see note 5).

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, 2024. The management expects to complete the Phase 1 of a reconstruction project by the 1st quarter of 2026. 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 projects. Phases 2 and 3 are expected to be completed by the 3rd quarter of 2026 and 1st quarter of 2027, respectively. 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

Statement of Compliance
The consolidated financial statements have been prepared in compliance with PFRS Accounting Standards. PFRS Accounting Standards are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). PFRS Accounting Standards which are issued by the Financial and Sustainability Reporting Standards Council (FSRSC) consist of PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretations.

Authorization for Issuance of the Financial Statements
These consolidated financial statements were approved and authorized for issue by the Parent Company's board of directors (BOD) on April 28, 2025.

Details of the Group's material accounting policies are included in Note 27.

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

Items	Measurement Basis
Land, land improvements, hotel buildings and improvements, furniture, fixtures and equipment, and transportation equipment	Revalued amount less accumulated depreciation and impairment losses
Financial assets at fair value through other comprehensive income (FVOCI) - equity securities	Fair value
Retirement benefits asset	Fair value of plan assets (FVPA) less the present value of the defined benefits obligation (DBO)

Functional and Presentation Currency
These consolidated financial statements are presented in Philippine peso (PHP), which is the Group's functional currency except for WPL and CWIL, the functional currency of which is the United States dollar (USD). All amounts presented in PHP 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 and estimates 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 estimates are recognized prospectively.

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

Classifying Financial Instruments
The Group exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, financial liability, or an equity instrument in accordance with the substance of the contractual agreement and the definition of a financial asset, 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 properly 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 Group has classified its properties as owner-occupied (see Notes 9, 23 and 24).

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 5.00% 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 12.00% value-added tax (VAT). In February 2007, the Philippine Congress amended PD No. 1869 to extend the franchise term of PAGCOR for another twenty-five (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 23).

Operating Lease Commitments - Group as Lessor
The Group has leased out its commercial spaces to third parties. The Group has determined, based on an evaluation of the terms and conditions of the arrangements such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these commercial spaces and thus, accounts for the contracts as operating leases (see Note 24).

Determining the Lease Term of Contracts with Renewal and Termination Options - Group as Lessee
The Group 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, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group 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 or terminate.

The Group included the renewal period as part of the lease term for lease of its land. There is a reasonable certainty that the Group would exercise its option to renew for the lease because there will be a significant negative effect on its operation if a replacement asset is not readily available (see Note 24).

Provisions and Contingencies
The Group has received assessments from the Bureau of Internal Revenue (BIR) for deficiency taxes and is also a defendant in various legal cases which are still pending resolutions. The Group's management and legal counsels have made a judgment that the positions of the Group are sustainable and, accordingly, believe that the Group does not have a present obligation (legal or constructive) with respect to such assessments and claims (see Note 25).

Classifying Receivables from Related Parties
The Group exercises judgment in classifying the receivables from related parties as under current assets or noncurrent assets based on the expected realization of the receivables. The Group takes into account the credit rating and other financial information about the related parties to assess their ability to settle the Group's outstanding receivables. Related party receivables that are expected to be realized within twelve (12) months after the reporting period or within the Group's normal operating cycle are considered current assets (see Notes 8 and 21).

Recognizing Insurance Claims
APHC 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 APHC's discussion with the adjuster and the insurance company regarding the claim; and
- The subsequent information that confirms the status of the claim as of the reporting date.

Consolidation of Entities in which the Group Holds 60.00%, 60.00% and 50.00% Voting Rights
Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group owns 60.00%, 60.00% and 50.00% of the voting rights of WCCCHI, WMCHI and DIHCI, respectively. The remaining 40.00%, 40.00% and 50.00% of the voting rights of WCCCHI, WMCHI and DIHCI, respectively, is held by Philippine Bank of Communications (PBCOM) in accordance with the Omnibus Loan and Security Agreement (the Agreement) (see Note 26). The Group assessed that control still exists despite the voting rights percentage by sufficiently dominating the voting power to control the operational and financial decisions of WCCCHI, WMCHI and DIHCI subject to the Agreement because the Group is the single largest shareholder of WCCCHI, WMCHI and DIHCI with 100.00%, 100.00% and 98.00% equity interest, respectively.

<u>Assumptions and Estimation Uncertainties</u>
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:

Allowance for Impairment Losses on Financial Instruments
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 its related 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. In addition, management assessed the credit risk of the receivables as at the reporting date as low, therefore the Group did not have to assess whether a significant increase in credit risk has occurred.

Further details on the allowance for impairment losses are disclosed in Notes 5 and 8.

Fair Value Estimation
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 Group in estimating the fair values of its financial instruments are disclosed in Note 21.

Net Realizable Value (NRV) of Inventories
The Group carries its inventories at NRV whenever such becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. Estimates of NRV are based on the most reliable evidence available at the time the estimates are made of the amount the inventories are expected to be realized. These estimates take into consideration fluctuation of prices or costs directly relating to events occurring after the reporting date to the extent that such events confirm conditions existing at the reporting date. The NRV is reviewed periodically to reflect the accurate valuation in the financial records.

The carrying value of the inventories are disclosed in Note 6.

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 9.

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 above.

The carrying amounts of property and equipment are disclosed in Note 9.

Impairment of Nonfinancial Assets
The Group's policy on estimating the impairment of nonfinancial assets is discussed in Note 27. 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 believes that the carrying amounts of its nonfinancial assets approximate their recoverable amounts, except for advances to contractors. Further details on the carrying amount of nonfinancial assets are disclosed in Notes 6, 7, 9 and 10.

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 18.

Deferred Tax Assets
Deferred tax assets are recognized for consolidated 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 19.

Leases - Estimating the Incremental Borrowing Rate
The Group 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 Group 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 assets in a similar economic environment. The IBR therefore reflects what the Group '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 Group estimates the IBR using observable inputs such as market interest rates when available and is required to make certain entity-specific estimates such as a subsidiary's stand-alone credit rating.

Further details on leases are disclosed in Note 24.

4. Cash and Cash Equivalents

This account consists of:

	Note	**2024**	2023
Cash on hand		**P4,718,153**	P2,706,369
Cash in banks		**361,152,779**	347,766,526
Short-term placements		**27,485,378**	125,475,103
	21	**P393,356,310**	P475,947,998

Cash in banks earn interest at the respective bank deposit rates and are unrestricted and immediately available for use.

Short-term placements earn interest at annual average rate of 0% to 4.5% and 0% to 4.50% in 2024 and 2023 with average maturities ranging from 30 to 90 days.

Related interest income recognized in the consolidated statements of profit or loss and other comprehensive income amounted to P5.77 million, P6.78 million, and P5.48 million, in 2024, 2023 and 2022, respectively.

5. Receivables

This account consists of:

	Note	2024	2023
Trade receivables		**P1,107,750,533**	P448,121,134
Advances to employees		**2,326,949**	1,168,506
Insurance receivable	*1*	**-**	18,394,445
Others		**546,815,856**	497,511,629
		1,656,893,338	965,195,714
Less allowance for impairment losses		**74,422,340**	61,521,598
	21	**P1,582,470,998**	P903,674,116

Trade receivables are noninterest-bearing and are generally on a 30-day term.

Insurance receivable pertains to insurance claims for the property damage and business interruption of APHC.

Others include accrued rent income from the lease agreements of WCCCHI and WMCHI with PAGCOR, Social Security System (SSS) benefits paid in advance by the Group to its officers and employees as well as advances to its suppliers.

In assessing the lifetime ECL of the Group's receivables, the Group excluded in its assessment of all receivables that are related to long outstanding third party accounts as these were already specifically identified as uncollectible, hence, impaired. Receivables from related parties are also deemed to have low credit risk.

Movements in the allowance for impairment losses on receivables are as follows:

	2024	2023	2022
Beginning balance	**P59,336,676**	P43,248,691	P42,942,313
Impairment losses during the year	**17,050,056**	18,272,907	-
Write-offs during the year	**(1,964,392)**	-	-
Ending balance	**P74,422,340**	P61,521,598	P42,942,313

6. Inventories

This account consists of:

	2024	2023
Food and beverage	**P17,275,177**	P12,835,838
Operating supplies	**11,126,686**	11,291,994
Engineering and maintenance supplies	**2,849,904**	822,551
	P31,251,767	P24,950,383

The Group's inventories are carried at cost, which is lower than the NRV, as at December 31, 2024 and 2023.

The cost of food and beverage charged to profit or loss amounted to P243.10 million, P244.14 million, and P206.88 million in 2024, 2023 and 2022, respectively, and is presented as “Food and beverage” account in the consolidated statements of profit or loss and other comprehensive income.

The Group recognized expenses for operating supplies amounting to P17.65 million, P16.32 million, and P15.24 million in 2024, 2023 and 2022, respectively, and are presented as “Supplies” under “Other costs and expenses” account in the consolidated statements of profit or loss and other comprehensive income (see Note 17), while the expenses for engineering and maintenance supplies amounting to P63.85 million, P60.47 million, and P24.85 million in 2024, 2023 and 2022, respectively, are included under “Repairs and maintenance” account in the consolidated statements of profit or loss and other comprehensive income.

7. Prepaid Expenses and Other Current Assets

This account consists of:

	2024	2023
Creditable withholding tax	**P24,350,901**	P3,557,829
Advances to suppliers	**20,192,908**	12,939,624
Prepaid taxes	**12,095,525**	47,362,492
Input VAT	**5,849,168**	178,572,420
Prepaid expenses	**3,171,994**	482,138
Others	**3,827,423**	5,542,556
	P69,487,919	P248,457,059

Creditable withholding tax pertains to taxes withheld at source by the Company’s customers on income payments subject to creditable withholding tax, in accordance with Philippine tax regulations.

Advances to suppliers pertain to advance payments for the purchase of goods and supplies.

Prepaid taxes pertain to unused creditable withholding taxes for the year.

Prepaid expenses pertain to prepaid insurance for transportation and general insurance.

Others include prepayments for maintenance services, subscriptions and association dues.

8. Related Party Transactions

The Group's related party transactions include transactions with its key management personnel (KMP) and related parties in the table below.

Related Party	Relationship with the Group
TWGI	Ultimate Parent
Pacific Rehouse Corporation (PRC)	Stockholder
Crisanta Realty Development Corporation (CRDC)	Under common control
Westland Pacific Properties Corporation (WPPC)	Under common control
Rexlon Realty Group, Inc. (RRGI)	Under common control
Pacific Wide Realty Development Corp. (PWRDC)	Stockholder
Philippine Estates Corporation (PHES)	Under common control
Forum Holdings Corporation (FHC)	Stockholder
Plastic City Industrial Corporation (PCIC)	Under common control
East Asia Oil & Mining Company, Inc. (East Asia)	Stockholder
Waterfront Manila Premier Development, Inc.(WMPD)	Under common control
Wellex Industries Incorporated (WII)	Under common control
Acesite Leisure and Entertainment Corporation (ALEC)	Under common control
Pacific Wide Holdings, Inc. (PWHI)	Under common control

Significant Transactions with Related Parties

The Group's transactions with related parties consist of (in thousands):

Category/ Transaction	Year	Note	Amount of the Transaction	Due from Related Parties: Current	Due from Related Parties: Noncurrent	Notes Receivable	Due to Related Parties	Equity securities at FVOCI	Terms and Conditions
Stockholders									
§ TWGI									
Advances, interest and settlement	**2024**	*8a*	**P243,075**	**P719,518**	**P1,053,846**	**P -**	**P -**	**P -**	Secured; interest-bearing; subject to re-pricing; due in one year subject to renewal; net of allowance for impairment
	2023	*8a*	483,010	1,530,289	-	-	-	-	
	2022	*8a*	76,149	1,047,279	-	-	-	-	
§ PRC									
Advances, interest and settlement	**2024**	*8a*	**10,652**	**616,526**	**-**	**-**	**-**	**-**	Secured; interest-bearing; subject to re-pricing; due in one year subject to renewal
	2023	*8a*	10,653	605,874	-	-	-	-	
	2022	*8a*	10,653	595,223	-	-	-	-	
§ CRDC									
Advances and interest	**2024**	*8a*	**P162,398**	**130,757**	**558,941**	**-**	**-**	**-**	Unsecured; interest-bearing; subject to re-pricing; due in five years
	2023	*8a*	(111,522)	200,652	326,648	-	-	-	
	2022	*8a*	215,792	-	638,822	-	-	-	
§ PHES									
Advances and interest	**2024**	*8b*	**(92,054)**	**-**	**-**	**-**	**-**	**-**	Unsecured; noninterest-bearing; subject to re- pricing; due on demand
	2023	*8b*	-	92,054	-	-	-	-	
	2022	*8b*	-	92,054	-	-	-	-	
§ WPPC									
- Advances	**2024**	*8b*	**20,305**	**-**	**675,875**	**-**	**-**	**-**	
	2023	*8b*	22,400	-	655,570	-	-	-	
	2022	*8b*	22,400	-	631,075	-	-	-	
§ REXLON									
- Advances	**2024**	*8b*	**276,500**	**776,500**	**-**	**-**	**-**	**-**	
	2023	*8b*	(192,500)	500,000	-	-	-	-	
	2022	*8b*	42,000	500,000	192,500	-	-	-	
§ Others									
Advances and interest	**2024**	*8b*	**(69,234)**	**1,543**	**-**	**-**	**5,014**	**-**	Unsecured; noninterest-bearing; subject to re- pricing; due on demand
	2023	*8b*	2,124	65,763	-	-	-	-	
	2022	*8b*	1,762	63,639	-	-	-	-	
§ WMPD									
Equity security at FVOCI	**2024**		**-**	**-**	**-**	**-**	**-**	**50,000**	
	2023		-	-	-	-	-	50,000	
	2022		-	-	-	-	-	50,000	
Purchase of option contract	**2024**		-	**-**	**-**	**-**	-	**-**	
	2023		-	-	-	-	-	-	
	2022		2,100,000	-	2,100,000	-	-	-	

Forward

Category/ Transaction	Year	*Note*	Amount of the Transaction	Due from Related Parties Current	Due from Related Parties Noncurrent	Notes Receivable	Due to Related Parties	Equity securities at FVOCI	Terms and Conditions
§ WII									
Equity security at FVOCI	**2024**		**(P1,873)**	**P -**	**P -**	**P -**	**P -**	**P18,383**	
	2023		-	-	-	-	-	20,256	
	2022		520	-	-	-	-	19,943	
Subsidiaries									
§ WIHI									
Advances and settlement	**2024**	*8c*	**-**	**-**	**150,000**	**-**	**-**	**-**	
	2023	*8c*	150,000	-	150,000	-	-	-	
	2022	*8c*	**-**	-	-	-	-	-	
§ ALEC									
Notes receivable	**2024**	*8d*	**28,449**	**25,644**	**-**	**271,703**	**-**	**-**	
	2023	*8d*	20,171	1,345	-	267,553	-	-	
	2022	*8d*	12,109	1,345	-	247,382	-	-	
§ GIRDI									
Advances and settlements	**2024**	*8e*	**88,549**	**-**	**88,549**	**-**	**-**	**-**	Unsecured; noninterest-bearing; due on demand
	2023	*8e*	**-**	-	-	-	-	-	
	2022	*8e*	**-**	-	-	-	-	-	
Subsidiaries									
§ WHMC									
Advances and settlement	**2024**	*8c*	**-**	**-**	**204,253**	**-**	**-**	**-**	Unsecured; noninterest-bearing; due on demand
	2023	*8c*	204,253	-	204,253	-	-	-	
	2022	*8c*	**-**	-	-	-	-	-	
§ WHC									
Advances and settlement	**2024**	*8c*	**(5,827)**	**-**	**2,100,000**	**-**	**-**	**-**	Unsecured; noninterest-bearing; due on demand
	2023	*8c*	2,101,000	-	2,105,827	-	-	-	
	2022	*8c*	2,104,817	-	4,827	-	-	-	
KMP									
§ Short-term employee benefits	**2024**		**-**	**-**	**-**	**-**	**-**	**-**	
	2023		23,299	-	-	-	-	-	
	2022		35,278	-	-	-	-	-	
§ Post-employment benefits	**2024**		**-**	**-**	**-**	**-**	**-**	**-**	
	2023		17,802	-	-	-	-	-	
	2022		3,828	-	-	-	-	-	
Allowance for impairment losses	**2024**		**(262,856)**	**(59,619)**	**-**	**-**	**-**	**-**	
	2023		-	(59,619)	-	-	-	-	
	2022		(12)	(59,619)	-	-	-	-	
	2024			**P2,210,869**	**P4,823,174**	**P271,703**	**P5,014**	**P68,383**	
TOTAL	2023			P2,936,358	P3,921,477	P267,553	P -	P69,943	

For purposes of consolidation, the following transaction was eliminated as at December 31, 2024 and 2023:

Category / Transaction	Year	*Note*	Amount of the Transaction	Due from Related Parties	Advances to Subsidiaries	Due to Subsidiaries	Terms and Conditions
Subsidiaries							
§ WCCCHI							
Advances and settlement	**2024**		**(P386,669)**	**P -**	**P -**	**P1,353,509**	Unsecured; noninterest-bearing; due on demand
	2023	*8c*	(156,746)	-	-	966,840	
	2022	*8c*	400,233	330,532	-	793,053	
§ WIHI							
Advances and settlement	**2024**	*8c*	**67**	**-**	**595**	**-**	
	2023	*8c*	85	-	528	-	
	2022	*8c*	58	-	444	-	
Deposits for future stock subscription	**2024**		**-**	**-**	**125,000**	**-**	Unsecured; noninterest-bearing
	2023	*8d*	-	-	125,000	-	
	2022	*8d*	-	-	125,000	-	
§ WCVI							
Advances and settlement	**2024**	*8c*	**-**	**-**	**-**	**-**	
	2023	*8c*	-	-	-	-	
	2022	*8c*	-	-	-	-	
Deposits for future stock subscription	**2024**		**-**	**-**	**100**	**-**	Unsecured; noninterest-bearing
	2023	*8d*	-	-	100	-	
	2022	*8d*	-	-	100	-	
§ WPPHI							
Advances and settlement	**2024**	*8c*	**65**	**-**	**516**	**-**	
	2023		64	-	451	-	
	2022	*8c*	58	-	387	-	
Deposits for future stock subscription	**2024**	*8d*	**-**	**-**	**90,620**	**-**	Unsecured; noninterest-bearing
	2023	*8d*	-	-	90,620	-	
	2022	*8d*	-	-	90,620	-	
§ DIHCI							
Advances and settlements	**2024**	*8e*	**-**	**-**	**-**	**14,068**	Unsecured; noninterest-bearing; due on demand
	2023	*8e*	-	-	-	14,068	
	2022	*8e*	(15)	-	-	14,068	
§ APHC							
Advances and settlements	**2024**	*8e*	**753**	**-**	**188,703**	**-**	Unsecured; noninterest-bearing; due on demand
	2023	*8e*	731	-	187,950	-	
	2022	*8e*	873	-	187,219	-	
§ GIRDI							
Advances and settlements	**2024**	*8e*	**60,773**	**-**	**-**	**132,293**	Unsecured; noninterest-bearing; due on demand
	2023	*8e*	3,120	-	-	193,066	
	2022	*8e*	58	-	-	196,186	

Forward

Category / Transaction	Year	*Note*	Amount of the Transaction	Due from Related Parties	Advances to Subsidiaries	Due to Subsidiaries	Terms and Conditions
Subsidiaries							
§ WHMC							
Advances and settlement	**2024**	*8c*	**P136**	**P -**	**P99,166**	**P -**	Unsecured; noninterest-bearing; due on demand
	2023	*8c*	90	-	99,030	-	
	2022	*8c*	-	-	98,940	-	
§ MBI							
Advances and settlement	**2024**	*8c*	**67**	**-**	**4,881**	**-**	Unsecured; noninterest-bearing; due on demand
	2023	*8c*	68	-	4,814	-	
	2022	*8c*	-	-	4,746	-	
Deposits for future stock subscription	**2024**	*8d*	**-**	**-**	**35,000**	**-**	Unsecured; noninterest-bearing
	2023	*8d*	-	-	35,000	-	
	2022	*8d*	-	-	35,000	-	
§ WWGI							
Advances and settlement	**2024**	*8c*	**-**	**-**	**2,061**	**-**	Unsecured; noninterest-bearing; due on demand
	2023	*8c*	-	-	2,061	-	
	2022	*8c*	-	-	2,061	-	
Deposits for future stock subscription	**2024**	*8d*	**-**	**-**	**13,000**	**-**	Unsecured; noninterest-bearing
	2023	*8d*	-	-	13,000	-	
	2022	*8d*	-	-	13,000	-	
§ WMCHI							
Advances and settlement	**2024**	*8e*	**(165,049)**	**-**	**-**	**470,931**	Unsecured; noninterest-bearing; due on demand
	2023	*8e*	(6,154)	-	-	305,882	
	2022	*8e*	(1,702)	-	-	299,728	
§ WEC							
Advances and settlement	**2024**	*8c*	**-**	**-**	**-**	**4,835**	Unsecured; noninterest-bearing; due on demand
	2023	*8c*	(8)	-	-	4,835	
	2022	*8c*	(10)	-	-	4,827	
Deposits for future stock subscription	**2024**	*8c*	**-**	**-**	**-**	**2,100,000**	Unsecured; noninterest-bearing; due on demand
	2023	*8c*	-	-	-	2,100,000	
	2022	*8c*	2,100,000	-	-	2,100,000	
§ WFC							
Advances and settlement	**2024**	*8c*	**(1)**	**-**	**1,937**	**6**	Unsecured; noninterest-bearing; due on demand
	2023	*8c*	(5)	-	1,937	5	
	2022	*8c*	(4)	-	1,937	-	
Deposits for future stock subscription	**2024**	*8d*	**-**	**-**	**6,000**	**-**	Unsecured; noninterest-bearing
	2023	*8d*	-	-	6,000	-	
	2022	*8d*	-	-	6,000	-	

Forward

Category / Transaction	Year	*Note*	Amount of the Transaction	Due from Related Parties	Advances to Subsidiaries	Due to Subsidiaries	Terms and Conditions
§ WPL							
	2024	*8e*	**P136**	**P -**	**P -**	**P194,247**	Unsecured; noninterest-bearing; due on demand
	2023	*8e*	129	-	-	194,383	
	2022	*8e*	115	-	-	194,512	
	2024			**P -**	**P567,579**	**P4,269,889**	
	2023			P -	P586,491	P3,779,079	
	2022			P330,532	P585,454	P3,602,374	

a. Interest-bearing Advances to Related Parties

The Group granted interest-bearing advances to TWGI, PRC, CRDC, WPPC and RRGI.

TWGI and PRC

The advances granted to TWGI and PRC were substantially used to finance the acquisition or development of real properties for the Parent Company. These advances are due in one (1) year, subject to renewal. The advances to TWGI charge interest at 4.00% per annum in 2024 and 2023, while the advances to PRC charge interest at 2.00% per annum in 2024 and 2023. TWGI and PRC made no payments in 2024 and 2023.

In a Resolution dated February 5, 2015, the Parent Company, TWGI and PRC entered into a Memorandum of Understanding (MOU) whereby the parties agreed that the outstanding balance of the advances from TWGI and PRC will be settled using parcels of land owned by PRC.

On April 3, 2019, the Parent Company, TWGI and PRC made amendments to the previously issued MOU for the inclusion of the new outstanding liabilities of PWRDC to the Parent Company. The amended MOU stated that PWRDC shall be a party to the said MOU, and all references to any obligation or rights that PWRDC shall have under the said MOU shall be in force. All other terms and conditions shall remain unchanged.

On January 6, 2021, the Parent Company, TWGI, PRC and PWRDC made amendments to the previously issued amended MOU to exclude PWRDC since its outstanding liability was already paid in full in 2020. All other terms and conditions shall remain unchanged.

As at December 31, 2023, the fair value of PRC's land based on valuation performed by an accredited independent appraiser, with a recognized and relevant professional qualification and with recent experience in the locations and categories of the land being valued, amounted to P7.76 billion.

On April 11, 2018, TWGI initiated the transfer of certain parcels of land totaling to P96.87 million located in Puerto Princesa, Palawan as partial settlement of the advances. On April 11, 2019, the deed of absolute sale for the transfer of certain parcels of land was signed.

On December 9, 2019, the Group and PRC entered into a Memorandum of Agreement whereby PRC agreed to sell the Group certain parcels of land to settle the advances as indicated in the MOU. In 2020, the Group made partial payments amounting to P150.00 million for the purchase of certain parcels of land.

Interest receivable from TWGI amounted to P320.78 million and P300.44 million and as at December 31, 2024 and 2023, respectively, while interest receivable from PRC amounted to P141.01 million and P130.36 million as at December 31, 2024 and 2023, respectively. Interest income recognized in the consolidated statements of profit or loss and other comprehensive income amounted P23.53 million, P37.35 million, P20.71 million in 2024, 2023, and 2022, respectively. Allowance for impairment losses on receivables from TWGI amounted to P59.62 million as at December 31, 2024 and 2023.

CRDC
On December 21, 2015, the Parent Company granted advances to CRDC with an interest of 2.00% and maturity on December 21, 2020. At the end of 2020, the Parent Company extended the maturity of the advances for a period of five (5) years up to December 21, 2025 at an increased rate of 2.55% per annum. On June 9, 2022, the Company granted additional advances to CRDC with an interest of 9% per annum and maturity on June 9, 2027. Interest receivable from CRDC amounted to P130.76 million and P101.76 million as at December 31, 2024 and 2023, respectively. It was agreed that CRDC has the option to pay the balance before maturity date without payment of penalty fees and in case the latter refuses or fails to pay the principal and interest within the time agreed upon, the same shall be due and demandable. Interest income recognized in the separate statements of comprehensive (loss) income amounted to P11.07 million, P29.54 million, P19.73 million in 2024, 2023 and 2022, respectively while accretion income amounted to nil in 2024, 2023 and 2022.

WPPC
On June 1, 2018, the Parent Company granted advances to WPPC amounting to P500.00 million for general corporate purposes. The advances bear interest at 7.50% per annum and repayable in lump-sum at maturity on June 1, 2021.

On December 31, 2018, the Parent Company granted additional advances to WPPC amounting to P33.83 million for general corporate purposes. The advances bear interest at 7.50% per annum and repayable in lump-sum at maturity. WPPC made no payment in 2024 and 2023.

In 2020, the Parent Company extended the maturity of the advances for a period of 5 years up to December 21, 2025 at a decreased rate of 4.00% per annum.

Interest receivable from WPPC amounted to P175.88 million and P153.48 million as at December 31, 2024 and 2023, respectively. Interest income recognized in the consolidated statements of profit or loss and other comprehensive income amounted to P20.00 million in 2024, 2023, and 2022.

RRGI
On June 1, 2018, WCCCHI extended advances to RRGI amounting to P500.00 million for general corporate purposes. The advances bear interest at 7.5% per annum and repayable in lump-sum at maturity date on June 1, 2021. In 2021, WCCCHI extended the maturity of the advances for a period of 2.50 years up to December 31, 2023. In 2023, WCCCHI extended the maturity of the advances for a period of 3 years up to 2026. Interest receivable from RRGI amounted to P276.50 million and P234.50 million as at December 31, 2024 and 2023, respectively. Interest income recognized in the consolidated statements of profit or loss and other comprehensive income amounted to P37.50 million, P47.50 million, P25.50 million in 2024, 2023 and 2022, respectively. No settlement for the advances and interest has been made as at December 31, 2024.

b. Noninterest-bearing Advances to Related Parties

The Group has noninterest-bearing, collateral-free advances to PWRDC, PHES, FHC, PCIC and East Asia with no fixed term of repayment. The said advances are due and demandable at anytime.

PWRDC
On July 5, 2018, the Parent Company granted a noninterest-bearing, collateral-free advances to PWRDC which is due on demand (Note 8a). PWRDC paid the full amount in 2020.

PHES, FHC, PCIC and East Asia
The Parent Company has noninterest-bearing, collateral-free advances to PHES, FHC, PCIC and East Asia with no fixed term of repayment. The said advances are due on demand.

The collectability of the aforementioned advances is unconditionally recognized and guaranteed by TWGI, representing the majority stockholder.

c. Advances to Subsidiaries

These mainly represent funds provided to support subsidiaries' daily operations and to finance the construction and completion of certain hotel projects.

d. Deposits to Subsidiaries

These represent amounts set aside that will be used as subscription payments by the Parent Company once the planned increase in the authorized capital stock of the subsidiaries materialize (see Note 21).

e. Due to Subsidiaries/to a Related Party

In the ordinary course of business, the Parent Company obtains noninterest-bearing, collateral-free cash and non-cash advances from related parties for working capital purposes. The above advances are due and demandable at anytime.

On June 1, 2018, the Parent Company received advances from WCCCHI with an interest of 7.50% per annum and maturity on June 1, 2021. In 2021, WCCCHI extended the maturity of the advances for a period of 2.50 years up to December 31, 2023. In 2023, WCCCHI further extended maturity of advances for a period of 3 years up to 2026. Accrued interest payable to WCCCHI amounted to P248.64 and P227.03 million as at December 31, 2024 and 2023, respectively. Interest expense related to the advances recognized in the consolidated statements of profit or loss and other comprehensive income amounted to P19.30 million, P19.30 million and P42.00 million in 2024, 2023 and 2022, respectively.

f. Financial Assets at FVOCI - Equity Securities

The Group has investment in shares of stocks in WMPD amounting to P12.50 million consisting of 12.50 million shares with par value of P1.00 per share as at December 31, 2019. Additional investment was made in 2020 amounting to P37.50 million consisting of 37.50 million shares. This investment is measured at cost due to the lack of reliable estimates of unobserved inputs, less impairment, if any.

In July and August 2005, the BOD of APHC approved the conversion of its net receivables from related parties amounting to P43.30 million into 86.71 million shares of stock of WII which are listed on the PSE. The conversion resulted to a loss on exchange of assets of P31.10 million for APHC. The fair market value of the shares based on closing market price as at December 31, 2024 and 2023 amounted to P18.38 million and P19.94 million (see Note 21), resulting in a valuation loss of P1.56 million, nil, and nil in 2024, 2023 and 2022, respectively.

g. Notes Receivable

In 2017, the Group extended a loan to ALEC payable on December 31, 2018, and bear interest at 4.00% per annum. In 2018, the Group extended another interest-bearing loan at 4.00% 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 2020, the Group extended another interest-bearing loan at 4.00% per annum to ALEC payable at the end of 2021. At the end of 2021, the Group extended the loan, with the same terms as the original loan, to mature at the end of 2022. At the end of 2022, the Group extended another interest-bearing loan at 4% per annum to ALEC payable at the end of 2024 The related interest income recognized in the consolidated statements of profit or loss and other comprehensive income amounted to P8.2 million, P8.10 million and P8.58 million in 2024, 2023 and 2022, respectively.

h. Omnibus Loan and Security Agreement

On December 21, 2017, the Parent Company, WCCCHI, WMCHI, DIHCI, CRDC and PRC (collectively, the Borrowers) entered into the Agreement with PBCOM for the latter to provide the Borrowers multiple term loan facilities (the Loan Facilities) for general corporate purposes in the maximum aggregate amount of up to P1.50 billion. Certain real estate properties of PRC and CRDC are used as collateral of the Agreement.

On March 22, 2022, the Borrowers entered into a Supplemental Loan Agreement to the Agreement with PBCOM granting the Borrowers additional multiple loan facilities (the New Loan Facilities) for the following purposes: (1) refinancing the outstanding loan obligation; (2) payment of any and all fees, stamps, and other taxes to the execution and delivery of the loan documents in order to implement the refinancing; and, (3) general corporate requirements, in the maximum aggregate amount of P3.05 billion (see Note 26).

i. Lease Agreement with ALEC

APHC and ALEC entered into a seven-year operating lease contract for use of hotel premises. The lease has not commenced yet as APHC's hotel reconstruction is still ongoing as at December 31, 2024 (see Note 1).

j. Purchase of Option Contract

On February 17, 2022 the BOD authorized the Group to acquire an Option to Purchase (the Option Contract) four (4) hectares of reclaimed land in the Manila Waterfront City at an Option price of P50,000 per square meter and a strike price of P300,000 per square meter. In June 2022, the Group advanced P2.10 billion to WMPD for the Option Contract. No purchase was made on the period ended December 31, 2024.

k. Deposit for Acquisition of Land

On February 17, 2022, the BOD authorized the acquisition of certain parcels of land located in Ternate, Cavite to be used as the future site of a hotel and residential condominiums. On February 23, 2022, the Group entered into memorandum of agreement with PWHI to purchase the said parcels of land for a total consideration of P204,252,800. In June 2022, the Group paid the amount in full. The legal title and the risks and rewards of ownership over the parcels of land have not yet been transferred to Group as at December 31, 2024.

The outstanding balances of related party transactions are generally settled in cash.

9. Property and Equipment

Movements in this account are as follows:

	For the Year Ended December 31, 2024								
	Land	Land Improvements	Leasehold Improvements	Hotel Buildings and Improvements	Furniture, Fixtures and Equipment	Operating Equipment	Transportation Equipment	Construction-in-Progress	
Measurement Basis:	*Revalued*	*Revalued*	*At Cost*	*Revalued*	*Revalued*	*At Cost*	*Revalued*	*At Cost*	Total
Beginning balance as restated	P5,539,342,000	P27,009,300	P26,298,360	P7,523,081,229	P1,840,341,094	P89,342,457	P46,992,240	P994,182,092	P16,086,588,772
Additions	267,329,977	-	46,070	188,013,833	6,158,056	341,698	1,710,672	36,579,924	500,180,230
Disposals	-	-	-	(178,220,000)	-	-	-	-	(178,220,000)
Reclassification	-	-	-	4,056,963	-	-	-	(4,056,963)	-
Ending balance	5,806,671,977	27,009,300	26,344,430	7,536,932,025	1,846,499,150	89,684,155	48,702,912	1,026,705,053	16,408,549,002
Accumulated Depreciation									
Beginning balance	-	24,350,735	21,817,378	2,744,275,590	1,469,580,047	87,150,871	33,578,436	-	4,380,753,057
Depreciation	-	2,867,080	134,876	214,470,457	130,395,187	200,163	4,649,239	-	352,717,002
Reclassification	-	(3,252,435)	3,252,435	-	-	-	-	-	-
Ending balance	-	23,965,380	25,204,689	2,958,746,047	1,599,975,234	87,351,034	38,227,675	-	4,733,470,059
Carrying Amount	P5,806,671,977	P3,043,920	P1,139,741	P4,578,185,978	P246,523,916	P2,333,121	P10,475,237	P1,026,705,053	P11,675,078,943

	For the Year Ended December 31, 2023								
	Land	Land Improvements	Leasehold Improvements	Hotel Buildings and Improvements	Furniture, Fixtures and Equipment	Operating Equipment	Transportation Equipment	Construction-in-Progress	
Measurement Basis:	*Revalued*	*Revalued*	*At Cost*	*Revalued*	*Revalued*	*At Cost*	*Revalued*	*At Cost*	Total
Beginning balance	P4,726,086,000	P30,410,186	P25,063,249	P7,400,911,864	P1,849,442,563	P88,397,989	P38,172,482	P896,302,029	P15,054,786,362
Additions	-	-	1,235,111	2,809,429	17,259,842	944,468	134	97,880,063	120,129,047
Appraisal increase	813,256,000	(3,400,886)	-	119,359,936	(26,361,311)	-	8,819,624	-	911,673,363
Ending balance	5,539,342,000	27,009,300	26,298,360	7,523,081,229	1,840,341,094	89,342,457	46,992,240	994,182,092	16,086,588,772
Accumulated Depreciation									
Beginning balance	-	20,803,477	21,708,006	2,526,704,350	1,366,823,688	86,953,990	30,682,536	-	4,053,676,047
Depreciation	-	3,547,258	109,372	217,571,240	102,756,359	196,881	2,895,900	-	327,077,010
Ending balance	-	24,350,735	21,817,378	2,744,275,590	1,469,580,047	87,150,871	33,578,436	-	4,380,753,057
Carrying Amount	P5,539,342,000	P2,658,565	P4,480,982	P4,778,805,639	P370,761,047	P2,191,586	P13,413,804	P994,182,092	P11,705,835,715

	For the Year Ended December 31, 2022								
	Land	Land Improvements	Leasehold Improvements	Hotel Buildings and Improvements	Furniture, Fixtures and Equipment	Operating Equipment	Transportation Equipment	Construction-in-Progress	
Measurement Basis:	*Revalued*	*Revalued*	*At Cost*	*Revalued*	*Revalued*	*At Cost*	*Revalued*	*At Cost*	Total
Beginning balance	P4,225,586,000	P25,048,186	P25,063,249	P7,434,417,244	P1,453,589,073	P88,391,949	P33,508,152	P644,347,964	P13,929,951,817
Additions	-	-	-	4,660,835	3,590,964	6,040	-	251,954,065	260,211,904
Appraisal increase	500,500,000	5,362,000	-	(38,166,215)	392,262,526	-	4,664,330	-	864,622,641
Ending balance	4,726,086,000	30,410,186	25,063,249	7,400,911,864	1,849,442,563	88,397,989	38,172,482	896,302,029	15,054,786,362
Accumulated Depreciation									
Beginning balance	-	18,328,619	21,643,472	2,315,149,012	1,292,865,380	86,754,040	27,202,451	-	3,761,942,974
Depreciation	-	2,474,858	64,534	211,555,338	73,958,308	199,950	3,480,085	-	291,733,073
Ending balance	-	20,803,477	21,708,006	2,526,704,350	1,366,823,688	86,953,990	30,682,536	-	4,053,676,047
Carrying Amount	P4,726,086,000	P9,606,709	P3,355,243	P4,874,207,514	P482,618,875	P1,443,999	P7,489,946	P896,302,029	P11,001,110,315

The Group engaged an independent firm of appraisers to determine the fair value of certain classes of its property and equipment, specifically land, hotel buildings and improvements, land improvements, furniture, fixtures and equipment, and transportation 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 Group's revaluation of its property and equipment is done 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.

As of December 31, 2023, "land", "hotel buildings and improvements", "land improvements", "furniture, fixtures and equipment" and "transportation equipment" were revalued by an independent professional appraiser, accredited by the Professional Regulation Commission and the Securities and Exchange Commission

The revaluation resulted in an appraisal increase of P183.67 million, after accounting for deferred tax, which was reflected in other comprehensive income and recognized as part of the revaluation surplus in equity.

No revaluation was performed in 2024. Management believes that the carrying amounts of "land", "hotel buildings and improvements", "land improvements", "furniture, fixtures and equipment" and "transportation equipment" as of reporting date do not differ materially from their fair values, and thus, no revaluation was necessary.

Had the following classes of property and equipment been carried at cost less accumulated depreciation, their carrying amounts as at December 31, 2024 and 2023 would have been as follows:

	2024	2023
Hotel buildings and improvements	**P3,205,751,947**	P3,192,307,587
Land	**917,845,886**	650,515,909
Furniture, fixtures and equipment	**794,909,644**	787,391,485
Transportation equipment	**14,813,569**	14,696,528
Land improvements	**1,328,990**	1,328,990
	4,934,650,036	4,646,240,499
Accumulated depreciation	**(3,545,761,441)**	(2,555,613,748)
	P1,388,888,595	P2,090,626,751

Depreciation on cost charged to profit or loss amounted to P364.89 million, P121.92 million, and P75.27 million in 2024, 2023 and 2022, respectively. Depreciation on appraisal increase charged to profit or loss amounted to P258.58 million, P236.30 million and P216.46 million in 2024, 2023 and 2022, respectively.

The revaluation increment directly absorbed through casualty losses and depreciation and consequently transferred directly to retained earnings, net of deferred tax effect, amounted to P199.52 million, P177.23 million, and P327.00 million in 2024, 2023 and 2022, respectively. The carrying amount of the revaluation surplus amounting to P4.86 billion and P5.29 billion as at December 31, 2024 and 2023, respectively, is not available for distribution to shareholders.

In 2024, the Company recognized gain on sale arising from the disposal of the property and equipment amounted to P1.76 billion.

10. Other Noncurrent Assets

This account consists of:

	Note	**2024**	2023
Special project deposits		**P725,233,822**	P724,221,131
Refundable deposits		**16,846,774**	21,026,256
Others		**204,927,544**	29,033,842
		947,008,140	774,281,229
Less allowance for impairment losses on advances to contractors		**45,313,007**	45,625,507
	21	**P901,695,133**	P728,655,722

Special project deposits pertain to deposits in connection with the reconstruction and restoration of APHC's hotel property and equipment and the renovation work of WCCCHI.

Refundable deposits refer to security deposits on utilities, electricity, rental, returnable containers and others.

Others represent deposits to service providers such as security and janitorial services.

Movements in the allowance for impairment losses on deposits are as follows:

	2024	2023	2022
Beginning balance	**P45,625,507**	P46,100,252	P46,100,252
Impairment losses during the year	**-**	312,500	-
Write-offs during the year	**(312,500)**	(787,245)	-
Ending balance	**P45,313,007**	P45,625,507	P46,100,252

11. Accounts Payable and Accrued Expenses

This account consists of:

	Note	**2024**	2023
Trade payables		**P246,669,361**	P718,318,614
Accrued:			
Interest and penalties	*13*	**779,061,538**	775,314,430
Utilities		**77,463,741**	6,287,977
Salaries, wages and employee benefits		**11,547,923**	68,841,403
Other accruals		**340,474,678**	13,088,515
Local taxes and output VAT		**159,677,090**	129,951,799
Statutory payables		**20,003,152**	13,821,869
Service charges		**1,881,877**	1,729,673
Withholding taxes payable		**1,495,700**	1,973,232
Guest deposits		**25**	100,025
Foreshore lease		**-**	13,244,695
Unclaimed wages		**-**	318,154
Other payables		**74,915,828**	57,631,400
	21	**P1,713,190,913**	P1,800,621,785

Trade payables are noninterest-bearing and are normally on 30 to 60 day terms and are settled in cash.

Foreshore lease pertains to the rent charged by the Department of Environment and Natural Resources (DENR) for the use of the shore near the Hotel premises. As at December 31, 2024, the Hotel has a pending application with DENR in relation to the use of the shore as the DENR claims that the Hotel's right to use the shore for

50 years had already lapsed and as such, the right shall be transferred to another person. In March 2017, DENR stopped billing the Hotel for the annual rental fee hence, no amount of provision is recognized in profit or loss for the year ended December 31, 2024.

Other payables include commissions, sponsorships, gift certificates issued, SSS, Philippine Health Insurance Corporation and Home Development Mutual Fund and sundry payables.

12. Other Current Liabilities

This account consists of:

	Note	2024	2023
Concessionaires' and other deposits	*24*	**P67,623,112**	P61,613,155
Others		**4,902,570**	1,875,565
	21	**P72,525,682**	P63,488,720

Others include a P1.00 million unsecured short-term loan obtained from a local bank in 1996 with interest at prevailing market rate. The proceeds of the loan were used for the working capital requirements of GIRDI. GIRDI is a defendant in a collection case filed by a local bank involving an unsecured short-term loan obtained. While the case is currently inactive and the latest assessment made by the legal counsel is favorable to GIRDI, the payable is still retained until the case is completely dismissed. Management believes that the carrying value of the liability retained in the books as at December 31, 2024 and 2023 sufficiently represents the amount of possible liability that GIRDI may settle in the event that this case will ultimately be activated and decided against GIRDI.

13. Loan Payable

SSS Loan

On October 28, 1999, the Parent Company obtained a five-year term loan from SSS amounting to P375.00 million originally due on October 29, 2004. The SSS loan bears interest at the prevailing market rate plus 3.00% or 14.50% per annum, whichever is higher. Interest is repriced annually and is payable semi-annually. Initial interest payments are due 180 days from the date of the release of the proceeds of the loan. The repayment of the principal shall be based on eight semi-annual payments, after a 1-year grace period.

The SSS loan was availed to finance the completion of the facilities of WCCCHI. It was secured by a first mortgage over parcels of land owned by WII, a related party and by the assignment of 200.00 million common shares of the Parent Company owned by TWGI. The common shares assigned were placed in escrow in the possession of an independent custodian mutually agreed upon by both parties.

On August 7, 2003, when the total loan obligation to SSS, including penalties and interest, amounted to P605.00 million, the Parent Company was considered in default with the payments of the loan obligations, thus, on the same date, SSS executed a foreclosure proceeding on the mortgaged parcels of land. The SSS's winning bid on the foreclosure sale amounting to P198.00 million was applied to penalties and interest amounting to P74.00 million and P124.00 million, respectively. In addition, the Parent Company accrued penalties charged by SSS amounting to P30.50 million covering the month of August until December 2003, and unpaid interest expense of P32.00 million.

The Parent Company, WII and TWGI were given the right to redeem the foreclosed property within 1 year from October 17, 2003, the date of registration of the certificate of sale. The Parent Company recognized the proceeds of the foreclosure sale as its liability to WII and TWGI. The Parent Company, however, agreed with TWGI to offset this directly against its receivable from the latter. In August 2004, the redemption period for the Parent Company, WII and TWGI expired.

The remaining balance of the SSS loan is secured by the shares of stock of the Parent Company owned by TWGI and shares of stock of WII totaling 235.00 million and 80.00 million shares, respectively.

On May 13, 2004, SSS filed a civil suit against the Parent Company for the collection of the total outstanding loan obligation before the Regional Trial Court (RTC) of Quezon City. SSS likewise asked the RTC of Quezon City for the issuance of a writ of preliminary attachment on the collateral property.

On June 18, 2004, the RTC of Quezon City issued its first order granting SSS's request and the issuance of a writ of preliminary attachment based on the condition that SSS shall post an attachment bond in the amount of P452.80 million. After the lapse of 3 months from the issuance of RTC order, no attachment bond was posted. Thus, on September 16, 2004 and September 17, 2004, the Parent Company filed a Motion to Set Aside Order of Attachment and Amended Motion to Set Aside Order of Attachment, respectively.

On January 10, 2005, the RTC of Quezon City issued its second order denying the Parent Company's petition after finding no compelling grounds to reverse or reconsider its initial findings dated June 18, 2004. In addition, since no writ of preliminary attachment was actually issued for failure of SSS to file a bond on the specified date, the RTC granted SSS an extension of 15 days from receipt of its second order to post the required attachment bond.

On February 10, 2005, SSS filed a Motion for Partial Reconsideration of the Order dated January 10, 2005 requesting that it be allowed to post a real property bond in lieu of a cash/surety bond and asking for another extension of 30 days within which to post the said property bond. On March 7, 2005, the Parent Company filed its opposition to the said Motion.

On July 18, 2005, the RTC of Quezon City issued its third order denying the Parent Company's petition and granted SSS the 30 day extension to post the said attachment bond. Accordingly, on August 25, 2005, the Parent Company filed a Motion for Reconsideration (MR).

On September 12, 2005, the RTC of Quezon City issued its fourth order approving SSS's property bond in the total amount of P452.80 million. Accordingly, the RTC ordered the corresponding issuance of the writ of preliminary attachment. On November 3, 2005, the Parent Company submitted a Petition for Certiorari before the Court of Appeals (CA) seeking the nullification of the orders of the RTC of Quezon City dated June 18, 2004, January 10, 2005, July 18, 2005 and September 12, 2005.

On February 22, 2006, the CA granted the Parent Company's petition for the issuance of the Temporary Restraining Order to enjoin the implementation of the orders of the RTC of Quezon City specifically on the issuance of the writ of preliminary attachment.

On March 28, 2006, the CA granted the Parent Company's petition for the issuance of a writ of preliminary injunction prohibiting the RTC of Quezon City from implementing the questioned orders.

On August 24, 2006, the CA issued a decision granting the Petition for Certiorari filed by the Parent Company on November 3, 2005 and nullifying the orders of the RTC of Quezon City dated June 18, 2004, January 10, 2005, July 18, 2005 and September 12, 2005 and consequently making the writ of preliminary injunction permanent.

Accordingly, SSS filed a Petition for Review on Certiorari on the CA's decision before the Supreme Court (SC).

On November 15, 2006, the First Division of the SC issued a Resolution denying SSS's petition for failure of SSS to sufficiently show that the CA committed any reversible error in its decision which would warrant the exercise of the SC's discretionary appellate jurisdiction.

The Parent Company, at various instances, initiated negotiations with the SSS for restructuring of the loan but was not able to conclude a formal restructuring agreement.

On January 13, 2015, the RTC of Quezon City issued a decision declaring null and void the contract of loan and the related mortgages entered into by the Parent Company with SSS on the ground that the officers and the SSS are not authorized to enter the subject loan agreement. In the decision, the RTC of Quezon City directed the Parent Company to return to SSS the principal amount of loan amounting to P375.00 million and directed the SSS to return to the Parent Company and to its related parties titles and documents held by SSS as collaterals.

On January 22, 2016, SSS appealed with the CA assailing the RTC of Quezon City decision in favor of the Parent Company, et al. SSS filed its Appellant's Brief and the Parent Company filed a Motion for Extension of Time to file Appellee's Brief until May 16, 2016.

On May 16, 2016, the Parent Company filed its Appellee's Brief with the CA, furnishing the RTC of Quezon City and the Office of the Solicitor General with copies. SSS was given a period to reply but it did not file any.

On September 6, 2016, a resolution for possible settlement was received by the Parent Company from the CA. However, on February 7, 2017 a Notice to Appear dated December 7, 2016 was received by the Parent Company from the Philippine Mediation Center Unit - Court of Appeals (PMCU-CA) directing the Parent Company and SSS to appear in person and without counsel at the PMCU-CA on January 23, 2017 to choose their mediator and the date of initial mediation conference and to consider the possibility of settlement. Since the Notice to Appear was belatedly received, the parties were not able to appear before the PMCU-CA.

On February 27, 2017, a Second Notice to Appear issued by the PMCU-CA directing all parties to appear on February 27, 2017 at a specified time was received by the Parent Company only on February 27, 2017 after the specified time of the meeting. The Parent Company failed to appear.

On June 30, 2017, a resolution issued by the CA, resolved to submit the appeal for decision.

On August 30, 2019, the CA rendered its Decision reversing and setting aside the Decision dated January 13, 2015 and Order dated May 11, 2015 rendered by the RTC of Quezon City.

On November 4, 2019, the counsel for the Parent Company, WII and TWGI filed a Petition for Review with the SC.

On February 5, 2020, the SC issued its Resolution requiring SSS to file its Comment. SSS appealed for an extension to file its Comment until March 23, 2020. On August 14, 2020, the counsel for the Parent Company received a copy of the Comment dated June 24, 2020.

On July 26, 2021, the SC rendered a decision in favor of the Parent Company which includes the declaration of the contract of loan and the foreclosure sale as null and void and ordered the following:

- The Parent Company to pay SSS P375.00 million subject to 12.00% legal interest from October 28, 1999 to June 30, 2013, and 6.00% legal interest from July 1, 2013 until full payment; and
- SSS to return to the Parent Company the amount of P35.83 million, subject to a legal interest of 12.00% from the dates that the individual payments were remitted until June 30, 2013, and 6.00% legal interest from July 1, 2013 until full payment.

On January 28, 2022, the SSS filed a Motion for Reconsideration with the SC. On February 2, 2022, the Office of the Solicitor General filed a Manifestation with the SC that it filed/served by electronic means its Motion for Reconsideration due to the physical closure of its offices as a result of the COVID-19 pandemic. As at the date of authorization for issue of the consolidated financial statements, there were no updates on the progress of the foregoing motions filed by the SSS and the Office of the Solicitor General with the SC.

As a result of the SC decision, the Parent Company recognized a reversal of previously accrued interest and penalties on the SSS Loan amounting to P415.67 million as at December 31, 2021. The reversal was recognized and presented as “Reversal of accrual” in the consolidated statements of profit or loss and other comprehensive income.

On September 21, 2022, the SC issued a resolution denying SSS’ Motion for Reconsideration with Finality. On December 20, 2022, the SC issued an Entry of Judgment certifying the SC decision made on July 6, 2021 and that the same has, on September 21, 2022, become final and executory and is hereby recorded in the Book of Entries of Judgement.

The Company is hereby ordered to:

a. submit to the trial court a list of all fruits, income, or dividends received by virtue of the Contract of Loan with Real Estate Mortgage and Option to Convert to Shares of Stock;

b. provided a computation of all amounts to be paid and a list of all properties to be returned by each party, together with a proposed schedule of payments and reconveyance, over a period which shall not exceed six (6) months from the finality of the SC decision, to be approved by the trial court; and
c. submit a report to the trial court on each party's compliance with the execution of the SC decision.

Subsequently, the last day for complying with the foregoing directives of the SC was on March 21, 2023. The Company prayed to the SC to grant the Company an extension of 30 days from March 21, 2023, or until April 21, 2023, within which to submit the list of the income received by Company by virtue of the Contract of Loan with Real Estate Mortgage and Option to Convert to Shares of Stock, the computation of amounts to be paid and the list of all properties to be returned, together with a proposed schedule of payments and reconveyance, for approval of the SC.

On April 17, 2023, the Company filed a Manifestation with Motion to Approve Proposed Set-off and Schedule Reconveyance with the RTC of Quezon City to comply with the orders set out in the SC decision.

On August 17, 2023, Branch 76 of the RTC of Quezon City issued an Order approving the legal compensation between SSS and the WPI, ordering WPI to pay P258,117,749.89 to SSS, which is the balance of the amount due to SSS after set-off of the amounts due to WPI, and further ordering the return of real estate properties and shares of stock by SSS to defendants WPI and WIN.

On September 20, 2023, SSS filed a Motion for Reconsideration with RTC of Quezon City asking that August 17, 2023 Order to be set aside. The Motion for Reconsideration was denied by the RTC on January 12, 2024.

On May 27 2024, WPI, WIN, and TWGI tendered Manager’s Checks totaling P258.12 million to SSS. On July 16, 2024, SSS filed its Manifestation of Conditional Acceptance, stating that SSS duly acknowledges the receipt of the tendered amount as partial and initial payment only. On December 03, 2024, SSS filed a Petition for Certiorari.

Outstanding principal balance of the loan amounted to P375.00 million as at December 31, 2024 and 2023, respectively. Interest expense related to the SSS loan recognized in the consolidated statements of profit or loss and other comprehensive income amounted to nil in 2024 and 2023 and P20.63 million in 2022. Accrued interest and penalties, presented as part of “Accrued interest and penalties” under “Accounts payable and accrued expenses” account in the consolidated statements of financial position, amounted to P779.61 million and P775.32 million as at December 31, 2024 and 2023, respectively (see Note 11).

14. Other Noncurrent Liabilities

The account consists of:

	Note	**2024**	2023
Advance rentals	*23*	**P232,439,873**	P232,439,873
Concessionaires' deposits	*23, 24*	**161,652,833**	153,492,973
Retention payables		**88,487,516**	88,381,364
	21	**P482,580,222**	P474,314,210

Retention payables pertain to amounts withheld from contractors which are payable one year from the date of final turnover and acceptance.

15. Segment Information

The Group's operating businesses are organized and managed separately according to hotel property location, with each segment representing a strategic business unit. Segment accounting policies are the same as the policies described primarily in Note 27 to the consolidated financial statements.

The following table presents the revenue and profit information regarding industry segments for the years ended December 31, 2024, 2023 and 2022 and certain asset and liability information regarding industry segments as at December 31, 2024, 2023 and 2022 (in thousands):

	For the Year Ended December 31, 2024							
	WCCCHI	WMCHI	DIHCI	Parent Company and Others	APHC and Subsidiaries	Total	Eliminations	Consolidated
REVENUES								
External sales	P1,202,334	P386,044	P258,592	P104,570	P -	1,951,540	P -	1,951,540
RESULTS								
Food and beverage cost	145,712	28,039	50,356	18,987	-	243,094	-	243,094
Personnel cost	126,943	38,937	38,112	9,746	22,564	236,302	-	236,302
Energy cost	141,379	56,451	27,062	23,293	2,402	250,588	-	250,588
Segment operating profit	520,502	185,198	45,798	(148,943)	(97,033)	505,522	(14,806)	520,327
OTHER EXPENSES (INCOME)								
Depreciation	204,365	102,594	33,708	2,066	19,569	362,303	-	362,303
Interest expense	12,011	10,049	-	307,240	-	329,230	19,298	310,002
Foreign exchange losses (gains) - net	-	-	-	8,550	(10)	(8,540)	-	(8,540)
Impairment losses	-	-	-	-	-	-	-	-
Interest income	(58,586)	(5,075)	(2,557)	(76,310)	-	(1,903,982)	(19,298)	(1,884,684)
Gain on sale of property and equipment	-	-	-	(1,761,454)	-	-	-	-
Reversal of excess accrual	-	-	-	-	-	-	-	-
Casualty Loss	-	-	-	-	(30,401)	30,401	-	30,401
Others - net	-	-	-	(14,806)	4,485	(19,291)	(14,806)	(4,485)
	157,790	107,568	31,151	(1,534,714)	(15,327)	(1,253,531)	(14,806)	(1,238,725)
INCOME TAX EXPENSE (BENEFIT)	121,783	32,867	3,022	1,154	(4,461)	154,366	-	154,366
NET INCOME (LOSS)	240,929	44,763	11,625	1,384,617	(77,244)	1,604,687	-	1,604,687
OTHER INFORMATION								
Segment assets	7,012,531	2,592,084	3,643,733	16,879,331	4,515,482	34,643,161	(10,319,559)	24,323,603
Deferred tax assets	-	-	-	187,416	-	187,416	-	187,416
Consolidated Total Assets	7,012,531	2,592,084	3,643,733	17,066,747	4,515,482	34,830,577	(10,319,559)	24,511,019
Segment liabilities	1,222,944	389,518	112,877	13,076,145	966,834	15,768,317	(8,357,432)	7,410,885
Deferred tax liabilities	732,807	210,936	823,363	1	773,329	2,540,436	-	2,540,436
Consolidated Total Liabilities	1,955,751	600,454	936,240	13,076,146	1,740,163	18,308,753	(8,357,432)	9,951,321
Other Segment Information								
Capital expenditures	3,675,606	910,246	3,324,875	378,634	3,385,718	11,675,079	-	11,675,079
Depreciation	(204,365)	(102,594)	(33,708)	(2,066)	(19,569)	(362,303)	-	(362,303

	For the Year Ended December 31, 2023							
	WCCCHI	WMCHI	DIHCI	Parent Company and Others	APHC and Subsidiaries	Total	Eliminations	Consolidated
REVENUES								
External sales	P1,176,659	P362,503	P250,094	P12,114	P2,217	P1,803,587	P -	P1,803,587
RESULTS								
Food and beverage cost	154,895	32,198	56,550	500	-	244,143	-	244,143
Personnel cost	82,746	25,504	23,913	2,934	25,026	160,123	-	160,123
Energy cost	132,950	56,748	26,511	2,385	3,912	222,506	-	222,506
Segment operating profit	P533,332	P200,205	P41,581	(P57,240)	(P57,925)	P659,953	P -	P659,953
OTHER EXPENSES (INCOME)								
Depreciation	201,205	74,805	34,491	3,084	19,819	333,404	-	333,404
Interest expense	11,889	9,921	-	297,310	-	319,120	(19,298)	299,822
Foreign exchange losses (gains) - net	-	-	-	12,160	(15)	12,145	-	12,145
Impairment losses	9,572	-	-	-	-	9,572	-	9,572
Interest income	(60,441)	(5,115)	(1,369)	(71,188)	(3,060)	(141,173)	-	(141,173)
Reversal of excess accrual	-	-	-	-	-	-	-	-
Others - net	-	-	-	(14,666)	-	(14,666)	14,666	-
	162,225	79,611	33,122	226,700	16,744	518,402	(4,632)	513,770
INCOME TAX EXPENSE (BENEFIT)	92,689	13,187	3,553	831	(2,632)	107,628	-	107,628
NET INCOME (LOSS)	P278,418	P107,407	P4,906	(P284,771)	(P72,037)	P33,923	P4,632	P38,555
OTHER INFORMATION								
Segment assets	P6,696,090	P2,506,707	P3,621,610	P10,978,424	P2,930,540	P26,733,371	(P6,306,433)	P20,426,938
Deferred tax assets	-	-	-	186,396	-	186,396	-	186,396
Consolidated Total Assets	P6,696,090	P2,506,707	P3,621,610	P11,164,820	P2,930,540	P26,919,767	(P6,306,433)	P20,613,334
Segment liabilities	P1,159,469	P345,578	P93,887	P8,565,354	P932,333	P11,096,621	(P5,382,442)	P5,714,179
Deferred tax liabilities	721,686	213,616	831,540	-	430,001	2,196,843	-	2,196,843
Consolidated Total Liabilities	P1,881,155	P559,194	P925,427	P8,565,354	P1,362,334	P13,293,464	(P5,382,442)	P7,911,022
Other Segment Information								
Capital expenditures	P3,846,445	P1,005,329	P3,351,557	P99,098	P1,761,383	P10,063,812	P914,023	P10,977,835
Depreciation	201,205	74,805	34,491	3,084	19,819	333,404	-	333,404

	For the Year Ended December 31, 2022							
	WCCCHI	WMCHI	DIHCI	Parent Company and Others	APHC and Subsidiaries	Total	Eliminations	Consolidated
REVENUES								
External sales	P964,670	P295,326	P217,925	P11,389	P -	P1,489,310	(P2,869)	P1,486,441
RESULTS								
Food and beverage cost	130,103	24,799	49,454	2,521	-	206,877	-	206,877
Personnel cost	77,090	26,365	21,040	7,237	21,811	153,543	-	153,543
Energy cost	169,583	57,903	31,149	1,802	3,686	264,123	-	264,123
Segment operating profit	P396,569	P139,144	P34,576	(P23,985)	(P63,047)	P483,257	P9,807	P493,064
OTHER EXPENSES (INCOME)								
Depreciation	200,299	46,978	25,978	545	21,564	295,364	-	295,364
Interest expense	47,788	9,799	-	165,594	-	223,181	(56,798)	166,383
Foreign exchange losses (gains) – net	-	-	-	5,618	-	5,618	-	5,618
Impairment losses	-	-	-	309	-	309	-	309
Interest income	(58,794)	(5,123)	(289)	(77,386)	(6,624)	(148,216)	56,798	(91,418)
Reversal of excess accrual	-	-	-	-	-	-	-	-
Others – net	-	-	-	(9,807)	-	(9,807)	9,807	-
	189,293	51,654	25,689	84,873	14,940	366,449	9,807	376,256
INCOME TAX EXPENSE (BENEFIT)	51,445	22,817	3,671	(5,548)	(6,460)	65,925	-	65,925
NET INCOME (LOSS)	P155,831	P64,673	P5,216	(P103,310)	(P71,527)	P50,883	P -	P50,883
OTHER INFORMATION								
Segment assets	P6,162,171	P2,331,050	P3,613,098	P10,746,891	P3,974,153	P26,827,363	(P6,689,241)	P20,138,122
Deferred tax assets	52,367	23,684	8,403	186,073	-	270,527	-	270,527
Consolidated Total Assets	P6,214,538	P2,354,734	P3,621,501	P10,932,964	P3,974,153	P27,097,890	(P6,689,241)	P20,408,649
Segment liabilities	P976,816	P362,072	P80,189	P8,060,546	P990,004	P10,469,627	(P4,728,334)	P5,741,293
Deferred tax liabilities	769,465	223,738	847,603	-	434,301	2,275,107	-	2,275,107
Consolidated Total Liabilities	P1,746,281	P585,810	P927,792	P8,060,546	P1,424,305	P12,744,734	(P4,728,334)	P8,016,400
Other Segment Information								
Capital expenditures	P3,906,140	P962,836	P3,382,177	P97,826	P2,652,131	P11,001,110	P -	P11,001,110
Depreciation	200,299	46,978	25,978	545	21,564	295,364	-	295,364

16. Capital Stock and Noncontrolling Interests

Capital Stock

Details of capital stock of the Parent Company as at December 31, 2024 and 2023 are as follows:

	Number of Common Shares	Amount
Authorized capital stock: at P1.00 par value per share	**5,000,000,000**	**P5,000,000,000**
Issued and outstanding	**P2,498,991,753**	**P2,498,991,753**

A summary of the Parent Company's securities registration is as follows:

Date of Registration/Listing	Securities
March 17, 1995 (Initial Public Offering)	112.50 million shares On October 7, 1994, the SEC approved the increase in the authorized capital stock of the Parent Company to P450.00 million divided into 450.00 million shares with a par value of P1.00 per share, out of which, 337.50 million shares were already subscribed.
April 18, 1996	944.97 million shares On September 18, 1995, the BOD resolved to increase the authorized capital stock of the Parent Company to P2.00 billion divided into 2.00 billion shares with a par value of P1.00 per share. The purpose of the increase was to finance the construction of WCCCHI's hotel project.
December 15, 1999	888.47 million shares On August 7, 1999, the BOD resolved to increase the authorized capital stock of the Parent Company to P5.00 billion divided into 5.00 billion shares with a par value of P1.00 per share. The purpose of the increase was to accommodate the acquisition of DIHCI's outstanding common shares for 888.47 million shares of the Parent Company with an offer price of P2.03 per share.

On July 20, 2007, the BOD resolved to increase the authorized capital stock of the Parent Company to P10.00 billion with 10.00 billion shares at par value of P1.00 per share. This resolution was ratified by the Parent Company's stockholders owning at least two-thirds of the outstanding capital stock during the annual stockholders' meeting held on August 25, 2007.

In 2009, the BOD passed a resolution temporarily suspending the implementation of the above proposed increase in the authorized capital stock of the Parent Company.

As at December 31, 2024, the Parent Company has no updated plans to increase its authorized capital stock, or to modify any issued shares or to exchange them to another class.

The Parent Company has not sold any unregistered securities for the past 3 years. As at December 31, 2024 and 2023, the Parent Company has 2.50 billion shares listed on the PSE and has a total of 426 and 429 shareholders, respectively.

Noncontrolling Interests (NCIs)

The details of the Group's material NCIs are as follows (in thousands):

	December 31, 2024			December 31, 2023		
	DIHCI	**APHC**	**GIRDI**	DIHCI	APHC	GIRDI
Percentage of NCI	**2%**	**44%**	**46%**	2%	44%	46%
Carrying amount of NCI	**P54,150**	**P1,229,467**	**P985,260**	P134,950	P646,541	P675,929
Net loss attributable to NCI	**232**	**(34,219)**	**777,941**	98	(30,078)	(308)
Other comprehensive income attributable to NCIs	**(P6)**	**(P557)**	**P -**	(P64,954)	(P72,035)	P1,141

The following are the audited condensed financial information of investments in subsidiaries with material NCIs (in thousands):

	December 31, 2024			December 31, 2023		
	DIHCI	**APHC**	**GIRDI**	DIHCI	APHC	GIRDI
Total assets	**P3,643,733**	**P2,877,482**	**P2,238,098**	P3,621,609	P2,925,078	P451,722
Total liabilities	**936,239**	**1,163,946**	**96,288**	925,427	1,133,042	1,028
Net assets	**P2,707,494**	**P1,713,536**	**P2,141,869**	P2,696,182	P1,792,036	P450,694
Revenue	**P258,591**	**P -**	**P90,693**	P250,093	P -	P -
Net Income/(Loss)	**P11,624**	**(P77,244)**	**P1,691,176**	P4,905	(P74,924)	(P1,141)
Other comprehensive income	**(313)**	**304**	**-**	(2,432)	368	-
	P11,311	**(P76,940)**	**P1,691,176**	P2,473	(P74,556)	(P1,141)
Cash flows generated from (used in) operating activities	**P42,105**	**P146,643**	**(P648,773)**	P55,688	(P130,174)	P451,722
Cash flows provided by (used in) investing activities	**(54,025)**	**(170,358)**	**1,481,537**	(6,746)	(46,430)	-
Cash flows provided by (used in) financing activities	**-**	**24,119**	**(808,454)**	-	54,584	-
Net decrease in cash	**(P11,920)**	**P404**	**P24,310**	P48,942	(P122,020)	P451,722

17. Other Costs and Expenses

This account consists of:

	Note	**2024**	2023	2022
Laundry, valet and other hotel services		**P139,504,270**	P138,411,394	P101,039,440
Taxes and licenses		**120,399,504**	55,836,906	56,596,799
Representation and entertainment		**73,257,626**	24,533,967	4,994,044
Security and other related services		**40,042,464**	37,786,070	32,543,742
Corporate expenses		**38,676,937**	22,380,056	15,814,848
Professional fees		**28,416,014**	18,639,629	17,680,193
Insurance		**22,650,771**	21,130,576	17,119,040
Commissions		**18,289,479**	13,100,465	8,940,695
Supplies	*6*	**17,651,684**	16,320,865	15,239,992
Impairment loss		**17,050,056**	8,700,797	-
Advertising		**16,072,780**	11,463,868	5,081,211
Guest and laundry valet		**15,701,572**	8,104,211	1,311,694
Fuel and oil		**12,185,612**	8,496,444	7,516,944
Data processing		**10,965,025**	12,356,665	11,285,567
Guest amenities		**6,765,407**	3,995,822	4,437,902
Communications		**4,210,717**	3,190,643	3,931,116
Transportation and travel		**1,959,590**	259,160	1,612,102
Meeting expenses		**437,024**	905,750	844,655
Trainings and Seminars		**6,000**	2,500	-
Donations		**-**	275,367	-
Miscellaneous		**10,107,152**	7,806,092	4,277,154
		P594,349,684	P413,697,247	P310,267,138

Miscellaneous include recruitment expense and employee association dues.

18. Retirement Benefits Cost

Certain subsidiaries have noncontributory, defined benefit plans (the Plans) covering substantially all of their regular employees with at least 5 years of continuous service. The benefits are based on percentage of the employee's 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 Plans.

The latest independent actuarial valuation of the Plans was as at December 31, 2024, which was prepared using the projected unit credit method. The Plans are administered by independent trustees (the Retirement Plan Trustees) with assets held consolidated for the Group.

The Plans are registered with the BIR as a tax-qualified plan under Republic Act (R.A.) No. 4917, As Amended, otherwise known as "An Act Providing that Retirement Benefits of Employees of Private Firms shall not be Subject to Attachment, Levy, Execution, or any Tax whatsoever."

The reconciliation of the present value of the DBO and the FVPA to the recognized retirement benefits asset as presented in the consolidated statements of financial position is as follows:

2024	**DBO**	**FVPA**	**Retirement Benefits Asset**
Balance, January 1, 2024	**P68,959,467**	**(P137,984,733)**	**(P69,146,215)**
Included in Profit or Loss			
Current service cost	**5,302,415**	**-**	**5,302,415**
Net interest cost (income)	**4,196,606**	**(8,345,357)**	**(4,148,751)**
	9,499,021	**(8,345,357)**	**1,153,664**
Included in OCI			
Remeasurement gains on plan assets:			
1. Actuarial gains arising from:			
▪ Changes in demographic assumptions	**(901,028)**	**-**	**(901,028)**
▪ Experience adjustments	**148,878**	**-**	**148,878**
▪ Changes in financial assumptions	**3,319,864**	**-**	**3,319,864**
2. Return on plan assets excluding interest income	**-**	**1,294,109**	**1,294,109**
	2,567,714	**1,294,109**	**3,861,823**
Others			
Benefits paid from plan assets	**1,755,690**	**(1,755,690)**	-
Balance, December 31, 2024	**P82,660,943**	**(P146,791,671)**	**(P64,130,728)**

2023	DBO	FVPA	Retirement Benefits Asset
Balance, January 1, 2023	P65,230,408	(P138,147,333)	(P72,916,925)
Included in Profit or Loss			
Current service cost	4,601,090	-	4,601,090
Net interest cost (income)	4,888,581	(9,687,703)	(4,799,122)
	9,489,671	(9,687,703)	(198,032)
Included in OCI			
Remeasurement gains on plan assets:			
3. Actuarial gains arising from:			
▪ Experience adjustments	(1,846,681)	-	(1,846,681)
▪ Changes in financial assumptions	3,445,999	-	3,445,999
4. Return on plan assets excluding interest income	-	2,490,373	2,490,373
	1,599,318	2,490,373	4,089,691
Others			
Contributions paid by the employer	-	(120,949)	(120,949)
Benefits paid from book reserves	-		
Benefits paid from plan assets	(7,480,879)	7,480,879	
Balance, December 31, 2023	P68,838,518	(P137,984,733)	(P69,146,215)

2022	DBO	FVPA	Retirement Benefits Asset
Balance, January 1, 2022	P95,616,272	(P161,119,458)	(P65,503,186)
Included in Profit or Loss			
Current service cost	7,303,309	-	7,303,309
Net interest cost (income)	4,657,070	(7,866,240)	(3,209,170)
	11,960,379	(7,866,240)	4,094,139
Included in OCI			
Remeasurement gains on plan assets:			
5. Actuarial gains arising from:			
▪ Changes in demographic assumptions	(12,698,853)	-	(12,698,853)
▪ Experience adjustments	(2,798,560)	-	(2,798,560)
▪ Changes in financial assumptions	(4,703,374)	-	(4,703,374)
6. Return on plan assets excluding interest income	-	10,192,909	10,192,909
	(20,200,787)	10,192,909	(10,007,878)
Others			
Benefits paid from book reserves	(1,500,000)	-	(1,500,000)
Benefits paid from plan assets	(20,645,456)	20,645,456	-
Balance, December 31, 2022	P65,230,408	(P138,147,333)	(P72,916,925)

The retirement benefits cost recognized in profit or loss in 2024, 2023 and 2022 amounted to P3.04 million, P2.68 million, and P4.09 million, respectively, and is presented as part of "Personnel costs" account in the consolidated statements of profit or loss and other comprehensive income.

Personnel costs comprise the following:

	2024	2023	2022
Salaries and wages	**P219,165,013**	P145,409,784	P137,245,451
Retirement benefits expense	**1,143,058**	2,679,052	4,094,139
Other employee benefits	**15,993,752**	12,035,710	12,202,992
	P236,301,823	P160,124,546	P153,542,582

The Group's plan assets consist of the following:

	2024	2023
Cash and cash equivalents	**P1,026,326**	P23,086,037
Investments		
Unit investment trust fund	**25,187,319**	21,269,254
Government securities	**112,272,562**	88,284,643
Other securities and debt instruments	**6,544,512**	3,338,068
Other receivables	**2,009,239**	2,006,731
	147,039,958	137,984,733
Accrued trust fees payable	**248,287**	-
	P146,791,671	P137,984,733

The principal actuarial assumptions at reporting date are as follows:

	2024	2023
Discount rate	**6.09% - 6.13%**	6.03% - 7.16%
Salary increase rate	**3.00%**	3.00%

Assumptions regarding the mortality and disability rates are based on the 1994 Group Annuity Table and the 1952 Disability Table, respectively.

The weighted-average duration of the DBO is 20.66 years and 19.43 years as at December 31, 2024 and 2023, respectively.

Maturity analysis of the benefit payments as at December 31 follows:

	2024	2023
Carrying amount	**P83,309,009**	P95,616,272
Within one year	**P9,548,954**	P8,308,411
Within one to five years	**36,814,835**	41,015,004
Within five to ten years	**201,011,464**	316,696,299
Contractual cash flows	**P247,375,253**	P366,019,714

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the DBO by the amounts shown below:

	2024		2023	
	+1%	**-1%**	+1%	-1%
Discount rate	**(P5,475,279)**	**P5,801,226**	(P4,936,194)	P5,554,786
Salary increase rate	**6,064,775**	**(5,921,090)**	5,749,542	(5,269,011)

Although the analysis does not take account of the full distribution of cash flows expected under the Plans, it does provide an approximation of the sensitivity of the assumptions shown.

These respective Plans expose the Group to actuarial risks such as longevity risk, interest rate risk, and market (investment) risk.

Asset-liability Matching

The Retirement Plan Trustees have 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 benefits payable under the retirement plans before they become due. However, in the event a benefit claim arises and the respective Plans' fund is insufficient to pay the claim, the shortfall will be paid by the Group directly to the employee-retiree. Hence, the amount and timing of contributions to the respective Plans are at the Group's discretion.

19. Income Taxes

The components of the Group's income tax expense are as follows:

	2024	2023	2022
Current	**P161,159,413**	P145,518,773	P102,936,238
Deferred	**(6,793,541)**	(37,890,805)	(37,011,113)
	P154,365,872	P107,627,968	P65,925,125

The reconciliation of the income tax expense computed at the statutory tax rate to the actual income tax expense shown in the consolidated statements of profit or loss and other comprehensive income is as follows:

	2024	2023	2022
Income before income tax expense	**P1,759,052,606**	P146,184,690	P116,808,297
Statutory tax rate for income tax	**20%/25%**	20%/25%	20%/25%
Income tax expense at statutory rate	**P439,981,017**	P36,546,172	P29,440,523
Additions to (reductions in) income tax resulting from the tax effects of:			
Unrecognized deferred tax assets during the year	**88,297,195**	37,675,286	13,759,813
Nondeductible expenses	**32,602,560**	34,776,501	4,728,353
Income not subjected to income tax	**(1,121,864)**	(1,369,991)	(1,369,991)
Gain on sale on disposal of properties	**(440,363,599)**	-	-
Derecognition of net operating loss carry-over (NOLCO) and minimum corporate income tax (MCIT)	**-**	-	(1,747)
Recognition of previously unrecognized deferred tax asset	**-**	-	19,368,174
Others	**34,970,563**	-	-
	P154,365,872	P107,627,968	P65,925,125

The movements of the deferred tax assets and deferred tax liabilities are as follows:

December 31, 2024	Balance January 1, 2024 as restated	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2024
Deferred tax liabilities:				
Revaluation surplus on property and equipment	P2,312,634,642	(P81,367,287)	P -	P2,231,267,355
Accrued rent income	102,089,481	23,586,241	-	125,675,722
Unamortized discount on security deposit	22,043,458	(22,043,458)	-	-
Cost claimed as expense	-	4,470,797	-	4,470,797
Retirement benefits asset	22,576,832	7,008,033	(3,016)	29,581,849
Unrealized foreign exchange gain	7,090,147	(353,309)	(925,221)	5,811,617
	2,466,434,560	(68,698,983)	(928,237)	2,396,807,340
Deferred tax assets:				
Accrued interest expense on loan	182,968,953	-	-	182,968,953
Advanced rental	18,886,227	(18,886,227)	-	-
NOLCO	509,982	199,954	-	709,936
Accrued rent expense	6,868,688	(3,185,015)	-	3,683,673
Allowance for impairment losses on receivables	46,764,784	(36,654,090)	-	10,110,694
Lease liabilities - net	10,121,313	(3,825,514)	-	6,295,799
MCIT	25,074	17,009	-	42,083
Retirement benefit liability	401,553	67,815	3,740	473,108
Unamortized past service cost	1,109,487	(1,109,487)	-	-
Unearned revenues	4,749,463	1,470,113	-	6,219,576
	272,405,524	(61,905,442)	3,740	210,503,822
	P2,194,029,036	(P6,793,541)	(P931,977)	P2,186,303,518

December 31, 2023	Balance January 1, 2023	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2023
Deferred tax liabilities:				
Revaluation surplus on property and equipment	P2,136,548,323	P6,810,411	P45,918,340	P2,189,277,074
Accrued rent income	96,904,872	(65,248,231)	-	31,656,641
Unamortized discount on security deposit	23,039,194	1,308,221	-	24,347,415
Retirement benefits asset	18,613,425	-	-	18,613,425
Unrealized foreign exchange gain	1,165	-	-	1,165
	2,275,106,979	(57,129,599)	45,918,340	2,263,895,720
Deferred tax assets:				
Accrued interest expense on loan	182,968,952	(10,824,918)	-	172,144,034
Advanced rental	58,109,967	(6,898,764)	-	51,211,203
NOLCO	2,678,246	(158,452)	-	2,519,794
Accrued rent expense	12,716,382	(752,334)	-	11,964,048
Allowance for impairment losses on receivables	5,070,323	(299,973)	-	4,770,350
Lease liabilities - net	3,427,838	(202,800)	-	3,225,038
MCIT	1,791,781	106,006	-	1,897,787
Unamortized past service cost	139,294	(241)	-	139,053
Unearned revenues	3,504,213	(207,318)	-	3,296,895
	270,406,996	(19,238,794)	-	251,168,202
	P2,004,699,983	(P37,890,805)	P45,918,340	P2,012,727,518

December 31, 2022	Balance January 1, 2022	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2022
Deferred tax liabilities:				
Revaluation surplus on property and equipment	P1,976,579,918	(P56,187,255)	P216,155,660	P2,136,548,323
Accrued rent income	73,562,088	23,342,784	-	96,904,872
Unamortized discount on security deposit	24,871,561	(1,832,367)	-	23,039,194
Retirement benefits asset	16,524,343	(412,889)	2,501,971	18,613,425
Unrealized foreign exchange gain	1,165	-	-	1,165
	2,091,539,075	(35,089,727)	218,657,631	2,275,106,979
Deferred tax assets:				
Accrued interest expense on loan	177,810,707	5,158,245	-	182,968,952
Advanced rental	58,109,967	-	-	58,109,967
NOLCO	14,885,068	(12,206,822)	-	2,678,246
Accrued rent expense	9,389,056	3,327,326	-	12,716,382
Allowance for impairment losses on receivables	5,070,323	-	-	5,070,323
Lease liabilities - net	1,870,612	1,557,226	-	3,427,838
MCIT	767,206	1,024,575	-	1,791,781
Unamortized past service cost	402,157	(262,863)	-	139,294
Unearned revenues	165,585	3,338,628	-	3,504,213
Unrealized foreign exchange loss	14,929	(14,929)	-	-
	268,485,610	1,921,386	-	270,406,996
	P1,823,053,465	(P37,011,113)	P218,657,631	P2,004,699,983

Deferred tax assets have not been recognized by certain subsidiaries in respect of the following items in the table below because it is not probable that future taxable profits will be available against which the subsidiaries can utilize the benefits thereon prior to their expiration or reversal.

The BIR issued RR No. 25-2020 to implement Section 4 (bbbb) 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.

	2024		2023	
	Tax Base	**Tax Effect**	Tax Base	Tax Effect
NOLCO	**P57,803,920**	**P14,450,980**	P142,790,040	P35,697,510
MCIT	**P1,121,067**	**P1,121,067**	P133,641	P133,641
	P58,924,987	**P15,572,047**	P142,923,681	P35,831,151

The movements of unrecognized net deferred tax assets of the Group are as follows:

	2024	2023
Balance at beginning of year	**P74,421,650**	P142,790,040
Unrecognized deferred tax assets during the year:		
NOLCO	**14,115,714**	18,627,924
MCIT	**324,881**	121,173
Impairment losses	**-**	-
Expiration of unrecognized deferred tax assets:		
NOLCO	**-**	(111,584,153)
MCIT	**(54,944)**	(77,782)
Application of unrecognized deferred tax assets:		
NOLCO	**-**	-
MCIT	**-**	-
Balance at end of year	**P88,807,301**	P49,877,202

The details of the unrecognized NOLCO not covered by R.A. No. 11494 are as follows:

Year Incurred	Expiry Date	NOLCO	Applied	Expired Amount	Remaining Amount
2024	December 31, 2027	P56,462,856	P -	P -	P56,462,856
2023	December 31, 2026	74,511,696	-	-	74,511,696
2022	December 31, 2025	22,853,239	-	-	22,853,239

The details of the unrecognized NOLCO covered by R.A. No. 11494 are as follows:

Year Incurred	Expiry Year	Amount	Applied	Expired	Balance
2021	2026	P66,036,063	P -	P -	P66,036,063
2020	2025	76,753,977	-	-	76,753,977
		P142,790,040	P -	P -	P142,790,040

Certain subsidiaries were required to pay MCIT under existing tax regulations. The MCIT payments and the applicable years that these will be deductible from future regular corporate income tax payable are shown below.

Year Incurred	Expiry Date	MCIT	Applied	Expired Amount	Remaining Amount
2024	December 31, 2027	P324,881	P -	P -	P324,881
2023	December 31, 2026	121,173	-	-	121,173
2022	December 31, 2025	91,075	-	-	91,075
2021	December 31, 2024	54,944	-	54,944	-
		P592,073	P -	P54,944	P537,129

20. Earnings Per Share

Earnings per share (EPS) is computed by dividing the net income for the year by the weighted average number of outstanding shares of common stock during the year.

	2024	2023	2022
Net income attributable to equity holders of the Parent Company	**P860,732,359**	P68,843,761	P82,789,942
Weighted number of shares outstanding	**2,498,991,753**	2,498,991,753	2,498,991,753
Earnings per share - basic and diluted	**P0.344**	P0.028	P0.033

There are no potentially dilutive shares as at December 31, 2024, 2023 and 2022. Accordingly, diluted EPS is the same as basic EPS.

21. 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 comprise of cash and cash equivalents, receivables, notes receivable, due from related parties, short-term investments, equity securities - at FVOCI, other noncurrent assets (excluding advances to contractors), accounts payable and accrued expenses (excluding local taxes, output VAT and withholding taxes), loans payable, due to a related party, lease liabilities, other current liabilities (excluding deferred income), concessionaires' deposits and retention payables. These financial instruments arise directly from operations.

The main risks arising from the financial instruments of the Group are credit risk, liquidity risk and market risk. There has been no change to the Group's exposure to risks or the manner in which it manages and measures the risks in prior financial year. The Group's management reviews and approves policies for managing each of these risks and they are summarized as follows:

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 receivables.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information, and in some cases bank references. The Group limits its exposure to credit risk by establishing credit limits and maximum payment period for each customer, reviewing outstanding balances to minimize transactions with customers in industries experiencing particular economic volatility.

With respect to credit risk from other financial assets of the Group, which mainly comprise of cash and cash equivalents (excluding cash on hand), receivables, notes receivable, due from related parties, short-term investments, equity securities - at FVOCI and other noncurrent assets (excluding advances to contractors), the exposure of the Group to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

There is no other significant concentration of credit risk in the Group.

The tables below show the credit quality of the Group's financial assets (in thousands):

	2024			
		At Amortized Cost		
	FVOCI	**12-month ECL**	**Lifetime ECL - not credit impaired**	**Lifetime ECL - credit impaired**
Grade A	**P69,943**	**P11,961,713**	**P -**	**P -**
Grade B	**-**	**322,282**	**-**	**-**
Grade C	**-**	**71,124**	**-**	**-**
Gross carrying amount	**69,943**	**12,355,119**	**-**	**-**
Loss allowance	**-**	**71,124**	**-**	**-**
Carrying amount	**P69,943**	**P12,283,995**	**P -**	**P -**

	2023			
		At Amortized Cost		
	FVOCI	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P19,943	P2,473,703	P -	P -
Grade B	-	1,999,938	-	-
Grade C	-	38,554	-	-
Gross carrying amount	19,943	4,512,195	-	-
Loss allowance	-	38,554	-	-
Carrying amount	P19,943	P4,473,641	P -	P -

	2022			
		At Amortized Cost		
	FVOCI	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P69,943	P7,658,852	P -	P -
Grade B	-	268,637	-	-
Grade C	-	102,562	-	-
Gross carrying amount	69,943	8,030,051	-	-
Loss allowance	-	102,561	-	-
Carrying amount	P69,943	P7,927,490	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	**2024**	2023
Cash and cash equivalents*	*4*	**P388,638**	P473,242
Receivables	*5*	**1,656,893**	965,196
Notes receivable	*8*	**271,703**	267,553
Due from related parties	*8*	**7,034,043**	6,527,664
Short-term investments		**2,856**	1,278
Equity securities - at FVOCI	*8*	**68,383**	70,256
Other noncurrent assets **	*10*	**221,774**	50,060
		9,644,290	8,355,249
Less allowance for impairment losses	*5, 8*	**142,332**	121,141
		P9,501,958	P8,234,108

**Excluding cash on hand*
***Excluding special project deposits*

The aging analyses of the Group's financial assets as at December 31, 2024 and 2023 are as follows (in thousands):

			Neither Past	**Past Due but not Impaired**					
December 31, 2024	***Note***	**Total**	**Due nor Impaired**	**<30 Days**	**30 - 60 Days**	**61 - 90 Days**	**91 - 120 Days**	**> 120 Days**	**Impaired**
Cash and cash equivalents*	*4*	**388,638**	**388,638**	**P -**	**P -**	**P -**	**P -**	**P -**	**P -**
Receivables	*5*	**1,656,893**	**1,285,471**	**5,325**	**5,381**	**1,044**	**242,622**	**-**	**117,050**
Notes receivable	*8*	**271,703**	**271,703**	**-**	**-**	**-**	**-**	**-**	**-**
Due from related parties	*8*	**7,034,043**	**6,966,133**	**-**	**-**	**-**	**-**	**-**	**67,910**
Short-term investments		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Equity securities - at FVOCI	*8*	**68,383**	**68,383**	**-**	**-**	**-**	**-**	**-**	**-**
Other noncurrent assets **	*10*	**221,774**	**221,774**	**-**	**-**	**-**	**-**	**-**	**-**
Total		**9,641,434**	**9,202,102**	**P5,325**	**P5,381**	**P1,044**	**P242,622**	**P -**	**P184,960**

**Excluding cash on hand*
***Excluding special project deposits*

			Neither Past	Past Due but not Impaired					
December 31, 2023	*Note*	Total	Due nor Impaired	<30 Days	30 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days	Impaired
Cash and cash equivalents*	*4*	P473,242	P473,242	P -	P -	P -	P -	P -	P -
Receivables	*5*	965,196	631,033	41,003	7,016	5,026	242,563	-	38,555
Notes receivable	*8*	267,553	267,553	-	-	-	-	-	-
Due from related parties	*8*	6,857,835	4,143,744	-	-	-	2,162,610	-	551,481
Short-term investments		1,277	1,277	-	-	-	-	-	-
Equity securities - at FVOCI	*8*	70,256	70,256	-	-	-	-	-	-
Other noncurrent assets **	*10*	50,060	50,060	-	-	-	-	-	-
Total		P8,685,419	P5,637,165	P41,003	P7,016	P5,026	P2,405,173	P -	P590,036

**Excluding cash on hand*
***Excluding special project deposits*

Impairment on the financial assets has been measured on a 12-month expected loss basis and reflects the short maturities of the exposure.
The credit quality of the Group's financial assets that are neither past due nor impaired is considered to be of good quality and expected to be collectible without incurring any credit losses.

Information on the Group's receivables and due from related parties that are impaired as of December 31, 2024 and 2023 and the movement of the allowance used to record the impairment losses are disclosed in Notes 5 and 8 to the consolidated financial statements.

Liquidity Risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

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

Ultimate responsibility for liquidity risk management rests with the BOD, which has established 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 manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast 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 is sufficient working capital inflows to match repayments of short-term debt.

The following table summarizes the maturity profile of the Group's financial liabilities as at December 31, 2024 and 2023 based on contractual undiscounted payments (in thousands):

December 31, 2024	***Note***	**Total Carrying Amount**	**Contractual Undiscounted Payments**			
			Total	**On Demand**	**Less than 1 Year**	**> 1 Year**
Accounts payable and accrued expenses*	*11*	**P1,552,018**	**P1,552,018**	**P1,546,945**	**P4,513**	**P560**
Loans payable	*13, 26*	**2,811,000**	**2,811,000**	**2,811,000**	**-**	**-**
Due to related parties		**11,818**	**11,818**	**-**	**11,818**	**-**
Lease liabilities	*24*	**152,062**	**152,062**	**-**	**152,062**	**-**
Other current liabilities**	*12*	**72,526**	**72,526**	**72,526**	**-**	**-**
Concessionaires' deposits - net of current portion	*14*	**161,653**	**161,653**	**161,653**	**-**	**-**
Retention payables	*14*	**88,488**	**88,488**	**88,488**	**-**	**-**
		P4,849,565	**P3,297,547**	**P4,680,612**	**P168,393**	**P560**

**Excluding local taxes and output VAT and withholding taxes payable*
***Excluding deferred income*

December 31, 2023	*Note*	Total Carrying Amount	Contractual Undiscounted Payments			
			Total	On Demand	Less than 1 Year	> 1 Year
Accounts payable and accrued expenses*	*11*	P1,668,697	P1,668,697	P1,668,697	P -	P -
Loans payable	*13, 26*	3,150,000	3,150,000	3,150,000	-	-
Lease liabilities	*24*	148,910	148,910	-	3,069	145,841
Other current liabilities**	*12*	63,489	63,489	63,489	-	-
Concessionaires' deposits - net of current portion	*14*	153,493	153,493	94,384	5,375	53,734
Retention payables	*14*	88,381	88,381	88,381	-	-
		P5,272,970	P5,272,970	P5,064,951	P8,444	P199,575

**Excluding local taxes and output VAT and withholding taxes payable*
***Excluding deferred income*

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, 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.

Fair Value of Financial Assets and Liabilities

The table below summarizes the carrying amounts and fair values of the Group's financial assets and liabilities as at December 31, 2024 and 2023 (in thousands):

	2024		2023	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Assets				
Cash and cash equivalents	**P388,639**	**P388,639**	P473,241	P473,241
Receivables	**1,667,555**	**1,667,555**	965,195	965,195
Notes receivable	**2,734,449**	**2,734,449**	267,553	267,553
Due from related parties	**6,857,182**	**6,857,182**	6,525,569	6,525,569
Short-term investments	**-**	**-**	1,277	1,277
Equity securities - at FVOCI	**-**	**-**	70,256	70,256
Other noncurrent assets *	**930,521**	**930,521**	50,059	50,059
	P12,578,346	**P12,578,346**	P8,353,150	P8,353,150

**Excluding advances to contractors and advances to a supplier*

	2024		2023	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Liabilities				
Accounts payable and accrued expenses**	**P1,552,018**	**P1,552,018**	P1,668,697	P1,668,697
Loans payable	**-**	**-**	3,150,000	3,150,000
Due to a related party	**11,818**	**11,818**	30	30
Lease liabilities	**1,340**	**1,340**	148,910	148,910
Other current liabilities***	**72,526**	**72,526**	1,875	1,875
Concessionaires' deposits	**161,653**	**161,653**	153,493	153,493
Retention payables	**88,488**	**88,488**	88,381	88,381
	P1,887,842	**P1,887,842**	P5,211,386	P5,211,386

***Excludes local taxes, output VAT and withholding taxes*
****Excluding deferred income*

As at December 31, 2024 and 2023, the carrying values of the Group's financial instruments approximate fair values as follows:

- *Cash and Cash Equivalents, Receivables, Notes Receivable, Current Portion of Due from Related Parties, Short-term Investments, Accounts Payable and Accrued Expenses (excluding local taxes and output VAT and withholding taxes payable), Due to a Related Party and Other Current Liabilities (excluding deferred income).* The carrying values of these financial instruments approximate fair values due to their relatively short-term maturities.
- *Interest-bearing Due from Related Parties and Loans Payable.* The fair value of interest-bearing due from related parties and loans payable is based on the discounted value of expected future cash flows using the applicable market rates for similar types of instruments as of the reporting date, thus, the carrying amount approximates fair value.
- *Equity Securities - at FVOCI.* The fair value of listed investment in shares of stock was determined using the closing market price of the investment listed on the PSE as of December 31, 2022 and 2021 while the cost of unquoted investments in shares of stock approximate their fair value as at reporting date.
- *Lease Liabilities.* The fair value of lease liabilities is based on the discounted value of expected future cash flows using the Group's IBR, thus, the carrying amount approximates fair value.

- *Other Noncurrent Assets (excluding advances to contractors and advances to a supplier) and Concessionaires' Deposits.* The fair value of other noncurrent assets (excluding advances to contractors) and concessionaires' deposits approximates the carrying amount as these are settled in fixed amounts upon maturity based on the contract executed.
- *Retention Payables.* The fair value of retention payables approximate their carrying amount because these are not subject to significant risk of change in value.

The approximation of the fair values of the Group'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.

<u>Capital Management</u>
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. Capital is defined as the invested money or invested purchasing power, the net assets or equity of the entity. The Group's overall strategy remains unchanged from 2024 and 2023.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. For purposes of the Group's capital management, capital includes all equity items that are presented in the consolidated statements of changes in equity, except for revaluation surplus on property and equipment, retirement benefits reserve, foreign currency translation adjustment and fair value reserve.

The Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the Agreement (see Note 26). Breaches in meeting the financial covenants would permit the bank to immediately call the loans. As at As at December 31, 2024, the Parent Company did not meet the minimum debt service coverage ratio of 1.25:1 (see Note 26). While these constituted non-compliance with financial covenants, the Agreement provides a process that includes notifications between the Company and the local bank, as well as a rectification period, prior to any breach being considered an event of default. The Parent Company notified the local bank of the breach and obtained waiver from the bank relating to its compliance with the loan covenants. The local bank subsequently agreed not to treat it as an event of default as at December 31, 2024 and 2023. As a result, the breach did not result in the loans being declared immediately due and demandable.

22. Right to Provide Venue for Land-based Casinos

PAGCOR has granted the Group the right to provide venue for land-based casinos. By virtue of this right, the subsidiaries, namely WCCCHI and WMCHI, have existing lease agreements with PAGCOR (see Note 23).

In 2008, the Parent Company filed an application for a license of its planned integrated resort, *Grand Waterfront Casino and Hotel*, in Expo Pilipino Entertainment City, commonly known as Entertainment City.

However, PAGCOR failed to respond to the application, and the Parent Company filed legal action in 2015 which Manila RTC ruled in favor of the Parent Company. In 2018, the CA upheld the decision, and it ordered PAGCOR to issue the Parent Company a license similar to that of the integrated resorts currently existing in Entertainment City.

In February 2020, the SC denied the petition of PAGCOR for review and in October 2020, the Parent Company received the notice that the decision has become final and executory.

23. Lease Agreements with PAGCOR

The Parent Company, in behalf of WCCCHI and WMCHI, entered into lease agreements with PAGCOR. The lease agreement of WCCCHI with PAGCOR covered the Main Area (8,123.60 sq.m.), Slot Machine Expansion Area (883.38 sq.m.), Mezzanine (2,335 sq.m.) and 5th Floor Junket Area (2,336 sq.m.) for a total area of 13,677.98 sq.m. which commenced on March 3, 2011 and March 16, 2011, for the Main Area and Slot Machine Expansion Area, respectively. The lease agreement of WMCHI with PAGCOR covered the Main Area (4,076.24 sq.m.) and Chip Washing Area (1,076 sq.m.) for a total area of 5,152.24 sq.m. which was last renewed on March 21, 2011. Both leases expired on August 2, 2016. Thereafter, PAGCOR paid the WCCCHI and WMCHI rental on a month-to-month basis. The leases were renewed on February 15, 2018, for a period of 1 year. On May 29, 2019 the leases were further renewed until the year 2032.

Relative to the renewal of the contract, the security deposit equivalent to six (6) months rental amounting to P159.02 million and P73.42 million was received by WCCCHI and WMCHI, respectively, and presented as part of “Concessionaires’ deposit” account in other noncurrent liabilities in the consolidated statements of financial position and were carried at its present value as at December 31, 2023 computed using an EIR of 5.51% over the term of the contract. The change in the present value and amortization of the discount is recognized as part of “Interest expense” account in the consolidated statements of profit or loss and other comprehensive income. Interest expense recognized in 2023, 2022 and 2021 amounted to P11.03 million, P7.33 million and P6.95 million, respectively. The amortized cost of the refundable security deposits was determined by calculating the present value of the cash flows anticipated until the end of the lease term using the interest rate of 5.51%. as the deposit does not have an active market, the underlying interest rate was determined by reference to market interest rates of comparable financial instruments.

The undiscounted amounts and the related unamortized discount are as follows:

	Note	**2024**	2023
PAGCOR security deposits	*14*	**P232,439,873**	P232,439,873
Unamortized discount		**(76,263,394)**	(84,423,254)
		P156,176,479	P148,016,619

In addition, in 2019, WCCCHI and WMCHI also received advance rentals equivalent to 6 months amounting to P159.02 million and P73.42 million, respectively. These advance rentals are presented as part of “Advance rentals” account in other noncurrent liabilities and are carried at cost (see Note 14).

Total rental income from the above PAGCOR lease contracts recognized as part of “Rent and related income” in the consolidated statements of profit or loss and other comprehensive income amounted to P615.29 million, P590.39 million and 606.23 million in 2023, 2022 and 2021, respectively.

24. Other Lease Agreements

Group as Lessor

Lease Agreements with Concessionaires

WCCCHI, WMCHI and DIHCI have lease agreements with concessionaires for the commercial spaces available in their respective hotels. These agreements typically run for a period of less than one year, renewable upon the mutual agreement of the parties.

Security deposits received from other concessionaires amounted to P million P10.2 million and P35.70 million as at December 31, in 2024, 2023 and 2022, respectively (see Notes 12 and 14).

Rent revenue recognized as part of "Rent and related income" in the consolidated statements of profit or loss and other comprehensive income and amounted to P625.69 million, P567.46 million and P16.36 million in 2024, 2023 and 2022, respectively.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date (in thousands):

	2024	2023
Less than one year	**P493,370**	P1,937,430
One to two years	**595,275**	1,419,743
Two to three years	**622,168**	1,451,242
Three to four years	**653,148**	663,704
Four to five years	**685,654**	593,985
More than five years	**1,799,943**	2,016,285
Total	**P4,849,558**	P8,082,389

Group as Lessee

Land under Operating Lease

On September 15, 1994, Waterfront Hotel and Resort Sdn. Bhd. (WHR), a former related party, executed a lease contract (the Lease Agreement) with Mactan Cebu International Airport Authority (MCIAA) for the lease of certain parcels of land where the hotels were constructed. On October 14, 1994, WHR assigned its rights and obligations under the MCIAA contracts to WCCCHI and WMCHI.

WCCCHI and WMCHI shall pay MCIAA fixed rentals per month plus a 2% variable rent based on the annual gross revenues of WCCCHI and WMCHI, as defined in the Lease Agreement. The leases are for a period of 50 years, subject to automatic renewal for another 25 years, depending on the provisions of the applicable Philippine laws at the time of renewal.

WCCCHI also entered into a new lease agreement for the use of access road from the hotel property to the main road for a period of 3 years commencing on January 1, 2023 subject to renewal upon mutual agreement of both parties.

Information about leases for which the Group is a lessee is presented below.

The right-of-use assets movement is as follows:

	2024	2023
Cost		
At January 1	**P161,229,712**	P174,041,803
Modification	**(6,577,960)**	(11,720,470)
Additions	**-**	3,528,705
At December 31	**154,651,752**	165,850,038
Accumulated Depreciation		
At January 1	**28,506,917**	25,722,647
Depreciation	**5,057,383**	6,327,043
At December 31	**33,564,300**	32,049,690
Carrying Amount	**P121,087,452**	P133,800,348

Set out below is the carrying amount of the lease liabilities and the movements during the period.

	2024	2023
At January 1	**P160,976,766**	P168,129,537
Addition	**-**	3,528,705
Accretion of interest	**15,430,190**	15,702,918
Payments	**(15,793,351)**	(28,363,258)
Modification	**(8,551,549)**	(7,604,431)
Accrued rent	**-**	(2,483,881)
At December 31	**P152,062,056**	P148,909,590

The outstanding balance of the lease liabilities is presented in the consolidated statements of financial position as follows:

	2024	2023
Current portion	**P3,944,388**	P2,795,134
Noncurrent portion	**148,117,668**	146,114,456
Total	**P152,062,056**	P148,909,590

Future undiscounted rental payments are as follows:

	2024	2023
Less than one year	**P15,322,044**	P15,293,052
One to five years	**69,701,835**	63,995,182
More than five years	**539,608,373**	559,948,232
	P624,632,252	P639,236,466

Amounts Recognized in Profit or Loss

	2024	2023	2022
Depreciation of right-of-use assets	**P3,710,213**	P3,710,214	P3,631,416
Interest expense related to lease liabilities	**13,900,101**	14,076,283	13,856,959
Variable lease payments	**17,268,506**	21,055,770	11,782,687
Expenses relating to short-term leases including VAT on lease payments	**-**	-	1,121,304
Income due to rent concession	**-**	(1,814,550)	(485,346)

Amount Recognized in the Statements of Cash Flows

	2024	2023	2022
Total cash outflow for leases	**P15,793,350**	P23,300,937	P22,969,072

The interest expense associated with the lease liabilities in 2024, 2023 and 2022 amounted to P 13.90 million, P14.08 million, and P13.86 million, respectively. Interest expense is derived using the Group's IBR of 10.79% as at January 1, 2019 for the agreement with MCIAA and IBR of 9.50% as at January 1, 2023 lease agreement for the use of access road. Total cash outflow for lease liabilities made by the Group in 2024, 2023 and 2022 amounting to P15.79 million, P23.30 million and P22.97 million, respectively, is presented as "Payment of lease liabilities" in the consolidated statements of cash flows.

The Group recognized income from rent concession amounting to nil, P1.81 million and P0.49 million in 2024, 2023 and 2022, respectively, as part of "Other Revenues" in the consolidated statements of profit or loss and other comprehensive income to reflect the discount on lease payments arising from rent concessions to which the Group has applied the practical expedient for COVID-19-related rent concession.

Extension Options
Extension options are included in the Group's lease of its land. The contracts of lease state an automatic renewal of lease upon expiration of the initial contract period.

Total rent expense for the aforementioned leases amounted to P million, P17.53 million, and P12.90 million in 2024, 2023 and 2022, respectively, in the consolidated statements of profit or loss and other comprehensive income.

25. Commitments and Contingencies

The following are the significant commitments and contingencies involving the Group.

a. On July 26, 2023, the Parent Company received a Preliminary Assessment Notice dated July 24, 2023, for the 2019 Tax assessment.

   On August 9, 2023, a reply dated August 9, 2023 was sent to Bureau of Internal Revenue (BIR) still contesting the said assessment.

On August 31, 2023, a Formal Letter of Demand dated August 16, 2023 was received by the Parent.

On October 2, 2023, the Parent Company sent a protest letter to BIR contesting the portion of the said assessment. Settlement on Documentary Stamp Tax, Registration Fee, Expanded Withholding Taxes and Withholding tax on Compensation amounting to P3.3 million was made on October 12, 2023.

On March 6, 2024, the Parent Company sent a a protest letter, which was accepted by the BIR requesting for reinvestigation and verification, which includes deficiencies in income tax amounting to P22.0 million and VAT amounting to P21.3 million. As of the date of report, there was no update on the protest letter.

b. WMCHI has a tax case involving VAT assessment for the taxable year 2006. The case was elevated to the CTA in 2011. In 2012, WMCHI offered its formal evidence to the court. In its decision promulgated on May 31, 2013, the CTA cancelled the VAT assessment in its entirety. The BIR filed a MR that was denied by the CTA in its resolution promulgated on August 16, 2013. The BIR appealed the case to the CTA sitting En Banc on September 20, 2013. On September 15, 2015, the CTA reaffirmed the decision cancelling the VAT assessment. In March 9, 2016, the BIR filed with the SC its motion for extension of time to file its appeal.

   On September 2, 2020, the SC denied the BIR appeal and affirmed the CTA decision and CTA En Banc resolution that cancelled the 2006 VAT assessment. Afterwards, the SC issued its Entry of Judgment dated Juy 26, 2021. As of the date of report, there was no update on the progress of the case.

c. In the normal course of business, the Group enters into commitments and encounters certain contingencies, which include a case against a contractor of one of its hotels for specific performance. Management believes that the losses, if any, that may arise from these commitments and contingencies would not be material to warrant additional adjustment or disclosure to the consolidated financial statements.

The Group is defendant in other legal cases which are still pending resolution. Management and legal counsels believe that the outcome of these cases will not have any material effect on the Group’s financial position and financial performance.

26. Omnibus Loan and Security Agreement

Original Loan Agreement

On December 21, 2017, the Parent Company, WCCCHI, WMCHI, DIHCI, CRDC and PRC (collectively, the Borrowers) entered into the Agreement with Philippine Bank of Communications (PBCOM) for the latter to provide the Borrowers multiple term loan facilities (the Loan Facilities) for general corporate purposes in the maximum aggregate amount of up to P1.50 billion.

The Loan Facilities consist of the following:

Facility 1 - represents secured term loan facility in the amount of P850.00 million available through a single or multiple drawdowns with term of 54 months from the initial drawdown date, regardless of the number of drawdowns. Any amount not drawn after the expiration of the commitment period shall be automatically cancelled and may not be reinstated. Commitment period means the period commencing from the date of the agreement and terminating on the earliest of: (a) 6 months from the signing of the Agreement; (b) the date when the commitment is fully drawn or availed by mutual agreement of the parties; or (c) the date when the commitment is terminated or cancelled in accordance with the terms of the Agreement.

Facility 2 - represents secured term loan facility in the amount of P200.00 million available through a single or multiple drawdowns with term of 54 months from the initial drawdown date, regardless of the number of drawdowns. Any amount not drawn after the expiration of the commitment period shall be automatically cancelled and may not be reinstated.

Facility 3 - represents secured term loan facility in the amount of P450.00 million available through a single or multiple drawdowns with term of 42 months from the initial drawdown date, regardless of the number of drawdowns. Any amount not drawn after the expiration of the commitment period shall be automatically cancelled and may not be reinstated. Facility 3 requires, on or before the initial drawdown date, the borrower to cause the relevant mortgagors to constitute in favor of PBCOM a first ranking real estate mortgage over Davao Agricultural Property located at Matina, Pangi, Tolomo, Davao City consisting of parcels of agricultural real property containing an aggregate area of 70 hectares registered in the names of CRDC and PRC, and Locob property still registered in the name of an individual, and register such security interest with appropriate Registry of Deeds.

The loan principal is repayable on equal monthly installments to commence at the end of sixth (6th) month from the initial drawdown date subject to balloon payment upon maturity. Interest is charged at the higher of four (4)-year PDSTR2 rate on the date of availment and spread of 3.25% per annum or 7.75% per annum, and repayable monthly from the drawdown date.

The Loan Facilities are secured by chattel and real mortgages over various operating assets of WCCCHI and DIHCI; real estate mortgages over Davao Agricultural Property; assignment over leasehold rights on the land owned by MCIAA on which WCCCHI stands; and pledge of shares of stocks representing ownership of the Parent Company in WCCCHI and DIHCI.

Each of the Borrowers is required to comply with certain covenants during the term of the Agreement and until the full payment of the amounts due which include, among others:

1. Debt to Equity Ratio of not higher than 2.5:1;
2. Debt Service Coverage Ratio of at least 1.25x; and
3. To appoint PBCOM’s nominees as Corporate Secretary in WCCCHI and DIHCI and nominate and elect such number of PBCOM’s nominees as will comprise the majority of the Board of Directors in WCCCHI and DIHCI, provided however, that the exercise of the abovementioned proxy and/or voting rights granted to PBCOM shall be exercised solely for the purpose of protecting, preserving, and enforcing its rights and interests under the Agreement and shall not be used by the latter to effect any takeover of the day-to-day operations of said corporations.

4. Negative covenants which prohibit each of the Borrowers to:

   - Change the nature or scope of its business as presently conducted, or liquidate or dissolve, or enter into any consolidation, merger, pool, joint venture, syndicate or other combination, or sell, lease or dispose of a substantial portion (as determined by PBCOM) of its business or assets, with market or book value of P500.00 million or more;
   - Permit any change in ownership (direct or indirect), management or control of its business, which results in the present majority stockholders ceasing to hold, whether directly or indirectly through any person beneficially, at least sixty-eight percent (68%) of the direct or indirect beneficial or economic interest in each of the Borrowers;
   - Declare or pay dividends to stockholders and make any capital or asset distribution to stockholders;
   - Purchase, redeem, retire or otherwise acquire for value any of capital stock now or hereafter outstanding (other than as a result of the conversion of any shares of capital stock into shares of any other class of capital stock), return any capital to its stockholders as such, or make any distribution of assets to its stockholders as such (other than distribution payable in shares of its own outstanding capital stock);
   - File any legal action to question any corporate act or transaction;
   - Extend any loans, advances or subsidies to any corporation, partnership or entity owned by the Borrowers or in which it may have equity, other than advances in the ordinary course of business; and
   - Extend any loans or advances to any of its directors, officers, stockholders, affiliates and partners other than advances in the ordinary course of business.

All drawdowns from the Loan Facilities (2017) were fully paid as of December 31, 2024 and 2023.

Supplemental Loan Agreement
On March 22, 2022, the Borrowers entered into a Supplemental Loan Agreement to the Agreement with PBCOM granting the Borrowers the New Loan Facilities for the following purposes: (1) refinancing the outstanding loan obligation; (2) payment of any and all fees, stamps, and other taxes to the execution and delivery of the loan documents in order to implement the refinancing; and, (3) general corporate requirements, in the maximum aggregate amount of P3.05 billion.

The New Loan Facilities are secured by the chattel and real estate mortgages and other security interests under the Agreement as well as the following: additional chattel and real mortgages over various operating assets of WMCHI; pledge of movable assets consisting of machinery and equipment owned by WCCCHI, WMCHI and DIHCI; new chattel and real estate mortgages over various operating assets of CRDC and PRC; assignment over leasehold rights on the land owned by MCIAA on which WMCHI stands; pledge of shares of stocks representing ownership of the Company in WCCCHI, WMCHI and DIHCI; assignment of all rental receivables of WCCCHI and WMCHI from PAGCOR; and assignment of the cash collateral peso-denominated interest-bearing account Debt Service Reserve Account.

Each of the Borrowers are required to comply the same covenants set forth under the Agreement.

The New Loan Facilities consists of the following:

New Facility 1 - represents secured term loan facility in the amount of P550.00 million to re-finance the payment of the Facility 3 of the Original Loan Agreement available through maximum of two (2) drawdowns within September 2022 with term of 30 months from the initial drawdown date. The loan principal for this facility is payable in equal monthly installments to commence one month from the drawdown date. Interest is charged at the higher of three (3)-year BVAL rate on the date of availment and spread of 3.25% per annum or 7.75% per annum; floating rate re-priceable every quarter; and repayable monthly in arrears.

New Facility 2 - represents secured term loan facility in the amount of P1.00 billion available through a single or multiple drawdowns with term of 60 months from the initial drawdown date, regardless of the number of drawdowns. Any amount not drawn after the expiration of the commitment period shall be automatically cancelled and may not be reinstated.

New Facility 3 - represents secured term loan facility in the amount of P600.00 million available through a single or multiple drawdowns with term of 60 months from the initial drawdown date, regardless of the number of drawdowns. Any amount not drawn after the expiration of the commitment period shall be automatically cancelled and may not be reinstated.

New Facility 4 - represents secured term loan facility in the amount of P900.00 million available through a single or multiple drawdowns with term of 60 months from the initial drawdown date, regardless of the number of drawdowns. Any amount not drawn after the expiration of the commitment period shall be automatically cancelled and may not be reinstated.

The loan principals for New Facilities 2, 3 and 4 are payable on equal monthly installments to commence at the end of twenty-fourth (24th) month from the initial drawdown date subject to balloon payment upon maturity. Interest is charged at the higher of five (5)-year BVAL rate on the date of availment and spread of 3.25% per annum or 7.75% per annum; floating rate re-priceable every quarter; and repayable monthly in arrears.

All drawdowns were made by the Parent Company.

The drawdowns and payments are made by the Parent Company as they fall due and there are no defaults in payments.

As at December 31, 2024 and 2023, the Parent Company did not meet the minimum debt service coverage ratio of 1.25:1 as described in Section 4.4 Debt Service Coverage Ratio of the Agreement. The Agreement provides a process which includes notifications by PBCOM and a period of rectification prior to a breach of such covenants being considered an event of default. The Parent Company has notified PBCOM of the breach and PBCOM signified agreement of not treating the breach as an event of default as at December 31, 2024.

As at December 31, 2024, the Parent Company has not received any notification from PBCOM that would trigger the rectification period prior to being considered an event of default. Thus, as of reporting date the noted breach was not considered an event of default that would have the effect of rendering the loans immediately due and demandable.

The outstanding balances of the loans under the Loan Facilities are presented in the financial position of the Parent Company as follows:

Loan Facility	Current Portion	Noncurrent Portion	Outstanding Balance
New Facility 1	**P55,000,000**	**P -**	**P55,000,000**
New Facility 2	**96,000,000**	**760,000,000**	**856,000,000**
New Facility 3	**57,600,000**	**513,600,000**	**571,200,000**
New Facility 4	**86,400,000**	**770,400,000**	**856,800,000**
	P295,000,000	**P2,044,000,000**	**P2,339,000,000**

The drawdowns and payments made by the Parent Company under the New Loan Facilities are presented below:

2024

Loan Facility	Drawdown Date	Maturity Date	Payment Terms	Monthly Amortization	Principal	Principal Payments	Outstanding Balance
New Facility 1	9/13/2022	3/13/2025	30 months	**P18,333,333**	**P275,000,000**	**P220,000,000**	**P55,000,000**
New Facility 2	6/16/2022	6/4/2027	60 months	**8,000,000**	**1,000,000,000**	**48,000,000**	**952,000,000**
New Facility 3	6/6/2022	6/4/2027	60 months	**4,800,000**	**600,000,000**	**28,800,000**	**571,200,000**
New Facility 4	6/8/2022	6/4/2027	60 months	**7,200,000**	**900,000,000**	**43,200,000**	**856,800,000**
					P2,775,000,000	**P340,000,000**	**P2,435,000,000**

2023

Loan Facility	Drawdown Date	Maturity Date	Payment Terms	Monthly Amortization	Principal	Principal Payments	Outstanding Balance
New Facility 1	9/13/2022	3/13/2025	30 months	P18,333,333	P495,000,000	P220,000,000	P275,000,000
New Facility 2	6/16/2022	6/4/2027	60 months	8,000,000	1,000,000,000	-	1,000,000,000
New Facility 3	6/6/2022	6/4/2027	60 months	4,800,000	600,000,000	-	600,000,000
New Facility 4	6/8/2022	6/4/2027	60 months	7,200,000	900,000,000	-	900,000,000
					P2,995,000,000	P220,000,000	P2,775,000,000

Total interest expense arising from the Loan Facilities recognized in the consolidated statements of profit or loss and other comprehensive income amounted to P274.71, P36.40 million and P59.83 in 2023, 2022 and 2021, respectively. Total interest paid by the Parent Company arising for the New Loan Facilities amounted to P276.43 million, P123.98 million, and nil in 2023, 2022, and 2021, respectively.

27. Restatements of Comparative Figures

The Group restated the comparative financial statements as at the year ended December 31, 2023 (earliest period) and presented an Statement of Financial Position as at January 1, 2023 due to the impact of the following:

1) The Group inadvertently made some mapping errors during consolidation that resulted in misstatements prior to 2022 and during 2023 in the reserves accounts and other equity accounts that required reclassifications.

The restatements prior to 2022 were made on the balances as of Jan. 1, 2022. However as only the Statements of Financial Position as at December 31, 2024 and 2023 are to be presented, the adjustments were presented on the Statement of Financial Position as January 1, 2023 (Opening Statement of Financial Position). The effect of the restatement of these errors in the Opening Statement of Financial Position is as follows:

January 1, 2023

Revaluation surplus on property and equipment	Increase	P180,044,855
Non-controlling interest	Decrease	99,957,680
Retained Earnings	Decrease	205,107,645
Deferred tax liabilities	Increase	125,020,471

The restatements did not have any impact on the 2022 and 2023 Statements of Comprehensive Income.

The effect of the restatement in the 2023 financial statements is as follows:

December 31, 2023

Deferred tax assets	Decrease	P3,216,742
Retirement benefits liability	Decrease	648,066
Retirement benefits reserve	Decrease	15,450,243
Foreign currency translation adjustment	Increase	12,881,567

The restatements did not have any impact on the profit or loss and the cash flows for the year 2023.

2) As at December 31, 2023, certain properties valued at cost in a subsidiary financial statements were not adjusted to revalued amounts upon consolidation in accordance with Group policy. The impact of the restatement on the 2023 financial statements is summarized as follows:

Statement of Financial Position		
Property and equipment	Increase	P728,000,000
Non-controlling interest	Increase	241,878,000
Deferred tax liabilities	Increase	182,000,000
Revaluation surplus on property and equipment	Increase	304,122,000
Statement of Comprehensive Income		
Appraisal increase on property and equipment (net of deferred tax)	Increase	546,000,000

The restatements did not have any impact on the profit or loss and the cash flows for the year 2023.

28. Material Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, except for the adoption of amendment to standards as discussed below.

<u>Adoption of Amendments to Standards</u>
The Group has adopted the following new standards, amendments to standards and interpretations starting January 1, 2024 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption did not have any significant impact on the Group's consolidated financial statements.

<u>Standards Issued but Not Yet Adopted</u>
A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2024. 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, 2027

- *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.

- *PFRS 18, Presentation and Disclosure in Financial Statements, will replace IAS 1 and aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information*

  - *A more structured income statement*. PFRS 18 promotes a more structured income statement. It introduces a newly defined 'operating profit or loss' and 'profit or loss before financing and income tax' subtotals, and a requirement for all income and expenses to be classified into three new distinct categories – operating, investing, and financing – based on a company's main business activities. IFRS 18 also requires companies to analyze their operating expenses directly on the face of the income statement – either by nature, by function or on a mixed basis. Companies need to choose the presentation method that provides the 'most useful structured summary' of those expenses. New disclosures apply if any operating expenses are presented by function.

  - *Management-defined performance measures.* IFRS 18 provides a definition for management-defined performance measures (MPMs) and introduces specific disclosure requirements. MPMs are subtotals of income and expenses that are used in public communications outside the financial statements, communicate management's view of an aspect of the financial performance of the entity as a whole and are not a required subtotal or a common income and expense subtotal listed in IFRS 18. For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information and how it is calculated, and to reconcile it to an amount determined under IFRS Accounting Standards.

  - *Greater disaggregation of information.* IFRS 18 provides enhanced guidance on how companies group information in the financial statements, including newly defined roles of the primary financial statements and the notes, principles of aggregation and disaggregation based on shared and non-shared characteristics, and specific guidance for labelling and describing items in a way that faithfully represents an item's characteristics.

    IFRS 18 also now require goodwill to be presented as a line item in the statement of financial position.

    Consequential amendments to IAS 7, *Statement of Cash Flows,* requires the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividend cash flows.

    IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. It applies retrospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Specific reconciliations are required to be disclosed.

    The Group is still assessing the impact of this standard.

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.

The consolidated financial statements include the accounts of the Parent Company, as well as those of its subsidiaries enumerated in Note 1 to the consolidated financial statements.

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 statements 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 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.

Classification of Financial Assets

<u>Financial Assets</u>

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, receivables, notes receivable, due from related parties, short-term investments and other noncurrent assets.

<u>Receivables</u>

Receivables are nonderivative financial assets with fixed or determinable payments and are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. These are included in current assets if maturity is within 12 months from the reporting date. Otherwise, these are classified as noncurrent assets.

<u>Short-term Investments</u>

Short-term investments are certificates of deposit which are highly liquid with maturities of more than 3 months but less than 1 year from date of acquisition and are subject to an insignificant risk of change in value.

<u>Refundable Deposits</u>

Refundable deposits are payment made by the Group to its lessors at the inception of the respective lease agreements entered into by the Group.

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.

Included in this category is the Group’s equity securities at FVOCI.

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 Group 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 the date of initial application and as at December 31, 2024 and 2023.

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, 2024 and 2023, 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 Solely Payments of Principal and Interest (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.

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

<u>Financial Liabilities</u>

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, 2024 and 2023, other financial liabilities at amortized cost include accounts payable and accrued expenses (excluding local taxes, output VAT and withholding taxes), loans payable, due to a related party, lease liabilities, other current liabilities (excluding deferred income), concessionaires' deposits and retention payables (see Notes 8, 11, 12, 13, 14, 24 and 26). 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 Asset
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 contractual rights to receive cash flows from the asset have expired;
- The Group retains the contractual 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; or
- The Group has transferred its contractual right to receive cash flows from the asset or 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.

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 statements of profit or loss and other comprehensive income.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the 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 statements of financial position.

As at December 31, 2024 and 2023, 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 statements 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 non-financial 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 statements 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.

Inventories
Inventories are stated at the lower of cost and NRV. Cost incurred in bringing the inventories to their present location and condition is calculated using the weighted average method.

NRV for food and beverage represents the estimated selling price in the ordinary course of business less the estimated costs to sell. NRV of operating supplies and engineering and maintenance supplies is the estimated current replacement cost. Inventories are periodically reviewed and evaluated for obsolescence. Obsolete inventories are scrapped or disposed of and the related costs are charged to operations.

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 statements of financial position as current assets when the cost of goods or services related to the prepayments 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 Initial Recognition

Upon initial recognition, items of property and equipment are measured at cost which comprises the purchase price and all directly attributable costs of bringing the asset to the location and condition for its intended use.

Measurement Subsequent to Initial Recognition

Property and equipment, except for leasehold improvements, operating equipment and construction-in-progress which are stated at cost, are carried at revalued amounts, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and impairment losses, if any. Fair values are determined through appraisal by 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.

The net appraisal surplus resulting from the revaluation is credited to “Revaluation surplus on property and equipment” account (net of corresponding deferred income tax effect) shown under the consolidated statements of changes in equity. Any increase in the revaluation amount is credited to the “Revaluation surplus on property and equipment” account unless it offsets a previous decrease in the value of the same asset recognized in profit or loss. A decrease in value is recognized in profit or loss where it exceeds the increase previously recognized in the “Revaluation surplus on property and equipment.” Upon disposal, any related revaluation surplus is transferred to “Retained earnings” account and is not taken into account in arriving at the gain or loss on disposal. Also, the amount of revaluation surplus absorbed through depreciation is being transferred to “Retained earnings” account, net of deferred tax effect.

All costs, including borrowing costs, which were directly and clearly associated with the construction of the Group, were capitalized.

Construction-in-progress, included in property and equipment, represents structures under construction and is stated at cost. This includes cost of construction and other direct costs. Construction-in-progress is not depreciated until such time as the relevant assets are completed and put into operational use.

Operating equipment consisting of chinaware, glassware, silverware and linen are stated at cost less accumulated depreciation and adjustments based on periodic inventory method. Under this method, the recorded costs of operating equipment are depreciated using various rates and adjusted based on periodic inventory count. Adjustments include the effects of any breakages and damages. The depreciation and adjustments are recognized in profit or loss.

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.

Fair Value Measurement

The Group’s property and equipment as at December 31, 2024 and 2023 is based on Level 3. Further information about the assumption made in measuring fair value of property and equipment is included in Note 9 to the consolidated financial statements.

Depreciation
Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are depreciated over the estimated useful life of the asset or term of the lease, whichever is shorter.

The estimated useful lives are as follows:

	Number of Years
Land improvements	5 - 10
Leasehold improvements	Shorter of lease term and 10
Hotel buildings and improvements	15 - 50
Furniture, fixtures and equipment	3
Operating equipment	3
Transportation equipment	3

The estimated useful lives, as well as the depreciation methods are reviewed at each reporting date to ensure that the period and methods of depreciation 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, no further charges for depreciation are made in respect of those assets.

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 related 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 (CGU) 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 (VIU). 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 VIU, the estimated future cash flows are discounted to their present value using a pretax 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 CGU 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 impairment 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.

A reversal of an impairment loss on a revalued asset is recognized in the consolidated statements of changes in equity and increases the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognized in the profit or loss, a reversal of that impairment loss is also recognized in the profit or loss.

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 nonmonetary benefits, among others, are measured on an undiscounted basis and are expensed as the related service is provided.

Defined Benefit Plan

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 projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement 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 Reserve" under equity. The Group determines the net interest expense or income on the net defined benefit liability or asset for the period by applying the discount rate used to measure the DBO at the beginning of the annual period to the net defined benefit liability or asset, taking into account any changes in the net defined liability or asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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 Group 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 Group uses the definition of a lease in PFRS 16.

The Group as Lessee
At commencement or on modification of a contract that contains a lease component, the Group 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 Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group 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 Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group 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 Group's IBR. Generally, the Group uses its IBR as the discount rate.

The Group determines its IBR 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 Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group 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 Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group 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 Group presents right-of-use assets - net that do not meet the definition of investment property and lease liabilities as a separate line item in the consolidated statements of financial position.

Short-term Leases
The Group has elected not to recognize right-of-use assets - net and lease liabilities for short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group as Lessor
At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group 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 Group 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 Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group 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 Group 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 Group applies PFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in PFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘other revenue’.

<u>Foreign Currency Transactions and Translation</u>
Transactions denominated in foreign currencies are recorded in PHP based on the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to PHP using the rates of exchange prevailing at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group’s net investment in a foreign operation. These are recognized under “Foreign currency translation differences” account in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 is determined.

The gain or loss arising on translation of nonmonetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

During the translation of the consolidated financial statement accounts of the foreign subsidiaries wherein accounts are being maintained in USD, the differences between the reporting currency and the functional currency are recorded in OCI.

The results and financial position of the foreign subsidiaries are translated into PHP using the following procedures:

- assets and liabilities are translated at the closing rate at reporting date;
- income and expenses are translated at exchange rates at the date of the transaction; and
- all resulting exchange differences are recognized as a separate component in equity.

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 statements of other comprehensive income and consolidated statements 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.

VAT

Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The amount of tax recoverable from, or payable to, the taxation authority is presented as part of “Prepaid expenses and other current assets” or “Accounts payable and accrued expenses” accounts, respectively, in the consolidated statements of financial position.

Equity

Capital stock is classified as equity. Incremental costs directly attributable to the issuance of capital stock, if any, are recognized as a deduction from equity, net of any tax effects, if this can be absorbed by the excess of issue cost over par value. Otherwise, these are recognized in profit or loss.

Retained earnings includes accumulated results of operations as reported in the consolidated statements of profit or loss and other comprehensive income, net of any dividend distribution.

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 statements of profit or loss and other comprehensive 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.

Revenues outside the scope of PFRS 15, *Revenue from Contracts with Customers*:

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;
- whether the Group has inventory risk before or after the customer order; 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 are reported on an accrual basis.

EPS
Basic EPS 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 is computed in the same manner as the aforementioned, except that all outstanding convertible preferred shares were further assumed to have been converted to common stock at the beginning of the period or at the time of issuance during the year.

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 that relate to transactions with any of the Group's other components. All operating results are reviewed regularly by the Group's BOD, the chief operating decision maker of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's BOD include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property and equipment.

The Group's operating businesses are organized and managed separately according to hotel property location, with each segment representing a strategic business unit.

Provisions and Contingencies
A provision is a liability of uncertain timing or amount. It is recognized when the Group has a legal or constructive obligation as a result of a past event; when it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The amount to be recognized as provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.
When it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognized in the consolidated financial statements but are disclosed when the 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-yearend events that provide additional information about the Group's financial position or performance 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.

C O V E R   S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A S 0 9 4 - 0 0 8 6 7 8

COMPANY NAME

W A T E R F R O N T   P H I L I P P I N E S ,

I N C O R P O R A T E D   A N D   S U B S I D I A R I E S

PRINCIPAL OFFICE **(No. / Street / Barangay / City / Town / Province)**

No. 1 Waterfront Drive

Off Salinas Drive, Lahug

Cebu City, PhilippineS

Form Type	Department requiring the report	Secondary License Type, If Applicable
AFS23		

COMPANY INFORMATION

Company's email Address	Company's Telephone Number/s	Mobile Number

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Evangeline E. Soliveres	e.soliveres@waterfronthotels.net	(032) 687-0888	

CONTACT PERSON's ADDRESS

No. 1 Waterfront Drive, Off Salinas Drive, Lahug

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.*

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

As of December 31, 2024

Ratio	Formula	**2024**	2023
Current ratio	Total Current Assets divided by Total Current Liabilities Total Current Assets P4,561,995,120 Divided by: Total Current Liabilities 2,531,479,659 Current ratio **1.80**	**1.80**	1.83
Acid test ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities Total Current Assets P4,561,995,120 Less: Inventories 31,251,767 Other current assets 69,487,919 Quick assets P4,461,255,434 Divided by: Total Current Liabilities 2,531,479,659 Acid test ratio **1.76**	**1.76**	1.72
Solvency ratio	Net Income After Tax plus Non-cash Expenses divided by Total Liabilities Net Income After Tax P1,604,686,733 Add: Non-Cash Expenses 362,303,023 After-tax Net Operating Income P1,966,989,756 Divided by: Total Liabilities 7,684,635,391 Solvency ratio **0.26**	**0.26**	0.04
Debt-to-equity ratio	Total Liabilities divided by Shareholder's Equity Total Liabilities P7,684,635,391 Divided by Shareholder's Equity 12,384,330,712 Debt-to-equity ratio **0.62**	**0.62**	0.70
Asset-to-equity ratio	Total assets divided by Shareholder's Equity Total assets P22,411,697,891 Divided by: Shareholder's Equity 12,384,330,712 Asset-to-equity ratio **1.81**	**1.81**	1.83
Interest rate coverage ratio	Net Income divided by Interest Expense Net Income P1,604,686,733 Divided by: Interest Expense 310,001,801 Interest rate coverage ratio **5.18**	**5.18**	0.13
Return on equity	Net Income divided by Shareholder's Equity Net Income P1,604,686,733 Divided by: Shareholder's Equity 12,384,330,712 Return on Equity **13%**	**13%**	0.03%
Return on assets	Net Income divided by Average Total Assets Net Income P1,604,686,733 Divided by: Average Total Asset Beginning Balance, asset P20,680,387,508 Add: Ending Balance, asset 22,411,697,891 P43,092,085,399 Divided by: 2 21,456,042,699 Return on asset **7%**	**7%**	0.18%
Net profit margin	Net Income divided by Sales Revenue Net Income P1,604,686,733 Divided by: Sales Revenue 1,951,540,132 Net profit margin **82%**	**82%**	2.14%

ANNEX A

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION AS OF DECEMBER 31, 2024

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES

No. 1 Waterfront Drive, Off Salinas Drive, Lahug Cebu City, Philippines

Unappropriated Retained Deficit, beginning of the reporting period	**(P1,127,071,553)**
Unappropriated Retained Earnings, as adjusted	**(1,127,071,553)**
Add/Less: Net Loss for the current year	**(291,664,776)**
Adjusted Net Loss	**(291,664,776)**
Total Retained Earnings, end of the reporting period available for dividend	**(P1,418,736,329)**

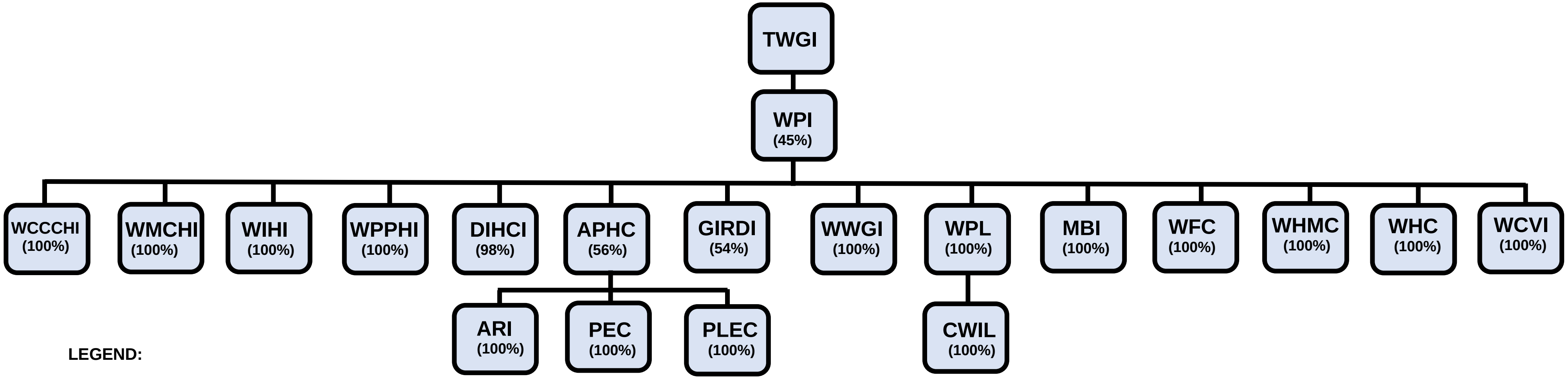
ANNEX A

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
December 31, 2024

	2024	2023
Total Audit Fees		
Audit of financial statements	**P4,787,500**	P3,676,000
Total non-audit services fees:		
Financial statement word processing	**Included in the audit fee**	Included in the audit fee
Audit and non-audit fees of related parties:		
Audit fees	**-**	-
Non-audit services	**Included in the audit fee**	Included in the audit fee
Total fees	**P4,787,500**	P3,676,000

ANNEX B

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED UNDER THE REVISED SRC RULE 68
Map of Conglomerate
December 31, 2024



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 (Doing business under the name and style of Waterfront Manila Hotel and Casino)
ARI	- Acesite Realty, Inc. (formerly CIMA Realty Phils., Inc.)
PEC	- Pavillion Enterprises Corp.
PLEC	- Pavillion Leisure and Entertainment Corp.
GIRDI	- Grand Ilocandia Resort and Development, Inc.
WWGI	- Waterfront Wellness Group, Inc.
WPL	- Waterfront Promotion Limited
CWIL	- Club Waterfront International Limited
MBI	- Mayo Bonanza, Inc.
WFC	- Waterfront Food Concepts, Inc.
WHMC	- Waterfront Hotel Management Corp.
WHC	- Waterfront Horizon Corporation (formerly Waterfront Entertainment Corporation)
WCVI	- Waterfront Cebu Ventures, Inc.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES

Table of Contents

Supplementary Schedules of Annex 68-J
Required Under the Revised SRC Rule 68
December 31, 2024

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2024
(Amounts in thousands)

Name of Issuing Entity and Association of Each Issue	Number of shares or Principal Amount of Bonds and Notes	Amount Shown in the Statements of Financial Position	Value Based on Market Quotations at End of Reporting Period	Income Received and Accrued
Cash and cash equivalents *	P -	P473,242	P473,242	P1,387
Receivables	-	965,196	965,196	-
Notes receivable	-	267,553	267,553	8,578
Short-term investments	-	1,278	1,278	-
Due from related parties	-	6,161,398	6,161,398	134,314
Equity securities - at FVOCI	136,710	70,256	70,256	-
Other noncurrent assets **	-	50,060	50,060	-
	P136,710	P7,988,983	P7,988,983	P144,279

*Excluding cash on hand

**Excluding advances to contractors

See Notes 4, 5, 7, 8 and 10 to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (Other than Related Parties)
DECEMBER 31, 2024
(Amounts in thousands)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Noncurrent	Balance at End of Period
The Wellex Group, Inc.	P1,047,279	P -	P148,180	P -	P899,099	P -	P899,099
Pacific Rehouse Corporation	595,223	10,651	-	-	605,874	-	605,874
Crisanta Realty Development Corporation	638,822	20,772	-	-	100,653	558,941	659,594
Westland Pacific Properties Corporation	631,075	22,400	-	-	-	653,475	653,475
Rexlon Realty Group, Inc.	692,500	42,000	-	-	542,000	192,500	734,500
Philippine Estates Corporation	92,054	2,124	-	-	94,178	-	94,178
Others	-	-	-	-	-	-	-
Forum Holdings Corporation	62,093	2,124	-	-	64,217	-	64,217
Plastic City Industrial Corporation	1,546	-	-	-	1,546	-	1,546
Acesite Leisure and Entertainment Corporation	248,727	20,171	-	-	268,898	-	268,898

See Note 8 to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Amounts in thousands)

Name and Designation of Debtor	Balance at Beginning of period	Additions	Amounts Collected	Amounts Written Off	Current	Noncurrent	Balance at End of Period
Acesite (Phils.) Hotel Corp.	P187,219	P731	P -	P -	P 187,950	P -	P187,950
Waterfront Hotel Management Corp.	204,253	-	-	-	204,253	-	204,253
Mayo Bonanza, Inc.	4,750	64	-	-	4,814	-	4,814
Waterfront Wellness Group, Inc.	2,061	-	-	-	2,061	-	2,061
Waterfront Food Concepts, Inc.	1,937	-	-	-	1,937	-	1,937
Waterfront Iloilo Hotel Inc.	444	84	-	-	528	-	528
Waterfront Puerto Princesa Hotel, Inc.	387	64	-	-	451	-	451

See Note 8 to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2024

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
Philippine Bank of Communications Loans Payable	P2,775,000,000	P340,000,000	P2,435,000,000
Social Security System Loans Payable	375,000,000	375,000,000	-

See Notes 13 and 26 to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES
DECEMBER 31, 2024

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
Acesite Leisure and Entertainment Corporation	P -	P -

See Note 8 to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2023

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

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2024

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	5,000,000,000	2,498,991,753	-	1,128,466,800	40,352,530	1,330,172,423

See Note 16 to the Consolidated Financial Statements.

Separate

WATERFRONT
PHILIPPINES, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Waterfront Philippines, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2024 and 2023,** 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:

Sergio Ortiz-Luis, Jr.
Chairman of the Board

Kenneth T. Gatchalian
President

Evangeline E. Soliveres
Corporate Finance Director

Elvira A. Ting
Treasurer

Signed this 15th day of April 2025.

ACKNOWLEDGMENT

APR 15 2025

BEFORE ME, a Notary Public for and in Cebu City, this ______ day of April, 2025, personally appeared ______________________, known to me as the same person who executed the Employment Contract, which they acknowledged before me as their free and voluntary act and deed.

WITNESS MY HAND AND SEAL on the date and in the place above written.

Doc. No. 260
Page No. 96
Book No. 33
Series of 2025.

AARON L. TAMPON
ROLL No. 56453
NOTARY PUBLIC
CEBU CITY, PHILIPPINES

ATTY. AARON L. TAMPON
NOTARY PUBLIC
NOT. COMMISION NO. 33-15 UNTIL DEC. 31, 2026
LOWER LEVEL WATERFRONT HOTEL LAHUG, CEBU CITY
ROLL OF ATTORNEYS 56453
PTR NO. 2722159/ NOV. 21, 2024/CEBU CITY
IBP NO. 470881/ OCT. 8, 2024/PASIG CITY

WATERFRONT
PHILIPPINES, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Waterfront Philippines, Inc.** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended **December 31, 2024 and 2023,** 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:

Sergio Ortiz-Luis, Jr.
Chairman of the Board

Kenneth T. Gatchalian
President

Evangeline E. Soliveres
Corporate Finance Director

Elvira A. Ting
Treasurer

Signed this __th day of APR 15 2025 20___

ACKNOWLEDGMENT

BEFORE ME, a Notary Public for and in Cebu City, this APR 15 2025 day of April, 2025, personally appeared ______________________, known to me as the same person who executed the Employment Contract, which they acknowledged before me as their free and voluntary act and deed.

WITNESS MY HAND AND SEAL on the date and in the place above written.

Doc. No. 260
Page No. 96
Book No. 33
Series of 2025.

AARON L. TAMPON
ROLL No. 56453
NOTARY PUBLIC
CEBU CITY, PHILIPPINES

ATTY. AARON L. TAMPON
NOTARY PUBLIC
NOT. COMMISION NO.33-15 UNTIL DEC.31. 2026
LOWER LEVEL WATERFRONT HOTEL LAHUG, CEBU CITY
ROLL OF ATTORNEYS 56453
PTR NO. 2722159/NOV.2[illegible], 2024/CEBU CITY
IBP NO. 470881/OCT.8, 2024/PASIG CITY

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 003-978-254-000
Name	: WATERFRONT PHILIPPINES INCORPORATED
RDO	: 080
Form Type	: 1702
Reference No.	: 462500065351310
Amount Payable (Over Remittance)	: -1,450,399.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2024
Date Filed	: 04/14/2025
Tax Type	: IT

[BIR Main | eFPS Login | User Menu | Help]

Reference No : 462500065351310
Date Filed : April 14, 2025 04:52 PM
Batch Number : 0

Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

For 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 (●) Calendar ( ) Fiscal
2 Year Ended (MM/20YY) 12/2024
3 Amended Return? ( ) Yes (●) No
4 Short Period Return? ( ) Yes (●) No
5 Alphanumeric Tax Code (ATC)
IC055 Minimum Corporate Income Tax (MCIT)
IC010 DOMESTIC CORPORATION IN GENERAL

Part I - Background Information

6 Taxpayer Identification Number (TIN) 003 - 978 - 254 - 000 **7** RDO Code 080

8 Registered Name *(Enter only 1 letter per box using CAPITAL LETTERS)*
WATERFRONT PHILIPPINES INCORPORATED

9A Registered Address *(Indicate complete registered address)*
IPT BLDG.PRE-DEP AREA MCIAA MACTAN LAPULAPU CITY

9B Zipcode 6015

10 Date of Incorporation/Organization (MM/DD/YYYY) 09/23/1994

11 Contact Number 3404888
12 Email Address wpi@waterfronthotels.net

13 Method of Deductions (●) Itemized Deductions [Section 34 (A-J), NIRC] ( ) 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)*	1,492,230
15 Less: Total Tax Credits/Payments *(From Part IV Item 55)*	2,942,629
16 Net Tax Payable (Overpayment) *(Item 14 Less Item 15) (From Part IV Item 56)*	(1,450,399)
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)*	(1,450,399)

If Overpayment, mark "X" one box only *(Once the choice is made, the same is irrevocable)*
( ) To be refunded ( ) To be issued a Tax Credit Certificate (TCC) (●) 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				**22** Number of Attachments
Title of Signatory	KENNETH GATCHALIAN	TIN	117922153	Title of Signatory	ELVIRA A TING	TIN	117922153	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)	**Registered Name**
003 - 978 - 254 - 000	WATERFRONT PHILIPPINES INCORPORATED

Part IV - Computation of Tax *(Do NOT enter Centavos)*

27 Sales/Receipts/Revenues/Fees	10,332,414
28 Less: Sales Returns, Allowances and Discounts	0
29 Net Sales/Receipts/Revenues/Fees *(Item 27 Less Item 28)*	10,332,414
30 Less: Cost of Sales/Services	0
31 Gross Income from Operation *(Item 29 Less Item 30)*	10,332,414
32 Add: Other Taxable Income Not Subjected to Final Tax	74,553,773
33 Total Taxable Income *(Sum of Items 31 and 32)*	84,886,187

Less: Deductions Allowable under Existing Law

34 Ordinary Allowable Itemized Deductions *(From Part VI Schedule I Item 18)*	313,139,671
35 Special Allowable Itemized Deductions *(From Part VI Schedule II Item 5)*	0
36 NOLCO *(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)*	228,253,485
37 Total Deductions *(Sum of Items 34 to 36)*	541,393,156
OR *[in case taxable under Sec 27(A) & 28(A)(1)]*	
38 Optional Standard Deduction *(40% of Item 33)*	0

39 Net Taxable Income/(Loss) *(If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)*	(456,506,969)
40 Applicable Income Tax Rate	25 %
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) *(Item 39 x Item 40)*	0
42 MCIT Due *(2% of Item 33)*	1,492,230
43 Tax Due *(Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)*	1,492,230

Less: Tax Credits/Payments (attach proof)

44 Prior Year's Excess Credits Other Than MCIT	1,392,767
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 *(From Part VI Schedule IV Item 4)*	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	1,549,862
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 *(To Part V Item 58)*	0
Other Credits/Payments *(Specify)*	
53	0
54	0

55 Total Tax Credits/Payments *(Sum of Items 44 to 54) (To Part II Item 15)*	2,942,629
56 Net Tax Payable / (Overpayment) *(Item 43 Less Item 55)) (To Part II Item 16)*	(1,450,399)

Part V - Tax Relief Availment

57 Special Allowable Itemized Deductions *(Item 35 of Part IV x Applicable Income Tax Rate)*	0
58 Add: Special Tax Credits *(From Part IV Item 52)*	0
59 Total Tax Relief Availment *(Sum of Items 57 and 58)*	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)	Registered Name
003 - 978 - 254 - 000	WATERFRONT PHILIPPINES INCORPORATED

Schedule I - Ordinary Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

1 Amortizations	0
2 Bad Debts	0
3 Charitable Contributions	0
4 Depletion	0
5 Depreciation	0
6 Entertainment, Amusement and Recreation	0
7 Fringe Benefits	0
8 Interest	274,312,919
9 Losses	0
10 Pension Trust	0
11 Rental	0
12 Research and Development	0
13 Salaries, Wages and Allowances	8,185,362
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	0
15 Taxes and Licenses	23,050,727
16 Transportation and Travel	686
17 Others (Deductions Subject to Withholding Tax and Other Expenses) *[Specify below; Add additional sheet(s), if necessary]*	
a Janitorial and Messengerial Services	0
b Professional Fees	4,579,521
c Security Services	0
d OTHER OUTSIDE SERVICES	565,364
e SUPPLIES	3,200
f COMMUNICATION	135
g MISCELLANEOUS	1,597,757
h MANAGEMENT AND CONSULTANCY	844,000
i	0
18 Total Ordinary Allowable Itemized Deductions *(Sum of Items 1 to 17i) (To Part IV Item 34)*	313,139,671

Schedule II - Special Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

	Description	Legal Basis	Amount
1			0
2			0
3			0
4			0
5 Total Special Allowable Itemized Deductions *(Sum of Items 1 to 4) (To Part IV Item 35)*			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)	**Registered Name**
003 - 978 - 254 - 000	WATERFRONT PHILIPPINES INCORPORATED

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)

1 Gross Income *(From Part IV Item 33)*	84,886,187
2 Less: Ordinary Allowable Itemized Deductions *(From Part VI Schedule I Item 18)*	313,139,671
3 Net Operating Loss*(Item 1 Less Item 2) (To Schedule IIIA, Item 7A)*	(228,253,484)

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	2024	228,253,484	0
5	2023	242,127,815	0
6	2022	74,779,001	0
7		0	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	228,253,484
5	0	153,474,484	88,653,331
6	0	74,779,001	0
7	0	0	0
8 Total NOLCO *(Sum of Items 4D to 7D) (To Part IV, Item 36)*		228,253,485	

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	(290,172,546)
Add: Non-deductible Expenses/Taxable Other Income	
2 REPRESENTATION EXPENSE	61,962,341
3 INTEREST EXPENSE	14,427
4 Total *(Sum of Items 1 to 3)*	(228,195,778)
Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5 INTEREST INCOME	57,706
6	0
B) Special Deductions	
7 NOLCO APPLIED	228,253,485
8	0
9 Total (Sum of Items 5 to 8)	228,311,191
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)	(456,506,969)

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	WATERFRONT PHILIPPINES, INC.
Location of Headquarters	Cebu City, Philippines
Location of Operations	Outlined in page 11 to 16 of this report
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Outlined in Item 2. Properties from page 19 to 20
Business Model, including Primary Activities, Brands, Products, and Services	WPI is a holding company for hotel, leisure and tourism businesses.
Reporting Period	For the year ended December 31, 2024
Highest Ranking Person responsible for this report	COMPLIANCE OFFICER – MS. EVANGELINE SOLIVERES

**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]
WPI has set out in its initial submission of this Sustainability Report to provide information identified as material topics based on its relevance to the operations of the Corporation and the Hotels on the basis of the Sustainability Accounting Standards Board (SASB) Materiality Map, specifically, for the Hotels & Lodging industry. 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. Per assessment, the Corporation identifies the following issues as most likely to affect the economic, environmental and social impacts of the Corporation: 1. Environmental - Energy Management, Waste and Wastewater Management 2. Social - Labour Practices, Product and/or Service Quality and Safety 3. 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)	1,951,540,130	PhP
Direct economic value distributed:		
a. Operating costs	1,566,418,918	PhP
b. Employee wages and benefits	236,394,935	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	159,724,192	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 in the creation of job opportunities for individuals who would like to pursue a career in the hotel and food & beverage industry.	Employees, Local Community	The hotel regularly monitors the manpower needed as new events and new clients are booked and signed. The hotel then hires employees based on the requirement of the properties involved.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Despite the growing population of jobseekers, some are not equipped to readily undertake delivering services to the clientele of the Company.	Employees	The Company coordinates with various avenues including schools, online job websites like LinkedIn and accredited head-hunters in finding people suitable for the tasks. Once hired, the Company also provides in-house training for skills specific to the standards observed by the hotels in the group.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
There is an opportunity to provide holistic improvement to the employees, thereby promoting efficiency and effectivity at work	Employees	The Group's Human Resource Department continually provides trainings for its employees including trainings for skills, language improvement, handling of stress, etc.

Climate-related risks and opportunities[2]

This year, the Group cannot provide relevantly sufficient information to evaluate in full any climate-related risks and opportunities. The Group is currently in the process of crafting certain metrics to assess the risks as well as the opportunities at this stage.

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities	Disclose the actual and potential impacts[3] of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	Disclose how the organization identifies, assesses, and manages climate-related risks	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material
Recommended Disclosures			
a) Describe the board's oversight of climate-related risks and opportunities	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	a) Describe the organization's processes for identifying and assessing climate-related risks	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process
b) Describe management's role in assessing and managing climate-related risks and opportunities	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	b) Describe the organization's processes for managing climate-related risks	b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	

[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.
[3] For this disclosure, impact refers to the impact of climate-related issues on the company.

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	95	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Majority of the suppliers in the Group's supply chain are local establishments. This allows the Group to take advantage of delivery cost savings, shorter delivery time and generally, higher quality of goods.	Local Industry Suppliers	The Procurement Departments of the various hotels under the Group are observing the practice of preferring local suppliers.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Some of the goods and services needed by the Group might not be readily available	Guests	The Group follows an inventory monitoring procedures that take into account the delivery lead time per item per supplier
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
There is an opportunity to improve the local supply chain as well as subscribe to locally-sustainable, readily available products that are sold at an affordable price range.	Suppliers, Government	The Group chooses three suppliers where the needed items will be sourced from regularly. One of the factors considered is the proximity of the supplier to the location of the hotel.

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)	185,643	Kg
Energy consumption (diesel)	602,945	L
Energy consumption (electricity)	21,176,629	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		Cubic meters
Water consumption	626,439	Cubic meters
Water recycled and reused	317,995	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 group 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 group 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[4] 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		

[4] International Union for Conservation of Nature

Environmental impact management

The group 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_2e
Energy indirect (Scope 2) GHG Emissions	-	Tonnes CO_2e
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 group 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 group 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	9,072	kg
Composted	-	kg
Incinerated	-	kg
Residuals/Landfilled	742,177	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	2,989	kg
Total weight of hazardous waste transported	-	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 group currently does not have sufficient information to assess risks and opportunities under this category

Disclosure	Quantity	Units
Total volume of water discharges	386,123	Cubic meters
Percent of wastewater recycled	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		

Environmental compliance

The group 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[5]	417	#
a. Number of female employees	200	#
b. Number of male employees	217	#
Attrition rate[6]	21.34%	rate
Ratio of lowest paid employee against minimum wage	1.1	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	47%	53%
PhilHealth	Y	48%	52%
Pag-ibig	Y	46%	54%
Parental leaves	Y	67%	33%
Vacation leaves	Y	47%	53%
Sick leaves	Y	47%	53%
Medical benefits (aside from PhilHealth))	Y	48%	52%
Housing assistance (aside from Pag-ibig)	N	0%	100%
Retirement fund (aside from SSS)	Y	50%	50%
Further education support	N	0%	0%
Company stock options	N	0%	0%
Telecommuting	N	0%	0%
Flexible-working Hours	N	47%	53%
(Others)	N	48%	52%

[5] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

[6] 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
The availability of these benefits for the employees provide them with a sense of security for when additional funds are needed in cases of sickness, etc. The benefits being provided by the company to the employees provide them also with fulfilment in the tasks that they do.	The Group follows a comprehensive Employee Handbook which outlines, enumerates and explains the benefits being provided for by the company to its employees. Said handbook also provides for the limitations and guidelines for the availment of these benefits as well.
What are the Risk/s Identified?	**Management Approach**
If the benefits are not sufficient, the employees can become dissatisfied and subsequently, unproductive.	Management has given employees with a vast number of benefits and privileges that they can avail of.
What are the Opportunity/ies Identified?	**Management Approach**
The minimal cost of the benefits causing employees to be more productive and motivated.	Continuous learning through trainings is being offered by Management.

Employee Training and Development

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
This improves 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.	Each supervisor appraises the employee twice a year and identifies which trainings the employee needs to do his/her job well.
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

Of the entire group, only one subsidiary, Davao Insular Hotel Corporation, have an existing Collective Bargaining Agreement with its employees.

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	10%	%
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 group 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	48%	%
% of male workers in the workforce	52%	%
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	848,929	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	13	#

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

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

I. **POLICY**

It is the policy of the Waterfront Hotels & Casinos to ensure that the Standard Operating Procedure *(SOP)* on accrediting suppliers is strictly observed.

II. **OBJECTIVE**

1. To provide guidelines and standard procedures in accrediting suppliers in order to:

    1. Ensure that the three Hotel Properties have one and the same accredited suppliers for all standard hotel amenities;

    2. Ensure good buy/price of supplies through volume purchases of the three properties from the accredited suppliers; and,

    3. Ensure good supply, quantity and quality-wise of goods and services.

III. **CONCEPT**

Hotel properties maintain the same standards and qualities of amenities and services. Suppliers must be accredited by the hotel to uphold the criterion being implemented.

IV. RESPONSIBILITY

- For Purchasing Head:

    1. Informs the accredited suppliers that the three (3) hotel properties are independent from each other.

- For Concerned employees:

    1. Ensure the full compliance to these policies and maintain good business relationships with suppliers with the end objective of benefit for the company.

- For Department End Users:

    1. Gives feedback to the department regarding the performance of suppliers. Performance of suppliers would mean quality of product or service, promptness of delivery, etc.

V. **GUIDELINES AND PROCEDURES**

- All suppliers of the company undergo an accreditation process before any transaction is made with said supplier.

    1. The supplier must submit a duly accomplished Supplier's Information Sheet *(refer to Forms Manual)* together with other supporting documents required prior to accreditation.
    2. The supporting documents are any of the following:
        - For Partnerships and Corporations:

            1. Securities and Exchange Commission Certificate of registration;
            2. Articles of Incorporation;
            3. List of Trade references; and
            4. Audited Financial Statements for the last three years

        - For Single Proprietorship

            1. Department of Trade and Industry Registration of Trade Name;
            2. Local Government (Mayor's) Permit;
            3. List of trade references; and
            4. Audited Financial Statements for the last three years

- The Head of Purchasing Department of each property reviews and evaluates initially all suppliers' information using the following criteria among others.

    1. Quality of the product/items/services;
    2. Track record of the supplier. Standing of the supplier/contractor in the industry that they belong to;
    3. Price of the product/goods and/or services;
    4. Adequacy of supply;
    5. Reliability in delivery;
    6. Premium or other additional services to be offered;
    7. After sales services;
    8. Credit terms being extended;

- After reviewing and evaluating the supplier's information, make and give recommendations to the Finance Department Head for approval.
- The Purchasing Department of each property must keep a master file of all Suppliers' Information Sheet and an updated price listing of products/services being offered.
- The Purchasing Department submits to the Finance Department Head, Hotel Manager and the EVP-Hotel Operations a monthly profile of all accredited suppliers with the corresponding credit terms being extended to the company.
- Three (3) accredited suppliers of similar products are maintained to avoid loss of supplies in case one supplier's products are out of stock or unavailable.
- The Finance Department Head takes control on accrediting suppliers.
  1. The Finance Department Head is the only officer of the company who has the authority to

revoke the accreditation and blacklisting of a supplier. Department or unit heads with problems and/or difficulties with suppliers must course their written complaints to the Purchasing Head.

- The Purchasing Head investigates and evaluates the complaint within twenty four (24) hours from receipt of the written complaint.
- Purchasing Head evaluates the complaints and recommends to the Finance Department Head for proper disposition.

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
During the reporting period, the relevant sustainability topics mentioned above are not taken into consideration when accrediting suppliers.	
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 group 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 be business operations)	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 the community	Mitigating measures (if negative) or enhancement measures (if positive)

1. TOURISM	CEBU CITY	N/A	NO	N/A	
2. TOURISM	CITY OF MANILA	N/A	NO	N/A	
3. TOURISM	DAVAO CITY	N/A	NO	N/A	
4. TOURISM	LAPU-LAPU CITY	N/A	NO	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		Y

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
Customer satisfaction helps improve the processes of the hotel and generates a steady source of revenue.	Whenever there are dissatisfied customers, the management sets out to undertake measures to ensure that the concerns of the client or guests are addressed.
What are the Risk/s Identified?	**Management Approach**

Possibility of lawsuits and complaints	Management checks for the reviews provided by the clients to identify if there have been problems during the stay of the guests.
What are the Opportunity/ies Identified?	**Management Approach**
Having a customer satisfaction review helps the organization assess its processes.	Each hotel room or food and beverage outlet has a set of customer satisfactions forms that the customer can fill out.

Health and Safety

The group 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 group 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 group 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
N/A	
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	Generation of jobs for the population while providing quality service to clientele	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.*