

**ACESITE
(PHILIPPINES)
HOTEL CORPORATION**

August 06, 2025

Philippine Stock Exchange
Disclosure Department
PSE Tower, 5th Avenue cor. 28th Street,
Bonifacio Global City, Taguig City
1634, Metro Manila, Philippines

Company: Acesite (Phils.) Hotel Corporation

Subject: SEC Form 20-IS – Definitive Information Statement (DIS)

Gentlemen:

In accordance with the Securities Regulation Code and its implementing rules and regulation, we disclose herewith the Definitive Information Statement (DIS), under SRC Rule 20 of Acesite (Phils.) Hotel Corporation (ACE).

Very Truly yours,



Amando J. Ponsaran Jr.
Assistant Corporate Secretary

COVER SHEET

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SEC Registration Number

A C E S I T E (P H I L S .) H O T E L C O R P O R A T I O N

[illegible]

(Company's Full Name)

[illegible][illegible]

M . O r o s a S t r e e t E r m i t a , M a n i l a

[illegible]

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

ARTHUR R. PONSARAN

Contact Person

Company Telephone Number

1	2
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Month

3	1
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Day

2	0	-	I	S
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FORM TYPE

0	8
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Month

2	8
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Day

Annual Meeting

Not Applicable

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

Total Amount of Borrowings

165

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

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Document I.D.

Cashier

STAMPS

**ACESITE
(PHILIPPINES)
HOTEL CORPORATION**

JULY 24, 2025

Dear Stockholder:

Please be advised that the Annual Meeting of the Stockholders (ASM) of **ACESITE (PHILIPPINES) HOTEL CORPORATION** (the "Corporation") will be held on **Thursday, August 28, 2025, at 10:00 a.m.** at the Ipil Room, 14th Floor Bayview Park Hotel, 1118 Roxas Boulevard, Corner United Avenue, Ermita, Manila for the purpose of transacting the following business:

1. Call to Order;
2. Certification of Notice and Quorum;
3. Approval of the Minutes of the Annual Meeting of Stockholders held on July 2024;
4. President's Report to the Stockholders for the Year 2024 and the approval of the Audited Financial Statements as of December 31, 2024;
5. Ratification of the Acts of the Board and Management for the year 2024;
6. Approval of the amendment of Article III Section 1 of the Corporation's By – Laws: Changing the date of Annual Meeting of Stockholders from "on third Wednesday of June of each year to second Friday of October of each year;
7. Election of the Board of Directors to serve for the Term 2025-2026;
8. Appointment of External Auditor for the year 2025-2026;
9. Appointment of External Counsel for the year 2025-2026 and
10. Other business matters; and
11. Adjournment.

As fixed by the Board of Directors, stockholders of record as of **August 07, 2025** shall be entitled to notice of and vote at said stockholders' meeting and for this purpose, the Board of Directors authorized the closing of the stock and transfer book of the Corporation during the period **August 08, 2025 to August 28, 2025**.

If you are not able to attend the stockholder's meeting as scheduled, you may submit a PROXY instrument to the office of the Corporate Secretary of this Corporation thru the Stock and Transfer Agent at the address below. Stockholders whose shareholdings are lodged with the Philippine Central Depository should secure a certification of their shareholdings from

**ACESITE
(PHILIPPINES)
HOTEL CORPORATION**

their respective stockbrokers. Corporate stockholders should attach to the PROXY instrument, their respective Board Resolutions in support of their proxies. Deadline for submission of proxies is **August 28, 2025 at 10:00 A.M.** The proxy form is hereto attached as Annex "A".

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

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

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

WE EMPHASIZE THAT WE ARE NOT SOLICITING YOUR PROXY.


ARTHUR R. PONSARAN
Corporate Secretary

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

1. Mark the appropriate box:

☐ Preliminary Information Statement
☒ Definitive Information Statement

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

6. **Waterfront Manila Hotel and Casino, United Nations Avenue corner Maria Orosa Street, Ermita, Manila, 1000**
Address of Principal Office and Postal Code

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

8. **28 August 2025 at 10:00am at IPIL Room – 14th Floor Bayview Park Hotel – 1118 Roxas Boulevard, corner United nations Avenue, Ermita, Manila**
Date, time and place of the meeting of security holders

9. Approximate date on which this SEC Form 20-IS is first to be sent or given to security holders: **06 August 2025.**

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (Information on number of shares and amount of debt is applicable only to corporate registrants), as of 31 July 2025:

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

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

Yes ☒ No ☐

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

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

The stockholders' meeting shall be conducted on Thursday, 28 August 2025, 10:00 a.m. at IPIL Room – 14th Floor Bayview Park Hotel – 1118 Roxas Boulevard, corner United nations Avenue, Ermita, Manila.

06 August 2025 is the approximate date on which the Information Statement (SEC Form 20-IS) is first to be sent or given to security holders:

Item 2. Dissenter's Right of Appraisal

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

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

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

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

If, within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, That no payment shall be

made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: Provided, further, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the corporation.

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

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

1. Other than election to office, none of the following persons have any substantial interest, direct or indirect, in any matter to be acted upon other than election to office:
 - (a) Directors or officers of the Corporation at any time since the beginning of the last fiscal year;
 - (b) Each nominee for election as a director of the registrant;
 - (c) Each associate of a director or officer of the registrant at any time since the beginning of the last fiscal year or nominee for election as the director of the registrant.
2. No director intends to oppose any action to be taken at the said meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

1. As of 31 July 2025, there are 346,100,578 subscribed and issued common shares, of which 1,353,058 shares are treasury shares. Each of the 344,747,520 outstanding common shares is entitled to one vote. Of the authorized 20,000 shares of preferred stock, none have been issued. The preferred shares are not entitled to vote.
2. All stockholders on record as of 07 August 2025 are entitled to receive notice and to vote at the Annual Meeting of the Stockholders on 28 August 2025.
3. As provided for under Section 23 of the Revised Corporation Code, a stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected.

4. Security Ownership of Certain Record and Beneficial Owners and Management

a) SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

As of 31 July 2025, the stock transfer book of the corporation showed the following record owners:

Title of Class	Name and Address of Record owner and relationship with issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizen ship	No. of Shares Held	Percent
Common Shares	Waterfront Philippines, Inc. ¹ No.1 Salinas Drive, Lahug, Cebu City (Parent Company)	The Wellex Group, Inc. 35th Flr One Corporate Center, Dona Julia Vargas Ave. cor. Meralco Ave., Ortigas Center, Pasig City • Represented by Miss Elvira A. Ting, who is a nominee of said company. Directors & Officers are William T. Gatchalian, Dee Hua T. Gatchalian, Richard L. Ricardo, and Elvira A. Ting.	Filipino	192,045,057	55.49%
Common Shares	PCD Nominee Corporation ² 37/F Tower 1, The Enterprise Center, 6766 Ayala Avenue corner Paseo de Roxas, 1226 Makati City	Various Owners ²	Filipino	132,548,977	38.30%

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

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

b) SECURITY OWNERSHIP OF MANAGEMENT

As of 31 July 2025, the following are the record and beneficial ownership of directors and management:

Title of Class	Name of Beneficial Owner	Position	Citizenship	Nature and Amount of Ownership		%
				D		
Common	Arthur M. Lopez	Chairman	Filipino	D	350	0.00%
Common	Elvira A. Ting	Treasurer	Filipino	D	350	0.00%
Common	Ruben D. Torres	Director	Filipino	D	100	0.00%
Common	Sergio R. Ortiz-Luiz, Jr.	Director	Filipino	D	350	0.00%
Common	Pablo M. Gancayco	Director	Filipino	D	350	0.00%
Common	Lamberto B. Mercado, Jr.	Director	Filipino	D	350	0.00%
Common	Renato C. Francisco*	Director	Filipino	D	100	0.00%
Common	Aristeo R. Cruz*	Director	Filipino	D	3,600	0.00%
Common	Noel M. Cariño*	Director	Filipino	D	100	0.00%
Common	Dee Hua Gatchalian	Director	Filipino	D	3,850	0.00%
Total Beneficial Ownership					9,500	

* – Independent Director

D – Direct

I – Indirect

The beneficial ownership of directors and executive officers as a group amount to **9,500** shares or **0.0027%** of the Company shares. No director has any warrants, stock rights or options that would give the right to acquire additional shares.

c) VOTING TRUST HOLDERS OF 5% OR MORE

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

d) CHANGES IN CONTROL

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

e) EQUITY OWNERSHIP OF FOREIGNERS AS OF 31 JULY 2025.

Citizenship	Class	Ownership	Percentage
American	Common	20,051	0.01%
British	Common	9,251,256	2.67%
Chinese	Common	2,229	0.00%
Filipino	Common	282,768,313	81.70%
Foreign	Common	54,058,533	15.62%
Hongkong	Common	196	0.00%
Total		346,100,520	100.00%

Item 5. Directors and Executive Officers

All directors joined the Board on 24 June 2004 except for Ms. Dee Hua Gatchalian, who was elected July 19, 2005, Mr. Sergio R. Ortiz-Luiz, Jr., elected last February 25, 2013, Mr. Ruben D. Torres, elected last June 2, 2014, and Mr. Aristeo R. Cruz and Mr. Noel M. Cariño elected last August 6, 2021. All are expected to be on the Board until August 28, 2025. The Nominations Committee recommended that all current directors will be nominated to the Board again during the Company's Annual Stockholder's **Meeting on 28 August 2025**. The qualifications (including the ages, nationalities, current and past position held and business experience for the past five years) of the nominees are as follows:

Arthur M. Lopez, 78
Filipino

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

Currently, he is the Management Consultant of Double Dragon Properties Corporation, Jing Jiang Ortigas, Jing Jiang Inn Makati,

Injap Tower Iloilo, Hotel 101 Manila, Hotel 101 Fort, Bellevue Bohol Resort in Panglao, the Bellevue Hotel Manila, The B Hotel Manila, B Hotel Quezon City and Uno Botique Hotel in Cebu; Hotel Consultant and Management Advisor or Hotel 101 Management Corporation; Director of Philippine Estate Corporation; President/Chairman of Legoli Holdings, Inc. and Arleff Holdings, Inc. He also became the Hotel Management and Development Consultant of Wydham Garden.

Previously, he was the Management and Technical Services Consultant of Bloomberry Casino Hotels & Resorts/Solaire Hotel and Casino, and Federal Land; Hotel Advisor/Director of Cathay Int'l Resources Corporation; Owner's Representative and Advisor to Owner at Four Points by Sheraton Kuching, Sheraton Beach Resort Langkawi, Helang Airport Hotel Langkawi, Santubong Resort Kuching and Four Points by Sheraton Langkawi; President & CEO of CCA Philippines Corporation; Regional Director of CCA International Ltd.; Regional Director Asia Pacific of Palmerston Hotels & Resorts; Management Consultant of Rarotongan Beach Resort & Spa and the Aitutaki Lagoon Resort and Spa in Cook Islands; Senior Advisor to the Secretary of Philippine Department of Tourism; General Manager of Westin Philippine Plaza; Country Manager, Philippines, or Starwood Hotels & Resorts Worldwide, Inc.; Philippine Corporate Representative of Caesar's Club of Manila, Heritage Hotel Manila; Area Manager and General Manager of Northern Territory Australia, Sheraton Hotels Darwin, Sheraton Alice Springs, and Sheraton Ayers Rock Australia; Vice President and Area Manager of Australia/ITT Sheraton Corporation; Pre and Post- Opening General Manager of Sheraton Towers Southgate, Melbourne, Australia; Hotel Resident Manager of Sheraton Auckland Hotel and Towers; Resident Manager of Sheraton Auckland Hotel and Towers; Director of Sales and various Front Office and F&B positions of Manila Hilton International.

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

Elvira A. Ting, 64
Filipino

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

Sergio R. Ortiz-Luis, Jr., 82
Filipino

He has degrees of Bachelor of Arts and Bachelor of Science in Business Administration from De La Salle University; PhD Humanities from Central Luzon State University, PhD Business Technology from Eulogio "Amang" Rodriguez Institute of Science and Technology. He is the President & CEO of Philippine Exporters Confederation, Inc. An Honorary Chairman of Philippine Chamber of Commerce & Industry; Honorary Chairman and Past President of Employers' Confederation of the Philippines; Director/Past President of Philippine Foundation, Inc.; Founding Director of International Chamber of Commerce of the Philippines. Vice Chairman of Alliance Global, Inc, and Export Development Council, and JARDELI Club Foundation; Director of Waterfront Philippines, Inc., Manila Exposition Complex, Inc.; Lasaltech Academy, Philippine Estate Corporation, Rural Bank of Baguio, Forum Pacific, Inc., Jollville Holdings Corporation, and Calapan Ventures, Inc.; Independent Director of B.A. Securities; Honorary Chairman of Integrated Concepts & Solutions, Inc.; Board of Adviser of Southville International School and Colleges and Founding Director of GSI (Formerly Philippine Article Numbering Council. He is also a Commissioner for Patrol 117 (Foundation for Crime Prevention); BPLS Champion for National Competitiveness Council; Member of Industry Development Council, and Private Sector Representative for The Philippine Bamboo Council. He is the Chairman of Rotary Club of Green Meadows Foundation; Past President of Rotary Club of Green Meadows Quezon City District 3780; Senator of Philippine Jaycee Senate, Captain of Philippine Coastguard Auxiliary; Director/Treasurer of PILAK Foundation, and Universal Access Center for Trade. He is an Honorary Consul General of Consulate of Romania in the Philippines; Treasurer of Consular Corps of the Philippines; Honorary Adviser for International Association of Educators for World Peace. Some Awards that he received were International Peace Award for Economic Development in 2005, Most Outstanding Citizen of Nueva Ecija in the field of business in 2005 also, Most Outstanding Pasigueno in 2006, Ulirang Ama also in 2006, Presidential Merit Award Medal in 2007 and ORAS Award in 2011. He became an Independent Director of Waterfront Philippines, Inc. since August 2009 to present and an Independent Director of Acesite (Phils.) Hotel Corp since February 2013 to present.

Lamberto B. Mercado, Jr.,
60 Filipino

Atty. Mercado is the Vice-President for Legal of the Wellex Group, Inc. He was elected as one of the Directors of the Company since 24 June 2004. He is a graduate of the Ateneo de Manila University School of Law. Atty. Mercado is a certified public accountant. Prior to his post in Wellex Group, he was connected with the Subic Bay Metropolitan Authority (SBMA). From November 1993 to July 1997, he was the chief of staff of SBMA. He also served as president of the Freeport Service Corporation in SBMA from August 1996 to January 1998. He was appointed deputy administrator for administration in

February 1997, a post he held until August 1998. Currently a Director of the following publicly listed companies: Waterfront Phils. Inc., Wellex Industries, Inc., Forum Pacific, Inc., Metro Alliance Holdings & Equities Corp., Acesite (Phils.) Hotel Corporation.

Pablo M. Gancayco, 68
Filipino

Atty. Gancayco, a director of the Company since 24 June 2004, is a Senior Partner of the Gancayco, Balasbas & Associates Law Offices. He obtained his Bachelor of Arts in Political Science and Bachelor of Laws from the University of the Philippines. He took a masteral level intensive course on industrial property from the University Robert Schuman in Strasbourg, France. His expertise is in Intellectual Property Law and holds the posts of president and director of the Intellectual Property Association of the Philippines (the association of all intellectual property law practitioners in the Philippines) council member and country head of the Asian Patent Attorneys Association and councilor of the ASEAN Intellectual Property Association. He is the Philippine group head to the Association Internationale pour la Protection de la Propriete Industrielle. He is also adept in litigation and corporate law practice. At present, Atty. Pablo M. Gancayco is a director of the Freeport at Bataan, a Past District Governor of Rotary International District 3780, the past Chairman of the Board of Philippine College of Rotary Governors and the Philippine Rotary Magazine Foundation, an officer and member of other corporations, foundations and organizations. Representative of RI District 3780 to the 2016 Council on Legislation.

Dee Hua Gatchalian, 76
Filipino

Mrs. Gatchalian was elected director of the Company since 19 July 2005. Mrs. Gatchalian is the Executive Vice-President of the Wellex Group, Inc., and also the Executive Vice-President of Plastic City Corporation. She is concurrently a director in Philippine Estates Corporation, and Waterfront Philippines, Inc. Mrs. Gatchalian graduated with a degree in Medical Technology from the Far Eastern University in 1970. In addition to her numerous positions in business firms, she is the Chairperson of Jesus Our Life Ministries, Inc., a non-profit, non-stock organization duly registered with the Securities and Exchange Commission and a Chairperson of Dakilang Handog Foundation, a non-profit, non-stock organization.

Ruben D. Torres, 83
Filipino

Mr. Ruben Torres graduated in the University of the Philippines with a degree of Bachelor of Arts (Political Science) after which, he finished the degree of Bachelor of Laws at the same university. Presently he is also the President of BPO Workers Association of the Philippines and Senior Partner of Torres Caparas Torres Law Office; Chairman/CEO of Service Exporters Risk Management and Consultancy Co.; Secretary General of Katipunan ng Manggagawa at Magsasaka ng Pilipinas. He is associated with the Integrated Bar of the Philippines and Philippine Academy of Professional Arbitrators. His former positions include being a Member of the House of

Representatives of the 2nd District of Zambales, Executive Secretary of the Office of the President in Malacañang, Secretary of the Department of Labor and Employment. Mr. Torres became an Independent Director of Waterfront Philippines, Inc. since August 2006-present. Member of Board of Advisers, TYTANA Colleges, Owner of Kitsie's Farms, Iba Zambales and CEO of Optimus Medical Care and Trading Corporation.

Renato C. Francisco, 76
Filipino

Justice Renato Francisco graduated with a Bachelor of Laws at Ateneo de Manila University. From 1974 to 1987, he was involved in the private practice. In 1987, he started working as Assistant Provincial Prosecutor at the Office of the Provincial Prosecutor - Rizal and, later became Assistant City Prosecutor in Makati City. He became Executive Judge at the Regional Trial Court – Branch 19 in Malolos, Bulacan. On May 31, 2012, he was appointed as Associate Justice of Court of Appeal. He retired as Associate Justice on August 20, 2018.

Noel M. Cariño, 70
Filipino

Mr. Noel Cariño studied Bachelor of Science in AB Philosophy at the University of Sto. Tomas. He is the Founder and Former President of Fil-Estate Realty Corporation; Founder and President of War Against Poverty Foundation; Former Member and Commissioner of Presidential Consultative Commission; National President of Chamber of Real Estate and Builders Associations, Inc. (CREBA); Owner of Cariño Development and Management Corporation (CDMC); Chairman and Founder of Sun Asia Energy Inc.; Owner of Leon Philippe Industries, Inc.; Former Chairman of the Board of The Manila Time; Founder and Former Publisher of The Philippine Chronicles Media Corporation; Former Publisher of Punto; Founder and Former Publisher of Good Morning Philippines; Founder of Kilusan at Ugnayan ng Maralitang Pasigueño, Inc. (KUMPAS); Founder of Lakas Pilipino; and Director of Metro Global Holdings Corporation.

Aristeo R. Cruz, 59
Filipino

Atty. Aristeo Cruz studied Bachelor of Commerce Major in Accounting from De La Salle University Manila and Bachelor of Laws from the New Era University. He is a member of the Philippine Bar and also a Certified Public Accountant. He is currently the Vice Chairman/Director Dean of Meycuayan College, Inc.; Vice President/Compiler of Liberty Bank (A Rural Bank), Inc; Founding and Managing Partner of Cruz Altares & Associates Law Office (formerly Cruz, Castro & Altares Law Office); President and Chief Operating Officer (COO) of Idealand Realty & Development Corporation, and Statosphere Realty & Development Corporation; Director and Corporate Secretary of Philstar Innovation Realty Corporation; President of Jose & Luz Locsin Foundation, and Waterstreet Realty Corporation; Corporate Secretary of Justino Emilia Realty and Management & Development Corporation; and Director of Metro Alliance Holdings and Equities Corp and Forum Pacific Inc.

Richard L. Ricardo,

Mr. Ricardo is the Vice President for Corporate Affairs of the

62, Filipino

Company since 2004 and currently the Vice President for Strategic Initiatives of The Wellex Group, Inc. He is a graduate of the Ateneo de Manila University with degrees in Management and Economics. He started in banking and corporate lending with the Far East Bank and Trust Company, and later handled corporate planning for the Philippine Banking Corporation. He has previously worked with AEA Development Corporation, an investment house, and he has also served in the government under the Department of Finance.

Mr. Noel M. Cariño, Mr. Renato C. Francisco and Mr. Aristeo R. Cruz are currently independent directors. They were nominated by Ms. Elvira Ting, who has no relations to them. They will continue to serve as independent directors upon re-election pursuant to SRC Rule 38 as adopted in to under the Company's By-laws on August 18, 2004, under which the appropriate report under 17-C was filed on November 12, 2004, which is hereby incorporated as reference. No other persons have been nominated. Refer to the Certification of Independent Directors attached from pages 51-56.

Other Corporate Officers are as follows:

Arthur R. Ponsaran,
82
Filipino

Arthur R. Ponsaran, is now the Corporate Secretary of the Company, is a CPA-Lawyer with over 25 years of experience in corporate law, taxation, finance and related fields. He is the Managing Partner of Corporate Counsels, Philippines Law Office. He obtained his LLB degree from the University of the East and completed MDP Program at the Asian Institute of Management. Mr. Ponsaran is a member of the Integrated Bar of the Philippines and the New York Bar as well as the Philippine Institute of Certified Public Accountants. Mr. Ponsaran is also Director and/or Corporate Secretary of client corporations, including listed companies, as well as non-profit institutions. As of July 2016, he serves as Director/Trustee of the following: Acesite (Phils.) Hotel Corporation, Bancom Alumni, Inc. (Trustee), Bancom II Consultants, Inc., Davao Insular Hotel, Inc., Health Carousel Philippines, Inc., New Kanlaon Construction Inc., Philippine Estate Corporation, Philsa Holdings Corporation and Pondecena Corporation.

Amando J. Ponsaran,
Jr.
55, Filipino

Mr. Ponsaran, Jr. is now the Assistant Corporate Secretary. He is a pioneer in the Firm with 15 years' experience in Corporate Services, including incorporation, company registration, setting-up of domestic entities and assisting foreign entities in obtaining license to do business in the Philippines whether as a Branch, Representative Office, or Regional Office. Aside from primary registration, Mr. Ponsaran handles secondary registration such as securing secondary licenses for financial institutions, insurance broker/agent, recruitment, permit to sell securities, registration of investments with the Bangko Sentral ng Pilipinas, registration with the Philippine Economic Zone Authority, the Board of Investment and HLURB. He provides support services in corporate acquisition, restructuring and re- organization, merger and consolidation (his recent involvement being the consolidation of a Thrift Bank)
He also provides support for securities registration and listing, corporate due diligence and handles registration work with Registry of Deeds. Mr. Ponsaran is a graduate of the University of San Agustin-

Major in Finance/Marketing and studied law in Arellano Law School and thereafter in Philippine Christian University.

Joson Lim,
49, Filipino

Mr. Lim joined Waterfront on November 2005 as Group Reservations & Distributions Manager, and was appointed in the year 2017 to present as Data Privacy Officer where he monitors the Company's and its properties compliance with the DPA, its IRR, issuances by the National Privacy Commission and other applicable laws and policies. He also conducts Privacy Impact Assessments for the Company's and each property's new projects, programs, systems and processes to demonstrate proper privacy management activity, which includes ensuring data protection risks are measured, analyzed and mitigated. He passed the Data Protection Officer – NPC ACE Level 1 DPO-ACE C-2019-161. He was also a Data Protection Officer Nominee of the National Privacy Commission – 2021 Privacy Awareness Week. He even attended the Professional Development Program courses specifically for Interactive Marketing, Demand Management in Evolving Marketing Channels, and Marketing Management at Cornell School of Hotel Administration Executive Education, Ithaca, New York, USA. He earned his Bachelor's Degree in Hotel and Restaurant Management at the University of San Carlos. In 2001, he passed the certification of Spirit of Hospitality American Hotel & Lodging Institutes and Supervisory Skill Builders at American Hotel Lodging Institutes 6751 Forum Drive, Suite 220, Orlando, FL USA. As part of SEC Compliance, he completed the seminar on Corporate Governance on November 19, 2021.

Evangeline E.
Soliveres, 52
Filipino

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

Lanelle Cristina
Barba, 46
Filipino

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

Aiza Pasayloon -
Famador, 33
Filipino

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

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

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

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

Family Relationships

No family relationship up to the fourth degree of consanguinity or affinity exists among the directors and executives.

Certain Relationships and Related Transactions

- (A) 1. Mr. Ricky L. Ricardo, Vice-President for Corporate Affairs (Acesite Phils Hotel Corporation) and Director of Acesite Realty Inc. also holds a director position for Mayo Bonanza, Philippine Estates Corporation, Wellex Mining Corporation, Wellex Petroleum Inc., Rexlon Realty Group, Inc. He is the Investor Relations Officer and Corporate Secretary of Metro Alliance Holdings and Equities Corporation, Corporate Affairs Officer/Compliance Officer of Waterfront Philippines, Inc., Director and Investor Relations Officer of Forum Pacific, Inc., and Director and Corporate Secretary of The Wellex Group, Inc.
2. As related in Note no.10 of the Notes to Financial Statements, the Corporation had invested in 86,710,000 shares of stock in Wellex Industries, Inc., an affiliated company listed on the Philippine Stock Exchange, through the conversion of Parent's Company's net receivables resulting to P0.50 per share or a total of P43.36 million.
- a. The Corporation invested in the above marketable security in order to diversify its current asset portfolio in listed companies with a broad upside potential.
 - b. Waterfront Philippines, Inc., parent company of the Corporation, is majority owned by the Wellex Group, Inc., which also controls Wellex Industries, Inc.
 - c. The shares are from the conversion of the Parent Company's net receivables from related parties amounting to P43.30 million into 86.71 million shares of stock of Wellex Industries, Inc., resulting to P0.50 price per share represents a 13.7% discount to the net book value of P0.58 per share of Wellex Industries, Inc. as of 31 December 2005. The fair market value of the shares based on closing market price as at December 31, 2024 and 2023 amounted to P18.38 million and P19.94 million, respectively, resulting in a valuation loss of P1.56 million in 2024.
 - d. The Risk Management Committee has evaluated the transaction in accordance with certain norms, including investment risk, market liquidity, projected price-earnings ratio, net asset value and control ability, and has concluded that the investment is fair and reasonable at the acquisition price and volumes.
 - e. There are no other transactions with parties that fall outside the definition of "related parties" but with whom the Corporation may have a relationship that enables the parties to come to terms in a different manner as compared to independent parties on an arm's length basis.
 - f. The Hotel extended a loan to ALEC amounting to 91.62 million payable on December 31, 2021, and bear interest 4% per annum.

(B) Parents of the Registrant

Waterfront Philippines, Inc., which, as of 30 July 2025 held 55.49% of the Company, is an investment holding company for the hotel, leisure and tourism businesses registered with the SEC on 23 September 1994.

(C) Related Party Transactions

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

Involvement in Certain Legal Proceedings

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

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

Resignation of Directors

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

Mr. Kenneth T. Gatchalian stepped down as the President of Acesite (Phils.) Hotel Corporation effective 30 June 2025, as he was elected as a member of the 20th Congress of the Philippines.

Resignation/Retirement of Executive Officers

Mr. Kenneth T. Gatchalian resigned as the President of Acesite (Phils.) Hotel Corporation effective 30 June 2025, as he was elected as a member of the 20th Congress of the Philippines.

Attendance Report of the Board of Directors

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

Item 6. Compensation of Directors and Executive Officers

Executive Compensation

Ms. Elvira A. Ting, an executive officer elected on 18 August 2004 has not been remunerated with a compensation package. Mr. Ricky Ricardo, Vice-President for Corporate Affairs is a

regular employee and will receive remuneration for the year. Hotel executives are also regular employees of the Company and will similarly receive a compensation package for the year. In addition, Mr. Ricardo and the executive officers of the hotel can receive whatever gratuity pay the Board may extend to the managerial, supervisory and rank and file employees.

Compensation Table

Name	Position	Year	Salary	Bonus	Others
Kenneth T. Gatchalian	President and CEO				
Richard Ricardo	VP, Corporate Affairs				
Lanelle Barba	Corporate PRD Director				
Besy Modesto	OIC- Hotel Operations				
Genelyn Defensor	Chief Engineer				
Aggregate for above Named officers		2021	7,062,507	-	30,000
		2022	8,311,312	-	30,000
		2023	8,382,466	-	30,000
		2024	8,106,946	-	30,000
		2025 Q1	1,656,503	-	30,000

For the ensuing year (2025), the aggregate compensation is expected to increase due to salary adjustments.

Compensation Plan of Directors

The members of the Board of Director are elected for a term of one year. Directors per diem are pegged at a rate of P10,000.00 per board meeting. Except for the Chairman and the CEO, Directors, are not entitled to compensation package. Except as herein mentioned, no director received bonuses or profit-sharing plans for the years ended 31 December 2024 and 31 December 2023.

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

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

Warrants and Options Outstanding: Repricing

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

Item 7. Independent Public Accountants

The accounting firm of R.G. Manabat & Co., formerly KPMG Manabat Sanagustin & Co. is the elected External Auditors for Acesite (Phils.) Hotel Corporation under Mr. Oliver C. Bucao – Signing Partner. In compliance with SRC Rule 68, Paragraph 3(b)(iv) (re: compliance with the 5-year rotation of external auditors), the financial statements for the year ended 31 December 2024 were audited by the accounting firm of R.G.Manabat & Co., while prior years financial statements for the years ended 31 December 2005, 31 December 2006 and 31 December 2007, were audited by the accounting firm of SGV & Company. Starting with the financial

statements 31 December 2008 up to 31 December 2024 audit was undertaken by the accounting firm of R.G. Manabat & Co. A two-year cooling off period shall be observed in the re-engagement of the same signing partner.

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

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

Members of the Audit Committee:

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

External Audit Fees

a. Audit Related Fees

1. The aggregate fees for the audit of the registrant's annual financial statements or services that are provided by the external auditor in connection with statutory and regulatory filings amounted to P0.60 million and P0.55 million for 2024 and 2023, respectively.
2. There are no other assurance and related services rendered by the external auditor for the years 2024 and 2023.

b. Tax Advisory Fees

1. There are no Tax Advisory Fees for 2024 and 2023.

c. All Other Fees

No other fees were charged.

d. Audit Committee Procedures

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

Item 8. Compensation Plans

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

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

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

b) In June 11, 2009 and July 2, 2009, respectively, the Board of Directors and the stockholders of Acesite (Phils.) Hotel Corporation approved the increase of the authorized capital from P1.21 billion to P2.01 billion via stock rights offering at an entitlement ratio of 0.58:1. Last July 14, 2014, the Board of Directors approved the amendment of the entitlement ratio from 0.58:1 to 1:1.

Item 10. Modification or Exchange of Securities

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

1. ADDITIONAL REQUIREMENTS AS TO CERTAIN ISSUES OR ISSUERS

As of 31 December 2024, the Company has a net worth of P1.71 billion and is not planning to issue any unsecured bonds for 2025.

Property

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

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

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

In year 2024, the hotel is still under reconstruction. The Company targets to complete Phase 1 by 1st quarter of 2026. Phase 1 includes public areas including the lobby, some food and beverage outlets, and the casino area at the ground floor level up to the third floor. The entire

proceeds from insurance coverage claims have been allotted to complete Phase 1 of the reconstruction work with additional funding expected to be come 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 that will be generated by the operations of Phase 1 and, when necessary, bank borrowings.

The Company has no plans to acquire other properties for 2025.

Legal Proceedings

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

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

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

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

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

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

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

Meanwhile, PAGCOR filed its "Demurrer to Evidence" dated October 17, 2018, which the court denied in its Order dated November 8, 2018 for being fatally defective. VMC, on the other hand, presented its witnesses, Maria Cristina L. Dorego and Cornelius M. Goze.

Thereafter, it rested its case. Thus, the Court ordered VMC to file its "Formal Offer of Exhibits".

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

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

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

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

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

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

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

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

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

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

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

3. *Ute Gisela Gertrud Aguilar, et. al. v. Acesite (Phils.) Hotel Corp., et al.*

This is a civil case for Specific Performance filed before the Regional Trial Court of Manila.

Federico Alcuaz, a National Artist for visual arts, painting, sculpture and mixed media, lived in Waterfront Manila Pavilion Hotel, since 1968, until his demise in 2011. After his death, issue arose as to who should have legal claim on his artworks. Some of his paintings were taken by his alleged heirs, while 15 of them remain within the hotel. On 25 May 2016, the alleged heirs filed a Complaint for Specific Performance/Damages laying claim on these paintings. On 27 December 2023, the RTC rendered its Decision dismissing the instant case. On 03 January 2024, the alleged heirs filed a Notice of Appeal.

4. *People of the Philippines v. Lorna Bianes*

Acesite (Phils.) Hotel Corporation is the private complainant.

Accused Lorna Bianes, together with her husband Joseph Bianes, obtained hotel accommodation and incurred ₱1,385,195.74 in hotel bills. Of this amount, ₱286,408.75 remains unpaid and outstanding. On 23 August 2005, Bianes attempted to leave the hotel without first paying the outstanding hotel bills, prompting the Hotel to bring Bianes to the police authorities and file a complaint for estafa.

The information was filed on 2 September 2005. The prosecution rested its case on 12 April 2006. During the hearing on 25 July 2006, accused's counsel waived her right to present her evidence and instead moved for the filing of Memorandum; the parties filed their respective Memoranda. The Decision was rendered on 2 October 2006, finding the accused guilty of the crime charged and sentencing her to suffer the indeterminate penalty of 6 months and 1 day to 8 years and to indemnify the private complainant, Manila Pavilion Hotel, the amount PHP286,408.75. The bond posted for her provisional liberty was thereby cancelled.

On 8 November 2006, accused filed her Notice of Appeal, Accused-appellant filed Motion for Extension of Time to file Appellant's Brief until 6 October 2007.

The appealed Decision dated 2 October 2006 was reversed and set aside, and accused-appellant, was acquitted of the crime of estafa under paragraph 2 [e], Article 315, Revised Penal Code. Accordingly, the cash bond posted for her liberty was cancelled. However, accused-appellant was ordered to pay her civil liability to private complainant in the amount of ₱286,408.75, subject to legal interest of at the rate 6% per annum, computed from the date of filing of the Information until the finality of the decision. Thereafter, the interest rate shall be at 12% until the civil liability is fully satisfied.

Proceedings before the RTC-Branch 21, Manila. On 7 August 2008, we filed a Motion for Execution at the RTC, Br. 21, Manila, and it was set for hearing on 15 August 2008 at 8:30 a.m.

In the hearing on 15 August 2008, counsel for the accused was not present. The judge asked if Acesite (Phils.) Hotel Corporation knew of the properties of the accused which may be subject of execution and then the motion was submitted for resolution. On 10 September 2008, an Order dated 29 August 2008 was received granting the motion of Acesite (Phils.) Hotel Corporation and directing the Branch Clerk of Court to issue the corresponding Writ of Execution. On 11 January 2009, Acesite (Phils.) Hotel Corporation received an Order dated 19 December 2008 granting the motion, naming Sheriff Nathaniel Abaya of the OCC as Special Sheriff for the purposes of implementing the decision of the court. As of 25 February 2025, Acesite (Phils.) Hotel Corporation is unable to locate any leviable asset owned by the accused.

5. *Acesite (Phils.) Hotel Corporation v. Erlinda's Manufacturing Corporation*

This is a complaint filed by Acesite (Phils.) Hotel Corporation against Erlinda's Manufacturing Corporation for the collection of sum of money with damages. Acesite (Phils.) Hotel Corporation contracted the services of the defendant to supply towels, bed sheets and pillowcases for which Acesite (Phils.) Hotel Corporation paid Erlinda's Manufacturing Corporation the amount of ₱1,063,800.00 as downpayment. Erlinda's Manufacturing Corporation, however, failed to complete the delivery of the supplies on their due dates. Moreover, those delivered were substandard and in violation of the specifications of the Acesite (Phils.) Hotel Corporation. Acesite (Phils.) Hotel Corporation gave the defendant several extensions to deliver the contracted items but the latter still failed to comply with its obligation under the contract. Thus, the suit was filed against the defendant to recover the unconsumed down payment of the Acesite (Phils.) Hotel Corporation in the amount of ₱434,815.00.

On 5 September 2007, Erlinda's Manufacturing Corporation filed a Motion to Dismiss on the ground that a rehabilitation case was filed by Erlinda's Manufacturing Corporation in another court and a stay order has been issued. On 20 September 2007, Acesite (Phils.) Hotel Corporation filed Comment on the Motion. On 24 October 2007, Acesite (Phils.) Hotel Corporation received Erlinda's Manufacturing Corporation's Motion for Leave to admit Reply.

On 30 May 2008, Acesite (Phils.) Hotel Corporation received the Order dated 8 April 2008 suspending this case pending further development in the rehabilitation proceedings. On 18 March 2009, Acesite (Phils.) Hotel Corporation received Order dated 27 January 2009 archiving this case considering the length of time that this case had been suspended.

6. *Acesite Phils. Hotel Corp. v Lorie R. Dulay, doing business under the name of First Defense Enterprises*

This is an action for Rescission with Damages and Application for Writ of Preliminary Attachment filed by Acesite (Phils.) Hotel Corporation against First Defense Enterprises represented by Lorie Dulay, seeking the reimbursement of the amount ₱2,808,000.00 paid by Acesite (Phils.) Hotel Corporation to Lorie Dulay in consideration of the contract for the rehabilitation of the hotel's fire alarm system, stipulated liquidated damages in the amount of ₱608,400.00 and additional damages by way of penalty in the amount of ₱200,000.00.

Acesite (Phils.) Hotel Corporation's Application for a Writ of Preliminary Attachment was denied. Then filed a Motion for Reconsideration.

On 20 February 2008, Acesite (Phils.) Hotel Corporation received Order dated 9 January 2008 settling aside the Order dated 2 July 2007 and issuing a Writ of Preliminary Attachment against First Defense Enterprises requiring the sheriff of the court to attach the properties of said Lorie Dulay doing business under the name of First Defense Enterprises not exceeding ₱2,800,000.00 in value, within the jurisdiction of the court and not exempt from execution upon the filing by Acesite (Phils.) Hotel Corporation of a bond duly approved by this court in the sum of ₱2,800,000.00.

On 5 June 2009, Acesite (Phils.) Hotel Corporation filed a Motion to Direct Garnishee-Banks Citibank and Banco de Oro Unibank to Deliver the Garnished Deposit to the OCC-RTC, Manila.

On 10 June 2009, Acesite (Phils.) Hotel Corporation received an Answer with Compulsory Counterclaim filed by Lorie Dulay. On 22 July 2009, Acesite (Phils.) Hotel Corporation filed a Reply to Answer with Compulsory Counterclaim.

On 9 November 2011, Acesite (Phils.) Hotel Corporation received the Order dated 17 October 2011 denying the Motion to Direct Garnishee Bank to Deliver Garnished Deposit to the OCC RTC, Manila. Acesite (Phils.) Hotel Corporation was directed to file Comment within 19 days from receipt of the Order on the issue raised by First Defense Enterprises regarding the failure to submit affidavit during the hearing on the application for preliminary attachment. Thereafter, the incident was submitted for resolution. The case was sent to the archives and hearing was suspended.

However, the case was revived and hearing set on 01 February 2018 for pre-trial. Formal Offer of Evidence was filed on 1 October 2018.

On 12 November 2019, Acesite (Phils.) Hotel Corporation received the Decision in favor of Acesite (Phils.) Hotel Corporation ordering First Defense Enterprises to return ₱2,800,000.00 and pay liquidated damages in the amount of ₱617,760.00 to Acesite (Phils.) Hotel Corporation. 25 February 2025, the whereabouts of defendant Dulay is unknown and Acesite (Phils.) Hotel Corporation is unable to locate any properties of defendant Dulay.

7. *People of the Philippines v Sheriff Renator B. Baron*

Acesite (Phils.) Hotel Corporation is the private complainant.

This is a complaint for Qualified Theft against Renato B. Baron, Sheriff of RTC of Pasig (assigned in the City of San Juan), Br. 264 filed by Acesite (Phils.) Hotel Corporation in connection with the implementation of Writ of Preliminary Attachment dated 24 September 2008 issued by the Court relative to Civil Case No. 71686-J entitled Edgar L. Ti v. Waterfront Manila Pavilion.

On August 2010, the Office of the City Prosecutor issued a Resolution finding probable cause for the crime of Qualified Theft against the Sheriff. Criminal Case No. 143466 was raffled to Branch 160, RTC, San Juan City. The Sheriff is at large.

8. *People of the Philippines v. Josefa Bauzon*

Acesite (Phils.) Hotel Corporation is the private complainant.

In March 1996, the Women Sports Foundation – Philippines contracted for food and accommodation services from the Hotel on the occasion of the 1st International Council on Health, Physical Education, Recreation and Dance Meet in the Philippines. The founding president, Ms. Josefa Bauzon, issued as payment two checks [one for ₱33,000.00 and the other for ₱100,000.00], which were both dishonored due to lack of sufficient funds. Despite demands, Josefa Bauzon failed to pay her account with the Hotel. She was sued for violation of BP Bldg. 22.

The whereabouts of Bauzon are yet to be ascertained so that she can be arrested for her arraignment.

9. *Cynthia C. Presbitero v. Waterfront Manila Pavilion Hotel and Casino, et. al.*

On 22 June 2018, a complaint was filed by former hotel supervisor Cynthia C. Presbitero alleging illegal dismissal. Cynthia C. Presbitero prayed for full backwages with separation pay and damages.

After failure of mediation, the parties submitted their respective Position Paper on 07 August 2018 and Reply on 20 August 2018.

In the Decision dated 28 February 2019, the Labor Arbiter ruled that Cynthia C. Presbitero was illegally dismissed by Acesite. The Complainant was awarded full backwages and separation pay.

An Appeal Memorandum was filed on 26 April 2019 to the Commission level. On 3 July 2019, Acesite (Phils.) Hotel Corporation received the Petition for Certiorari filed by complainant Presbitero before the Court of Appeals. On 6 September 2020, Acesite (Phils.) Hotel Corporation filed Comment/Opposition and filed the Memorandum on 21 May 2021.

In the Decision dated 29 September 2021, the Court of Appeals, affirmed the Decision of the NLRC dated 18 June 2019.

On 21 November 2021, Acesite (Phils.) Hotel Corporation received the Motion for Reconsideration filed by Cynthia C. Presbitero. Upon instructions of the Court of Appeals, Acesite (Phils.) Hotel Corporation filed its Opposition on 31 March 2022.

On 18 August 2022, Acesite (Phils.) Hotel Corporation received the Resolution dated 29 July 2022 of the Court of Appeals denying the Motion for Reconsideration of Cynthia C. Presbitero.

On 20 September 2022, Acesite (Phils.) Hotel Corporation received a Petition for Review filed by the complainant before the Supreme Court and Acesite (Phils.) Hotel Corporation filed its Opposition.

In the Resolution dated 30 January 2023, the Supreme Court dismissed the Petition. Complainant filed a Motion for Reconsideration and was denied by the Supreme Court in the Resolution dated 24 January 2024.

10. Dean Bernal et. al., v. NLRC, et. al.

On 12 October 2018, Acesite (Phils.) Hotel Corporation separated from employment all of its remaining rank and file and supervisory employees on account of indefinite suspension of its operation resulting from fire that occurred on 18 March 2018.

On 22 October 2018, complainants filed their Complaint alleging illegal dismissal, unfair labor practice, union busting, and praying their reinstatement, full backwages and damages. Fourteen (14) employees are involved in this case.

After failure of mediation, the parties submitted their respective Position Paper on 12 December 2018 and Reply on 20 December 2018.

In the Decision dated 24 February 2021, a copy of which was received only on 1 July 2021, the Labor Arbiter held that complainants were validly retrenched and there is no unfair labor practice. The complainants were awarded separation pay and retirement benefits for those qualified, which benefits were previously offered by management.

On 13 July 2021, Acesite (Phils.) Hotel Corporation received the Memorandum of Appeal filed by remaining four (4) complainants. Acesite (Phils.) Hotel Corporation filed its Comment/Opposition on 16 July 2021 and the Manifestation of Satisfaction of Judgment for other complainants on the same date.

On 10 December 2021, Acesite (Phils.) Hotel Corporation received the Motion for Reconsideration filed by the complainants. On 11 March 2022, Acesite (Phils.) Hotel Corporation received the Resolution of the NLRC denying the Motion for Reconsideration.

On 12 May 2022, Acesite (Phils.) Hotel Corporation received the Petition for Certiorari filed by four (4) remaining complainants before the Court of Appeals. On 30 August 2022, Acesite (Phils.) Hotel Corporation filed its Comment/Opposition thereto.

In the Decision dated 12 September 2024, the Court of Appeals dismissed the Petition for Certiorari. A Motion for Reconsideration was filed by the complainants. Acesite (Phils.) Hotel Corporation filed its Comment/Opposition on December 13, 2024.

This is a complaint filed by three (3) supervisors claiming illegal dismissal, payment of separation pay and retirement pay.

On 12 May 2002, parties filed their respective Position Paper. On 10 June 2022, parties filed their respective Reply.

In the Decision dated 16 June 2022, the Labor Arbiter ruled that there was no illegal dismissal in this case and the claim for separation pay and retirement pay already prescribed. No amount was awarded to the complainants.

On 18 August 2022, complainant filed their Memorandum of Appeal. Acesite (Phils.) Hotel Corporation filed Comment/Opposition on 30 August 2022.

On 5 September 2022, Acesite (Phils.) Hotel Corporation received a Motion to Admit Amended Memorandum of Appeal. On 10 October 2022, Acesite (Phils.) Hotel Corporation our Vehement Opposition to the motion.

On 15 August 2023, Acesite (Phils.) Hotel Corporation received the Decision of NLRC dismissing the appeal of complainants. On 13 September 2023, Acesite (Phils.) Hotel Corporation received the Motion for Reconsideration filed by the complainants.

On January 5, 2024, Acesite (Phils.) Hotel Corporation received the Resolution of the NLRC partially granting the Motion for Reconsideration awarding the amount of ₱329,863.56 as separation pay. On 12 January 2024, Acesite (Phils.) Hotel Corporation filed a Motion for Reconsideration. This was denied in the Resolution dated 9 August 2024 of the NLRC. After payment of the monetary award, on 16 October 2024, the NLRC issued an Order closing and terminating this case.

Item 11. Financial and Other Information

Financial Statements

The Company's consolidated financial statements for the years ending December 31, 2024, 2023 and 2022 are incorporated herein by reference.

Business Development

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

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

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

Business of Issuer

Description of Registrant

(a) Principal Product or Service

The company operates the Waterfront Manila Hotel and Casino (formerly Manila Pavilion Hotel), located along United Nations Avenue, Ermita, Manila. Aside from hotel operations, business activities of the company include restaurant operations. In 2018, the operation has temporarily ceased due to the fire that damaged the hotel. In 2024, the Hotel is still under renovation. Phase1 which includes the restoration and construction work of the podium and the main hotel. A soft opening of the podium, which houses the public areas, including the lobby, some food and beverage outlets and the casino area at the ground floor level up to the third floor, is expected by the 1st Quarter of 2026.

There is no Revenue Contribution of Operations for 2024.

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

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

None of the domestic and foreign market was captured in 2024 due to the temporary closure on business brought by renovation project.

Foreign Source	% Contribution to Total Room Nights		
	2024	2023	2022

Asia	-	-	-
Middle East	-	-	-
North America	-	-	-
Europe	-	-	-
Australia	-	-	-
Africa	-	-	-
Philippines (Domestic Mkt)	-	-	-
TOTAL	-	-	-

(c) Distribution Methods of the Products or Services

Food and Beverage (F&B)

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

Outlets	F&B Revenues (% Contribution)		
	2024	2023	2022
Seasons	-	-	-
El Rey (Concessionaire)	-	-	-
Patisserie	-	-	-
Room Service	-	-	-
Banquet	-	-	-
Mini Bar	-	-	-
Casino	-	-	-
Total	-	-	-

Rooms

In 2024, the operations remained suspended resulting to non-generation of revenues.

Market Segment	% Contribution		
	2024	2023	2022
Marketing Promotions	-	-	-
Reservation System	-	-	-
Travel Trade Accounts	-	-	-
Corporate & FIT Accounts	-	-	-
TOTAL	-	-	-

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

There is no new product or service that has been announced in 2024.

(e) Top Five (5) Performance Indicators

No occupancy of the hotel was recorded in 2024, 2023 and 2022 due to ongoing hotel renovation.

	2024	2023	2022
Occupancy Rate	-	-	-

Average Room Rate	-	-	-
Revenues	-	-	-
Gross Operating Income	(97,032,596)	(63,415,187)	(63,047,074)
Gross Operating Income Ratio	-	-	-

(f) Sources and Availability of Raw Materials

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

(g) Major Customers

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

(h) Transactions with Related Parties

The Corporation had invested in 86,710,000 shares of Wellex Industries, a related company listed on the Philippine Stock Exchange, at P0.50 per share or a total of P43.36 million. The said investment is from the conversion of the Parent Company's net receivables from related parties to shares of stock of Wellex Industries, Inc.

Net transactions with WPI during the year amounted to P10.53 million in 2024. Transactions have increased due to Management Fee. As of December 31, 2024, the hotel has an outstanding payable to WPI amounting to P203.03 million from a payable of P192.50 million as of December 31, 2023.

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

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

Not applicable.

(j) Government Approval of Principal Products or Services

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

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

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

(l) Research and Development Activities

Not applicable.

(m) Compliance with Environmental Laws

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

(n) Manpower Count

	Actual Manpower Count As of	
	31 Dec 2024	31 Dec 2023
Department Head	8	8
Managerial and Supervisors	5	10
Line Staff	4	4
Casual (Direct)	-	-
Total	17	22

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

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

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

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

Management's Discussion and Analysis or Plan of Operation

PLAN OF OPERATION

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

- (a) In terms of cash requirements, the Company has received from the insurance company reimbursements totaling to P1.72 billion as of December 31, 2024. The Company will be raising additional funds thru assistance from the Parent Company and other related parties. This amount forms part of the fund being used in the reconstruction project of the hotel. The Company targets to operate by 1st Quarter of 2026 and expecting to generate funds from the operation;

- (b) The Company is currently undergoing rebuilding and renovations in order to restore the damages brought by fire. Moreover, with the modern architectural designs and latest technologies, the company pushes different ways of improving concepts or goals for their clients. This kind of development will help the company to keep up with the hotel industry trends.
- (c) The Company has been considering the procurement of new machineries and equipment as part of the rebuilding and renovation project. The estimated amount of purchases is P1.05 billion. There are various suppliers who have been awarded with these purchases; and
- (d) For the next eighteen months, the Company is planning to operate. In line of this, the increase in the number of employees is expected. Estimated number of employees once operational is 300 employees broken down as follows: Agency Employees is 210 and Regular is 90. These employees will be mostly employed in the twenty-four hour operations in the hotel rooms and restaurants.

RESULTS OF OPERATIONS

A. FULL FISCAL YEARS

Year Ended 31 December 2024 to Year Ended 31 December 2023

The year ended 31 December 2024 and 2023 reported zero revenues caused by the cease of operations in 2018.

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

Cost and expenses other than depreciation, financing and income tax expense for the year ended 31 December 2024 amounted to 97.03 million, compared with P63.42 million for the year ended 31 December 2023. Gross loss amounted to P97.03 million for 2024. Last year's gross loss was P63.42 million.

Fixed, financial and other expenses/(income) in 2024 amounted to (P15.33) million as compared to 16.77 million in 2023. Depreciation expense increased by 12.00% from P19.82 million last 2023 to P22.16 million this 2024 due to revaluation and adjustments.

For the year ended 2024, the Company incurred a net loss of P77.24 million or (P0.22) per share compared with net loss of P74.92 million in 2023 or (P0.22) per share. These losses pertain to the temporary cessation of operation and non-generating of revenues. For the next eighteen months, the Company is planning to operate in order to generate revenues.

Total assets of the company decreased from P2.925 billion as of the end of 2023 to P2.877 billion as of the end of 2024. Current assets decreased from P455 million last year to P251 million this year due to the reclassification of Input VAT to Non-current assets. Trade and other receivables decreased from P45.21 million in 2023 to P22.34 million in 2024. Prepayments and other current assets decreased from P206.09 million to P22.90 million, due to reclassification of the VAT input to non-current assets because it is not expected to be utilized in 2025. Non-current assets increased from P2.47 billion to P2.63 billion due to reclassification of the VAT input. Current liabilities increased from P836.56 million to P871.76 million due to the increase in both trade payables and related party transactions. The Long-Term Liabilities decreased from

P296.48 million in 2023 to P292.19 million in 2024. Stockholders' equity decreased from P1.79 billion to P1.71 billion over the same comparative periods.

Year Ended 31 December 2023 to Year Ended 31 December 2022

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

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

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

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

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

Total assets of the company decreased from P3.01 billion as of the end of 2022 to P2.925 billion as of the end of 2023. Current assets decreased from P563 million last year to P455 million this year due to the decrease in cash and cash equivalents. Trade and other receivables decreased from P117.90 million in 2022 to P45.21 million in 2023. Prepayments and other current assets increased from P203.63 million to P206.09 million. Non-current assets increased by 0.79% from P2.45 billion to P2.47 billion due to increase in property and equipment which represents the increase in Construction-In-Progress. Current liabilities decreased from P849.82 million to P836.56 million due to the decrease in both trade payables and related party transactions. The Long-Term Liabilities decreased from P297.68 million in 2022 to P296.48 million in 2023; this is because of the increase in retention payables. Stockholders' equity decreased from P1.87 billion to P1.79 billion over the same comparative periods.

Year Ended 31 December 2022 to Year Ended 31 December 2021

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

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

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

Fixed, financial and other expenses in 2022 amounted to 14.94 million as compared to 16.34 million in

2021. Depreciation expense increased by 5.00% from P20.54 million last 2021 to P21.56 million this 2022 due to revaluation and adjustments.

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

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

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

- i. The Company is involved in a number of minor legal cases (labor and civil). However, adverse judgments on these will not affect the short-term liquidity of the Company. For such contingencies, management has provided adequate reserves. Aside from this, the management is not aware of trends and events that would have a material impact on the company's liquidity.
- ii. Aside from the above-mentioned items, the company does not know of other material events that will trigger direct or material contingent financial obligation to the company.
- iii. There are no off-balance sheet transactions, arrangements, obligations, and other relationships of the company with unconsolidated or other persons created during the reporting period.
- iv. The company does not know of any known trends, events, or uncertainties with a material impact on sales.
- v. From the cessation of the operations, the Company has been significantly affected since there are no operations. Revenue has declined by 100% and expenses have increased by 36.63% leading to a net loss of P 618.42M in 2018.
- vi. Causes of material changes in the items in the financial statements from the years 2024, 2023 and 2022 have been discussed under management discussion and analysis. Moreover, analyses and the causes of changes have been briefly discussed below.

<u>Balance Sheet</u>			
	Year Ending	Year Ending	Year Ending
	December 31, 2024	December 31, 2023	December 31, 2022

Current Assets	251,000,569	455,205,683	563,465,437
Total Assets	2,877,481,928	2,925,078,600	3,014,095,780
Current Liabilities	871,757,497	836,274,111	849,823,697
Total Liabilities	1,163,946,281	1,133,042,342	1,147,504,130
Retained Earnings/ (Deficit)	1,189,698,974	1,252,266,664	1,312,514,315
Stockholders' Equity	1,713,535,647	1,792,036,259	1,866,591,650

<u>Income Statement</u>			
	Year Ending	Year Ending	Year Ending
	December 31, 2024	December 31, 2023	December 31, 2022
Operating Revenue	-	-	-
Other Revenue	-	-	-
Gross Revenue	-	-	-
Operating Expense	-	-	-
Other Expense	97,348,385	63,415,187	63,047,074
Gross Expense	(15,327,265)	16,773,916	14,940,607
Net Income/(Loss) Before Tax	(81,705,331)	(80,189,103)	(77,987,681)
Income Tax Expense	(4,461,191)	(5,265,060)	(5,130,467)
Net Income/(Loss) After Tax	(77,244,140)	(74,924,043)	(72,857,214)

- ❖ **Revenues from lease activities (Revenues – Rental):** No rental revenues for the year 2024 same for the years 2023 and 2022 due to the temporary cessation of operations starting March 2018.
- ❖ **Revenues from Rooms (Revenues – Rooms):** No room revenues for the year 2024 same for the years 2023 and 2022 due to temporary cessation of operations starting March 2018.
- ❖ **Revenues from Food and Beverage (Revenues – F&B):** No F&B revenues for the year 2024 same for the years 2023 and 2022. F&B revenue has been affected since the closure of the outlets due to the fire incident in March 2018.
- ❖ **Revenues from Others:** No Other revenues were recorded for the year 2024 same for the years 2023 and 2022.
- ❖ **Cost of Sales (F&B):** No F&B cost of sales for 2024 same for the years 2023 and 2022 due to the closure of outlets in March 2018.
- ❖ **Personnel:** Personnel costs for the year ended 31 December 2024 amounted to P22.56 million as compared to P25.03 million in the year 2023. The decrease in Personnel Cost was due to a decrease in the number of employees.
- ❖ **Energy Cost:** Energy cost for the year amounted to P2.40 million as compared to 2023 of P3.91 million. A decrease of P1.51 million.

- ❖ **Others:** These are various costs and expenses under different departments which summed up to 72.07 million in the year 2024 as compared to 2023 of P34.48 million. An increase of P37.59 million due to various charges and adjustments related to prior periods.
 - ❖ **Depreciation:** Depreciation expense recorded at P19.82 million showing a decrease of P0.25 million in 2024.
 - ❖ **Foreign Exchange Loss:** Foreign exchange gain for the year 2024 is P0.010 million while foreign exchange is P0.015 in 2023. No loan has been signed in 2024.
 - ❖ **Due to a Related Party:** Due to related parties of 31 December 2024 amounted to P536.03 million as compared to that as of 31 December 2023 which is P511.92 million.
- vii. The company does not know of any seasonal aspects that had a material effect on the financial condition or results of operations.

B. INTERIM PERIODS

Quarter Ended 31 March 2025 and Quarter Ended 31 March 2024

No gross revenues registered in the same comparative period in 2025 and 2024. No room sales were reported due to the fire incident. There was zero occupancy in 1Q2025 same as 1Q2024. No room revenue contribution to the gross revenues for 1Q2025 and 1Q2024, respectively. Zero average room rate for both 1Q2025 and 1Q2024.

Zero Food and Beverage revenue was recorded in 1Q2025 and 1Q2024. Food and beverages sales have no contribution to gross revenues. Revenues generated by other operating departments including Telephone department went down completely in 1Q2025 and 1Q2024. Rent and other income have remained zero in 1Q2025 and in 1Q2024.

There was no F&B Revenue, thus, no cost of sales in both 1Q2025 and in 1Q2024. Permanent Lay Off has been filed at the DOLE NCR on November 24, 2018 due to the fire incident that occurred in the hotel last March 18, 2018. The Energy cost was recorded at P.65 million in 1Q2025.

The Company posted a gross operating loss of P14 million in 1Q2025, representing increase of P6.82 million from that recorded in 1Q2024 of P7.18 million. Gross operating profit/loss ratio in 1Q2025 and 1Q2024 stood both at 0%.

Fixed financial, operating and other expenses decreased from P14.51 million in 1Q2024 to P6.21 million in 1Q2025 with the major decrease coming from general and administrative expenses. The general and administrative expenses decreased from P9.11 million in 1Q2024 to P0.08 million in 1Q2025 due to a decrease in general expenses. Marketing and guest entertainment decreased from P.093 million in 1Q2024 to nil in 1Q2025. P0.47 million corporate expenses were recorded in 1Q2025. Real estate tax increased from P3.32 million in 1Q2024 to P4.28 million in 1Q2025. For 1Q2025, the Company posted a net loss of P20.21 million representing a decrease of 6.8% from loss of P21.69 million in 1Q2024.

Quarter Ended 31 March 2024 and Quarter Ended 31 March 2023

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

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

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

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

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

FINANCIAL CONDITION

As of 31 March 2025 and Year Ended 31 December 2024

Total assets increased to P2.879 billion in 31 March 2025 as compared to P2.877 billion as of 31 December 2024. Current assets increased from P.251 billion as of 31 December 2024 to P.256 billion as of end of 1Q2025, this is due to increase in Cash and Cash Equivalents. Cash ending balance as of 31 March 2025 of P23.628 million. Trade receivables as of 31 March 2025 amounted to P22.265 million. No changes have been noted from the Inventories from 31 December 2024 to 1Q 2025. Prepayments and other current assets increased to P23.554 million as of 31 March 2025 from P22.905 million as of 31 December 2024.

Property and equipment account decreased from P1.748 billion as of 31 December 2024 to P1.744 billion as of 31 March 2025. Other non-current assets of P859.91 million as of end of 1Q2025.

Total liabilities increased from P1.164 billion as of 31 December 2024 to P1.185 billion as of 31 March 2025. Trade and other current payables increased from P335.72 million as of 31 December 2024 to P339.52 million as of 31 March 2025. Non-current liabilities increased from P292.19 million as of 31 December 2024 to P292.28 million as of 31 March 2025.

As of 31 March 2024 and Year Ended 31 December 2023

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

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

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

- i. The Company is involved in a number of legal cases (labor and civil). However, adverse judgments on these will not affect the short-term liquidity of the Company. For such contingencies, management has provided adequate reserves.
- ii. Aside from the above-mentioned items, management does not know of trends and events that would have a material impact on the Company's liquidity.
- iii. On March 18, 2018, a fire broke out in the hotel property that damaged the lower floors of the main building as well as the Podium building occupied by the casino area that resulted to the suspension of the hotel operations.
- iv. The proceeds from the insurance claims shall be used to restore the hotel for its continued operation.
- v. There are no off-balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated or other persons created during the reporting period.
- vi. The business operation during the 2nd quarter of 2018 has temporary ceased due to the damages caused by fire to the property. By the end of 1st quarter of 2025, the business operation has not yet commenced.
- vii. For the 1st quarter of 2025, the material or significant elements of loss did not arise from the Company's operations, however, contributable to the non-generation of any revenue brought by temporary closure.
- viii. Causes of material changes in the items in the statement of financial positions and income statements from the interim year-to-date ending 31 March 2025 to the interim year-to-date ending 31 March 2022 has been discussed under management discussion

and analysis under Interim Reports. The following comparisons are supplementary to the management discussion and analysis and are presented for discussion purposes only.

<u>Statement of Financial Position</u>		
	Period Ended	Fiscal Year Ended (Audited)
	March 31, 2025	December 31, 2024
Current Assets	256,794,063	251,000,569
Total Assets	2,878,666,821	2,877,481,928
Current Liabilities	893,060,535	871,757,497
Total Liabilities	1,185,343,924	1,163,946,281
Retained Earnings	1,169,486,226	1,189,698,974
Stockholders' Equity	1,647,302,165	1,661,612,321

<u>Income Statement</u>				
	Current Year	Previous Year	Current Year-To-Date	Previous Year-To-Date
	(3 Months)	(3 Months)		
Operating Revenue	-	-	-	-
Other Revenue	-	-	-	-
Gross Revenue	-	-	-	-
Operating Expense	20,212,748	21,692,915	20,212,748	21,692,915
Other Expense				
Gross Expense	20,212,748	21,692,915	20,212,748	21,692,915
Net Income/(Loss) Before Tax	(20,212,748)	(21,692,915)	(20,212,748)	(21,692,915)
Income Tax Expense	-	-	-	-
Net Income/(Loss) After Tax	(20,212,748)	(21,692,915)	(20,212,748)	(21,692,915)

TOP FIVE (5) PERFORMANCE INDICATORS

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

	March 2025	March 2024
Occupancy Rate	-	-
Average Room Rate	-	-
Revenues	-	-
Gross Operating Profit	(20,212,748)	(21,692,915)
Gross Operating Profit Ratio	-	-

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

Financial Statements

1. The audited financial statements as of 31 December 2024 and 31 December 2023 are incorporated herein by reference. A copy of the audited financial statements as of 31 December 2024 is attached.
2. The exhibits attached to the financial statements are in addition to the information disclosed in the annual reports for the year ended 31 December 2024 and for the year ended 31 December 2023.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Accounting Firm of KPMG Manabat, Sanagustin & Co. is the elected External Auditor for Acesite (Phils.) Hotel Corporation. In compliance with SEC Memorandum Circular No. 8, Series of 2003, the financial statements for the year ended 31 December 2024 were audited by the accounting firm of R.G. Manabat & Co., while prior years financial statements for the years ended 31 December 2005, 31 December 2006 and 31 December 2007, were audited by the accounting firm of SGV and Company. Starting with the financial statements 31 December 2008 up to 31 December 2024 audit was undertaken by the accounting firm of R.G. Manabat & Co., formerly KPMG Manabat, San Agustin & Co., and there have been no disagreements with the independent accountants.

MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

1. Market Information

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

	2025		2024		2023	
	High	Low	High	Low	High	Low
1 st Quarter	1.49	1.49	1.77	1.76	1.60	1.37
2 nd Quarter	1.35	1.35	1.65	1.63	1.72	1.37
3 rd Quarter			1.59	1.58	1.92	1.36
4 th Quarter			1.78	1.70	1.89	1.32

The last trading price was ₱1.30 on 29 July 2025.

2. Holders

The Company had 165 registered stockholders as of 31 July 2025. The top 20 stockholders are as follows:

Top as of 20 Stockholder 31 July 2025	No. of Shares	% Holdings
WATERFRONT PHILIPPINES, INC.	192,045,057	55.49%
PCD NOMINEE CORPORATION	79,843,502	23.07%
PCD NOMINEE CORPORATION (NON-FILIPINO)	52,706,475	15.23%
NICKELL INTERNATIONAL LTD.	8,935,710	2.58%
ACESITE (PHILIPPINES) HOTEL CORPORATION	1,353,058	0.39%
ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394	0.25%
TANSECO, GENEROSO	714,857	0.21%
UNITED PHILIPPINE LINES	714,854	0.21%
TAN, JESUS M. (HEIRS OF)	595,728	0.17%
DIZON, WILLY O. DIZON OR NENE C.	500,000	0.14%
BAUTISTA, DOMINGO C.	476,574	0.14%
NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508	0.09%
MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001	0.08%
MENZI, HANS (ESTATE OF)	278,001	0.08%
WELLS AND PUMPS INC.	278,001	0.08%
ROSARIO, FRANCISCO DEL	258,146	0.07%
CARLOS, GLORIA S. (HEIRS OF)	218,428	0.06%
SANCHEZ, ANDREW A.	198,579	0.06%
WESTERN STEEL INC.	198,576	0.06%
TULIO, ERMINDA L.	198,576	0.06%

3. Dividends

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

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

There are no cash dividends declared as of December 31, 2024 and December 31, 2023 by the BOD. Moreover, the Company has not seen any restrictions that limit the ability to pay dividends on common equity or that are likely to do so in the future.

Since the temporary stoppage of operation in March 2018, non-generation of revenue resulted to non-declaration of cash dividends for the Stockholders. As of 2024, the Hotel is still under renovation.

4. Recent Sales of Unregistered Securities

Not applicable.

5. Corporate Governance

- a. The Company has in place a continuing evaluation program on the level of compliance of the Board of Directors and top-level management with its manual of Corporate Governance. The Compliance Officer identifies, monitors and, together with the Corporation's Legal Counsel, controls compliance risk. On a continuing basis, findings thereof are immediately reported to the Chairman of the Board for appropriate action.
- b. Several measures are practiced by the Corporation to fully comply with its Manual of Corporate Governance. The Corporation has adopted Anti-Money Laundering Guidelines, a Code of Business Ethics and a Policy Manual for Business Conduct which all employees, officers and directors are expected to follow. Upon assumption of office, directors take note of and signify their assent to their individual responsibilities under the Company's Manual of Corporate Governance. Committees are formed on the basis of each director's area of expertise. The Board considers the need for the appointment of, and may subsequently commission, independent experts to examine, validate and/or audit any matter coming to its attention. Furthermore, the accounting system and the preparation of financial statements are made compliant with Statements of International Accounting Standards (SFAS)/International Accounting Standards (IAS) in the manner specified by law. Results of the annual audit and the report of the external auditors are reviewed by the Audit Committee before final approval by the Board of Directors.
- c. For the year ended 31 December 2024, there have been no deviations from the Company's Manual of Corporate Governance, which was updated in pursuant to SEC Memorandum Circular No. 19, last May 30, 2017.

The Company has in place a policy on the continuing development and improvement of the Manual of Corporate Governance. Board members and senior executives are encouraged to propose amendments that may be beneficial. The Board reviews such proposals and may implement amendments that, upon discussion and consideration, are finally deemed beneficial.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

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

Item 13. Acquisition or Disposition of Property

The company has not acquired any property nor disposed of any of its property for the calendar years ended 31 December 2023 and 31 December 2024.

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

Item 14. Restatement of Accounts

There is no substantial restatement of any asset, capital or surplus account of the Company for the financial statements for the calendar year ending 31 December 2023 and 31 December 2024.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The following reports, copies of which will be duly furnished to stockholders without charge, will be submitted for stockholders' approval at the Annual Meeting of Stockholders on 28 August 2025:

a) The agenda for the August 28, 2025 Annual Stockholders Meeting:

1. Call to Order;
2. Certification of Notice and Quorum;
3. Approval of the Minutes of the Previous Stockholders' Meeting;
4. President's Report to the Stockholders for the Year 2024 and the approval of the Audited Financial Statements as of December 31, 2024;
5. Ratifications of the Acts of the Board and Management for the year 2024;
6. Approval of the amendment of Article III Section 1 of the Corporation's By-Laws: Changing the date of Annual Meeting of Stockholders from "on third Wednesday of June of each year to second Friday of October of each year;
7. Election of the Board of Directors to Serve for the Term 2025-2026;
8. Appointment of External Auditor for the year 2025-2026;
9. Appointment of External Counsel for the year 2025-2026 and
10. Other business matters; and
11. Adjournment.

b) The Minutes of the July 26, 2024 Annual Stockholder's Meeting will be presented for approval.

The Chairman of the Board, Mr. Arthur Lopez has called the meeting last July 26, 2024. The Minutes of Stockholders' Meeting held on July 26, 2024 was approved.

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

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

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

c) Interim Report as of March 31, 2025 will be presented to the security holder for information regarding the actual situation of the business.

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

- Designation of certain officers and law office to represent the company in court cases;

- Renewal of licenses from various government offices and designation of authorized signatories thereto;
- All others pertaining to administrative matter such as:
 - Designation of authorized representative for Government Entities
 - Designation of authorized signatories with bank
 - Designation of authorized representative for contracts and memorandum of agreement

The stockholders re-appointed the law firms of Corporate Counsels Philippines Law Offices and Gancayco, Balasbas & Associates in the last annual meeting held July 26, 2024 as the legal counsels of the Company. Representatives of the said law firms shall be attending the annual meeting of stockholders on August 28, 2025 to respond to appropriate questions and have an opportunity to make a statement if they so desire. Law Firms of Corporate Counsels, Philippines Law Offices; and Gancayco, Balasbas & Associates stand for re- appointment on August 28, 2025.

The accounting firm of R.G. Manabat & Co., formerly KPMG Manabat Sanagustin& Co. has acted as the External Auditors for calendar year 2024 and also stands for re-appointment. There are no disagreements with R.G. Manabat & Co. on any matter of accounting and financial disclosure.

Item 16. Matters Not Required to be Submitted

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

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

On 17 June 2025, the Company's Board of Directors approved the amendment of the by-laws to change the schedule of the annual meeting.

From:	To:	Rationale for the Amendment(s)
Article III Section 1. ANNUAL MEETINGS. The annual meetings of the company shall be held on the third Wednesday of June of each year at 4:00 p.m. If said day should be a holiday, then the meeting shall be held on the succeeding business day at the same place and hour.	Article III Section 1. ANNUAL MEETINGS. The annual meetings of the company shall be held on the 2 nd Friday of October each year. If said day should be a holiday, then the meeting shall be held on the succeeding business day at the same place and hour.	To align with the schedule of the Annual Stockholder's Meeting of the Parent and Affiliates.

Item 18. Other Proposed Action

There are no other proposed actions.

Item 19. Voting Procedures

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

PART II.

INFORMATION REQUIRED IN A PROXY FORM

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

Item 1. **Identification**

Not Applicable.

Item 2. **Instruction**

Not Applicable.

Item 3. **Revocability of Proxy**

Not Applicable.

Item 4. **Persons Making the Solicitation**

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

Not Applicable.

(a) Solicitations Subject to paragraph **(8)** of SRC Rule 20

Not Applicable.

PART III.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct.

By:



AMANDO J. PONSARAN JR.
Assistant Corporate Secretary

Manila City, Philippines, August 05, 2025

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

ALL REQUESTS MAY BE SENT TO THE FOLLOWING:

THE CORPORATE SECRETARY

Waterfront Manila Hotel and Casino,
United Nations Avenue corner M. Orosa Street,
Ermita, Manila

THRU

Clinton Ramos, Finance Manager

c.ramos@waterfronthotels.net
0939-908-0771



**PHILIPPINE NATIONAL
CONSTRUCTION CORPORATION**

CERTIFICATION

TO WHOM IT MAY CONCERN:

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

Done this 7th day of April 2025 in Bicutan, Paranaque City.



MIGUEL E. UMALI
President and CEO/Vice-Chairman



**PHILIPPINE NATIONAL
CONSTRUCTION CORPORATION**

CERTIFICATION

TO WHOM IT MAY CONCERN:

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

Done this 15th day of May 2025 in Bicutan, Paranaque City.

ATTY. MIGUEL E. UMALI
President and CEO

vgm/

CERTIFICATION OF INDEPENDENT DIRECTOR

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

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

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

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

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

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

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

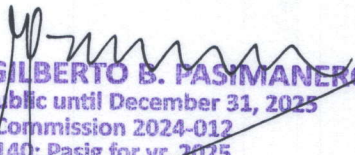
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Acesite (Phils) Hotel Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this JUN 20 2025 day _____, at CITY OF MANILA


ARISTEO R. CRUZ
Affiant

JUN 20 2025
SUBSCRIBED AND SWORN to before me this _____ day of _____ at CITY OF MANILA, affiant personally appeared before me and exhibited to me his Community Tax Certificate No. 108-672-299 issued at Bureau of Internal Revenue.

Doc. No. 182;
Page No. 37;
Book No. 10;
Series of 2025


ATTY. GILBERTO B. PASIMANERO
Notary Public until December 31, 2025
Notarial Commission 2024-012
IBP# 360140; Pasig for yr. 2025
PTN# 2041418; Mja 1-2-2025
Roll # 25473; TIN 103-098-346
MCLE Exempt. No. VIII-NP004483 'til 4-14-2028

CERTIFICATION OF INDEPENDENT DIRECTOR

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

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

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Sta Lucia Land Inc	Independent Director	May 2, 2023 - present
Waterfront Philippines Incorporated	Independent Director	2019-present
Philippine Estates Corporation	Independent Director	June2020 -present
Forum Pacific Inc	Independent Director	2019 - present
Philippine Estates Corporation	Independent Director	2019 - present

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

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

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

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

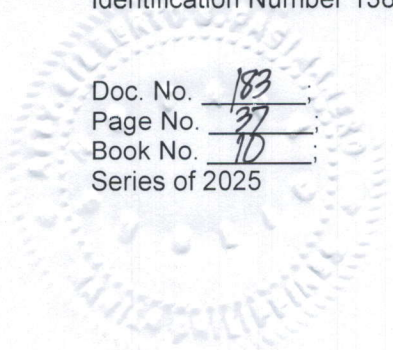
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

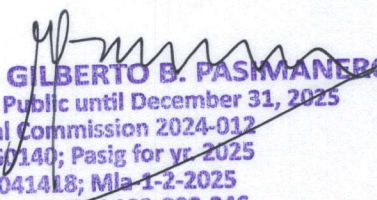
7. I shall inform the Corporate Secretary of Acesite (Phils) Hotel Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this JUN 20 2025 day of _____, at CITY OF MANILA.


RENATO C. FRANCISCO
Affiant

SUBSCRIBED AND SWORN to before me this _____ day of JUN 20 2025 at CITY OF MANILA, affiant personally appeared before me and exhibited to me his Tax Identification Number 138-641-391-000.


Doc. No. 183 :
Page No. 37 :
Book No. 10 :
Series of 2025


ATTY. GILBERTO B. PASHMANERO
Notary Public until December 31, 2025
Notarial Commission 2024-012
IBP# 360140; Pasig for yr 2025
PTR# 2041418; Mls 1-2-2025
Roll # 25473; TIN 103-098-346
MCLE Exempt. No. VIII-NP004483 'til 4-14-2028

CERTIFICATION OF INDEPENDENT DIRECTOR

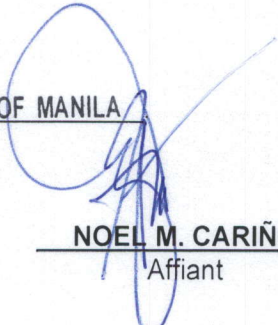
I, **NOEL M. CARIÑO**, Filipino, of legal age and a resident of 14th Floor Paragon Plaza Bldg., Edsa corner Reliance St. Mandaluyong City, after having been duly sworn to in accordance with law do hereby declare that:

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

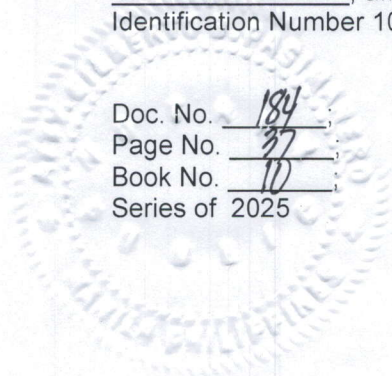
COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Fil-Estate Realty Corporation	Founder/President	1981-1996
War Against Poverty Foundation	Founder/President	1992-Present
Presidential Consultative Commission	Member/Commissioner	2005
CREBA	National President	Present
Cariño Development and Management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

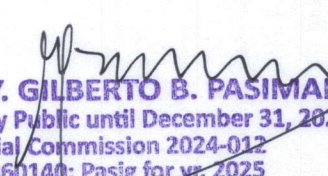
- 3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **Acesite (Phils) Hotel Corporation**. as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
- 4. I am not related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

Done, this JUN 20 2025 day of _____, at CITY OF MANILA


NOEL M. CARIÑO
Affiant

SUBSCRIBED AND SWORN to before me this _____ day of JUN 20 2025 at CITY OF MANILA, affiant personally appeared before me and exhibited to me his Tax Identification Number 106-809-774-000.


Doc. No. 184
Page No. 37
Book No. 10
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. VIII-NP004483 'til 4-14-2028

ADDITIONAL REQUIREMENT (SRC Rule 68)

A schedule showing financial soundness indicators in two comparative period:

CURRENT / LIQUIDITY RATIO

Current Ratio	December 31, 2024	December 31, 2023
Current Assets	251,000,569	455,205,683
Current Liabilities	871,757,497	836,560,412
Ratio	0.2879	0.5441

Quick Ratio	December 31, 2024	December 31, 2023
Cash+AR+ST Mkt Securities	43,221,929	65,677,180
Current Liabilities	871,757,497	836,560,412
Ratio	0.0496	0.0785

Cash Ratio	December 31, 2024	December 31, 2023
Cash+ST Mkt Securities	20,883,077	20,469,058
Current Liabilities	871,757,497	836,560,411
Ratio	0.0240	0.0245

SOLVENCY RATIO

Current Liabilities to Equity Ratio	December 31, 2024	December 31, 2023
Current Liabilities	871,757,497	836,560,412
Total Equity	1,713,535,647	1,792,036,259
Ratio	0.5087	0.4668

Total Liabilities to Equity Ratio	December 31, 2024	December 31, 2023
Total Liabilities	1,163,946,281	1,133,042,341
Total Equity	1,713,535,647	1,792,036,259
Ratio	0.6793	0.6323

Fixed Assets to Equity Ratio	December 31, 2024	December 31, 2023
Fixed Assets	1,747,717,909	1,764,106,580
Total Equity	1,713,535,647	1,792,036,259
Ratio	1.0199	0.9844

Assets to Equity Ratio	December 31, 2024	December 31, 2023
Total Assets	2,877,481,928	2,925,078,600
Total Equity	1,713,535,647	1,792,036,259
Ratio	1.6793	1.6323

PROFITABILITY RATIO

Interest Coverage Ratio	December 31, 2024	December 31, 2023
Net Income After Tax	(77,244,140)	(74,924,043)
Net Sales	-	-
Ratio	-	-

Return on Assets (ROA) Ratio	December 31, 2024	December 31, 2023
Net Income After Tax	(77,244,140)	(74,924,043)
Total Assets	2,877,481,928	2,925,078,600
Ratio	(0.0268)	(0.0256)

Return on Equity Ratio	December 31, 2024	December 31, 2023
Net Income After Tax	(77,244,140)	(74,924,043)
Total Equity	1,713,535,647	1,792,036,259
Ratio	(0.0451)	(0.0418)

PROXY FORM

KNOW ALL MEN BY THESE PRESENTS:

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

Mr. _____, or in his absence
Mr. _____, or in his absence

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

To attend, be present and represent the undersigned at the stockholders' meeting to be held on **Thursday, August 28, 2025 AT 10.00 A.M.** or any adjournment as well as any and all meetings of the stockholders of **ACESITE (PHILIPPINES) HOTEL CORPORATION** including any adjournment or postponement thereof; take part in the deliberations thereon; vote any and all shares that the undersigned now owns or may hereafter own in said Corporation in any matter, motion, resolution that may be taken up in said meeting/s in such manner as his/her/its aforesaid attorney-in-fact shall deem acceptable in the premises.

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

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

_____, _____ 2025

PRINTED NAME OF STOCKHOLDER

SIGNATURE OF STOCKHOLDER

COVER SHEET

					7	1	9	9			
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S.E.C Registration No.

[illegible]

(Company's Full name)

[illegible]

Business Address : No. Street City/Town Provinces

ARSENIO A. ALFILER, JR.

Contact Person

687-7536

Tel. No.

LIST OF TOP 100 STOCKHOLDERS REPORT AS OF 30 JUNE 2025

[illegible]**FORM TYPE**

Secondary License, (if applicable type)

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Dept. requiring this doc

N/A

Amended Articles number

Total stockholders

--	--

Domestic

Foreign

To be accomplished by SEC personnel concerned

[illegible]

File Number

LCU[illegible]

Document I.D.

Cashier

STAMPS

STAMPS

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

- 1. Date of Report (Date of earliest event reported)
Jul 10, 2025
- 2. SEC Identification Number
7199
- 3. BIR Tax Identification No.
002-856-627-000
- 4. Exact name of issuer as specified in its charter
ACESITE (PHILS.) HOTEL CORPORATION
- 5. Province, country or other jurisdiction of incorporation
METRO MANILA, PHILIPPINES
- 6. Industry Classification Code(SEC Use Only)
- 7. Address of principal office
8TH FLOOR, WATERFRONT MANILA HOTEL AND CASINO, U.N. AVENUE CORNER
MA. OROSA ST., ERMITA, MANILA
Postal Code
1000
- 8. Issuer's telephone number, including area code
02-8526-12-12 TEMPORARY 02-8231-1073
- 9. Former name or former address, if changed since last report
N/A
- 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 - 1.00 PAR VALUE	344,747,520

- 11. Indicate the item numbers reported herein
-

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

Acesite (Phils.) Hotel Corporation
ACE

PSE Disclosure Form 4-32 - Reply to Exchange's Query

Subject of the Disclosure
SECRETARY CERTIFICATE RE: CAPITAL STRUCTURE OF ACESITE (PHILS.) HOTEL CORPORATION
Description of the Disclosure
SECRETARY CERTIFICATE RE: CAPITAL STRUCTURE OF ACESITE (PHILS.) HOTEL CORPORATION AS OF 30 JUNE 2025
Information Requested
-

Filed on behalf by:

Name	Amando Ponsaran Jr.
Designation	Assistant Corporate Secretary

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 06/30/2025

Page No. 1

Rank	Name	Holdings	Percentage
1	WATERFRONT PHILIPPINES, INC.	192,045,057	55.49%
2	PCD NOMINEE CORPORATION	79,843,502	23.07%
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	52,705,475	15.23%
4	NICKELL INTERNATIONAL LTD.	8,935,710	02.58%
5	ACESITE (PHILIPPINES) HOTEL CORPORATION	1,353,058	00.39%
6	ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394	00.25%
7	TANSECO, GENEROSO	714,857	00.21%
8	UNITED PHILIPPINE LINES	714,854	00.21%
9	TAN, JESUS M. (HEIRS OF)	595,728	00.17%
10	DIZON, WILLY O. DIZON OR NENE C.	500,000	00.14%
11	BAUTISTA, DOMINGO C.	476,574	00.14%
12	NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508	00.09%
13	WELLS AND PUMPS INC.	278,001	00.08%
14	MENZI, HANS (ESTATE OF)	278,001	00.08%
15	MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001	00.08%
16	ROSARIO, FRANCISCO DEL	258,146	00.07%
17	CARLOS, GLORIA S. (HEIRS OF)	218,428	00.06%
18	SANCHEZ, ANDREW A.	198,579	00.06%
19	WESTERN STEEL INC.	198,576	00.06%
20	TULIO, ERMINDA L.	198,576	00.06%
21	COJUANGCO, RAMON (HEIRS OF)	198,576	00.06%
22	LORENZO, LUISA DE R.	198,576	00.06%
23	ANUP TRADING	198,576	00.06%
24	PAILIAN, PETER GO	158,858	00.05%
25	BALUYUT, SISENANDO	148,928	00.04%
26	ARANETA, SALVADOR (HEIRS OF)	139,002	00.04%

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 06/30/2025

Page No. 2

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

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 06/30/2025

Page No. 3

Rank	Name	Holdings	Percentage
53	MARILEX REALTY DEVELOPMENT CORP.	39,714	00.01%
54	MOSQUEDA, JOSE O.	39,714	00.01%
55	PEDROSA, CARLOS A.	39,714	00.01%
56	RANOLA, CARMEN	39,714	00.01%
57	ROBERTO BORJA FURNITURE	39,714	00.01%
58	DELGADO, JESUS &/OR CARMEN (HEIRS OF)	39,714	00.01%
59	CRUZ, FERNANDO	39,714	00.01%
60	LAZARTE, GREGORIO (HEIRS OF)	39,714	00.01%
61	LICAROS, GREGORIO JR.	39,714	00.01%
62	LIM, CHOA	39,714	00.01%
63	BUSUEGO, ARACELI A.	39,714	00.01%
64	AURELIO, MANUEL &/OR LILIA	39,714	00.01%
65	CHAVARRIA, BENEDICTO	39,707	00.01%
66	CARPO, PIXIE R.	39,707	00.01%
67	CASTRO, FERNANDO L. (HEIRS OF)	39,707	00.01%
68	LAND, FREDERICK JR. (HEIRS OF)	39,707	00.01%
69	PHIL. INSTITUTE OF HOTEL ADMINISTRATION	39,707	00.01%
70	PEDROSA, PIO (HEIRS OF)	39,707	00.01%
71	CYRIL S. PALLASIGUI	30,000	00.01%
72	SYCIP SALAZAR HERNANDEZ & GATMAITAN	25,977	00.01%
73	HARTSOCK, PAUL JEROME	20,051	00.01%
74	MARGARITA D. MAGSAYSAY	19,870	00.01%
75	FRANCISCO D. MAGSAYSAY	19,870	00.01%
76	MACASAET, AMADO P.	19,855	00.01%
77	VILLAR, BONIFACIO T.	19,855	00.01%
78	VERA, LUIS P.	19,855	00.01%

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 06/30/2025

Page No. 4

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

Total Top 100 Shareholders : 345,239,198 99.75%

Total Issued Shares 346,100,578

ACE000000000 June 30, 2025
OUTSTANDING BALANCES FOR SPECIFIC COMPANY
June 30, 2025
ACE000000000

BPNAME	QUANTITY
UPCC SECURITIES CORP.	14,182
A & A SECURITIES, INC.	615,000
ABACUS SECURITIES CORPORATION	313,810
PHILSTOCKS FINANCIAL INC	1,442,923
BA SECURITIES, INC.	2,214,000
AP SECURITIES INCORPORATED	101,500
ANSALDO, GODINEZ & CO., INC.	142,000
AB CAPITAL SECURITIES, INC.	472,655
SB EQUITIES, INC.	81,500
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	100,000
ASIASEC EQUITIES, INC.	149,750
CHINA BANK SECURITIES CORPORATION	3,091,000
BELSON SECURITIES, INC.	85,000
JAKA SECURITIES CORP.	500
BPI SECURITIES CORPORATION	365,813
CAMPOS, LANUZA & COMPANY, INC.	3,500
CTS GLOBAL EQUITY GROUP, INC.	308,698
TRITON SECURITIES CORP.	3,261,290
DAVID GO SECURITIES CORP.	5,700
DIVERSIFIED SECURITIES, INC.	7,350
E. CHUA CHIACO SECURITIES, INC.	28,292
EASTERN SECURITIES DEVELOPMENT CORPORATION	84,500
EVERGREEN STOCK BROKERAGE & SEC., INC.	331,000
FIRST ORIENT SECURITIES, INC.	10,500
F. YAP SECURITIES, INC.	6,000
GLOBALINKS SECURITIES & STOCKS, INC.	10,000
GUILD SECURITIES, INC.	87,184
HDI SECURITIES, INC.	5,571,001
I. B. GIMENEZ SECURITIES, INC.	52,157,527
INVESTORS SECURITIES, INC,	25,000
IMPERIAL, DE GUZMAN, ABALOS & CO., INC.	5,600
INTRA-INVEST SECURITIES, INC.	170,000
LARRGO SECURITIES CO., INC.	88,000
COL Financial Group, Inc.	6,090,404
DA MARKET SECURITIES, INC.	3,000
MERCANTILE SECURITIES CORP.	6,000
MOUNT PEAK SECURITIES, INC.	15,000
OPTIMUM SECURITIES CORPORATION	5,000

RCBC SECURITIES, INC.	19,211
PAPA SECURITIES CORPORATION	23,000
MAYBANK SECURITIES, INC.	304
PNB SECURITIES, INC.	1,550
QUALITY INVESTMENTS & SECURITIES CORPORATION	150,000
R & L INVESTMENTS, INC.	10,000
R. COYIUTO SECURITIES, INC.	416,850
REGINA CAPITAL DEVELOPMENT CORPORATION	196,850
AAA SOUTHEAST EQUITIES, INCORPORATED	13,000
R. S. LIM & CO., INC.	475,000
S.J. ROXAS & CO., INC.	210,000
SECURITIES SPECIALISTS, INC.	9,047
SUMMIT SECURITIES, INC.	10,000
TANSENGCO & CO., INC.	101,876
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	19,855
TOWER SECURITIES, INC.	1,301,250
DRAGONFI SECURITIES, INC.	6,155
LANDBANK SECURITIES, INC.	7,250
FIRST METRO SECURITIES BROKERAGE CORP.	326,004
WEALTH SECURITIES, INC.	32,000
WESTLINK GLOBAL EQUITIES, INC.	45,765,400
YAO & ZIALCITA, INC.	362,500
BDO SECURITIES CORPORATION	212,350
EAGLE EQUITIES, INC.	77,000
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	70
SOLAR SECURITIES, INC.	300,000
G.D. TAN & COMPANY, INC.	2,557,287
UNICAPITAL SECURITIES INC.	4,000
SunSecurities, Inc.	7,000
ARMSTRONG SECURITIES, INC.	2,463,218
ACESITE (PHILS.) HOTEL CORP.	771
Total Lodged Shares	132,548,977

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

Acesite (Phils.) Hotel Corporation ACE

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 Jun 30, 2025

Description of the Disclosure

ACESITE (PHILS.) HOTEL CORPORATION LIST OF TOP 100 STOCKHOLDERS AS OF JUNE 30, 2025

Number of Issued Common Shares	346,100,578
Number of Treasury Common Shares, if any	1,353,058
Number of Outstanding Common Shares	344,747,520
Number of Listed Common Shares	346,100,520
Number of Lodged Common Shares	132,548,977
PCD Nominee - Filipino	79,843,502
PCD Nominee - Non-Filipino	52,705,475
Number of Certificated Common Shares	213,551,601

Change from previous submission

-

Filed on behalf by:

Name

Amando Ponsaran, Jr.

Designation

Assistant Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
CITY OF Pasig) S.S.

SECRETARY'S CERTIFICATE

I, **ARTHUR R. PONSARAN**, Filipino, of legal age, with principal office at 3104 Antel Global Corporate Center, Julia Vargas Avenue, Ortigas Center, Pasig City, after having been sworn according to law, hereby depose and state:

1. I am the duly elected and qualified Corporate Secretary of **ACESITE (PHILS.) HOTEL CORPORATION** (the "Corporation"), a corporation duly organized and existing under the laws of the Philippines with principal address at 8th Floor Waterfront Manila Hotel and Casino, UN Ave., cor Ma. Orosa St., Ermita, Manila, and listed on The Philippine Stock Exchange, Inc. since October 10, 1952;

2. As Corporate Secretary, I have custody and access to the corporate records of the Corporation, including, but not limited to, the books and records of the transfer agent;

3. Based on the records of the Corporation as of 30 June 2025 (the "Covered Period"), the Corporation's capital structure is as follows:

Authorized Capital Stock	PhP1,210,000,000.00
Number, Classes of Shares, Par Value per Share	1,200,000,000 common/PhP1.00 20,000 PREFERRED/PhP500.00
Issued and Outstanding Shares	346,100,578
Fully-paid Shares	346,100,578
Treasury Shares	1,353,058
Outstanding Shares	344,747,520
Listed Shares	346,100,520
Certificated Shares	213,551,601

4. Based on the records of PDTC as of the Covered Period, there are 132,548,977 lodged shares, broken down, as follows:

PCD Nominee - Filipino	79,843,502
PCD Nominee - Non-Filipino	52,705,475

5. All issued shares are duly and validly issued in accordance with existing laws, rules and regulations and are likewise listed in The Philippine Stock Exchange, Inc. ("PSE"). However, the total issued and outstanding shares and the listed shares are subject to reconciliation with the Listings Department of the PSE with respect to 58 treasury shares.

6. All lodged shares are validly issued and listed on the PSE.

7. All shares had been issued were fully paid.

JUL 10 2025


IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of ____ 2025,
in Pasig City, Philippines.


ARTHUR R. PONSARAN
Corporate Secretary

SUBSCRIBED AND SWORN to before me, a notary public in and for the city named above, personally appeared ARTHUR R. PONSARAN, with TIN ID with Id number 127-640-176, who is personally known to me to be the same person who executed the foregoing instrument, signed the same in my presence and who took an oath before me, as to such instrument.

JUL 10 2025

Doc. No. 24
Page No. 6
Book No. 8
Series of 2025.
PASIG CITY


ATTY. JOMAR M. HIZOLA
NOTARY PUBLIC
Cities of Pasig, San Juan, Pateros, Metro Manila
3803 38th Flr., Corporate Finance Plaza Bldg.
Ruby Rd. cor. Topaz Rd. Ortigas Center, Pasig City
Appointment No. 207; Until Dec. 31, 2026
SC Roll No. 81022, May 21, 2022
PTR No. 3042390, 01/14/2025 Pasig City
IBP No. 507325, 01/14/2025 IBP Manila I
MCLE No. VIII-0006903, Feb 20, 2024 - April 14, 2028

COVER SHEET

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SEC Registration Number

A C E S I T E (P H I L S .) H O T E L C O R P O R A T I O N

[illegible]

(Company's Full Name)

8	t	h		F	l	o	o	r		W	a	t	e	r	f	r	o	n	t		M	a	n	i	l	a		H	o	t	e	l
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a	n	d		C	a	s	i	n	o				U	N		A	v	e	n	u	e		c	o	r	n	e	r				
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M . O r o s a S t r e e t E r m i t a , M a n i l a

[illegible]

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

EVANGELINE E. SOLIVERES

Contact Person

(02) 828 - 98639

Company Telephone Number

1	2
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Month

3	1
---	---

Day

1	7	-	Q	1
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FORM TYPE

1	0
---	---

Month

0	9
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Day

Annual Meeting

Not Applicable

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

Amended Articles Number/Section

165

Total No. of Stockholders

Total Amount of Borrowings

Domestic

--

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

Document I.D.

Cashier

STAMPS

STAMPS

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

1. For the quarterly period ended

March 31, 2025

2. SEC Identification Number

7199

3. BIR Tax Identification No.

002-856-627

4. Exact name of issuer as specified in its charter

ACESITE (PHILS.) HOTEL CORPORATION

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

Manila, Philippines

6. Industry Classification Code (SEC Use Only)

7. Address of principal office

8th Floor, Waterfront Manila Hotel and Casino, UN Ave. corner Ma. Orosa St., Ermita, Manila Postal Code 1000

8. Issuer's telephone number, including area code

(02) 8526-12-12 / Temporary (02) 8231-10-73

9. Former name or former address, and former fiscal year, if changed since last report

Not Applicable

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

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

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

☒ Yes

☐ No

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

PSE

12. Indicate by check mark whether the registrant:

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

☒ Yes

☐ No

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

☒ Yes

☐ No

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

ACESITE (PHILS) HOTEL CORP

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

For the period ended

March 31, 2025

Currency (indicate units, if applicable)

Php

Balance Sheet

	Period Ended	Fiscal Year Ended
	March 31, 2025	(Audited) December 31, 2024
Current Assets	256,794,063	251,000,569
Total Assets	2,878,666,821	2,877,481,928
Current Liabilities	893,060,535	871,757,497
Total Liabilities	1,185,343,924	1,163,946,281
Retained Earnings/(Deficit)	1,169,486,226	1,189,698,974
Stockholders' Equity	1,693,322,897	1,713,535,647
Stockholders' Equity - Parent	1,647,302,165	1,661,612,321
Book Value per Share	4.91	4.97

Income Statement

	Current Year	Previous Year	Current Year-To-	Previous Year-To-
	(3 Months)	(3 Months)	Date	Date
Operating Revenue	-	-	-	-
Other Revenue	-	-	-	-
Gross Revenue	-	-	-	-
Operating Expense	20,212,748	21,692,915	20,212,748	21,692,915
Other Expense	-	-	-	-
Gross Expense	20,212,748	21,692,915	20,212,748	21,692,915
Net Income/(Loss) Before Tax	(20,212,748)	(21,692,915)	(20,212,748)	(21,692,915)
Income Tax Expense	-	-	-	-
Net Income/(Loss) After Tax	(20,212,748)	(21,692,915)	(20,212,748)	(21,692,915)
Net Income Attributable to Parent Equity Holder	(19,389,438)	(21,098,657)	(19,389,438)	(21,098,657)
Earnings/(Loss) Per Share (Basic)	-0.06	-0.06	-0.06	-0.06
Earnings/(Loss) Per Share (Diluted)	-0.06	-0.06	-0.06	-0.06

Other Relevant Information

	CURRENT YEAR (Trailing 12 months)	Previous Year (Trailing 12 months)
Earning/(Loss) Per Share (Basic)	(0.22)	(0.22)
Earning/(Loss) Per Share (Diluted)	(0.22)	(0.22)

NOTES TO INTERIM FINANCIAL STATEMENTS

Item 1. Reporting Entity

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

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

Office Address

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

Item 2. Basis of Preparation

Statement of Compliance

The interim financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The financial statements of the Company as of and for the period ended March 31, 2025 were approved.

Basis of Measurement

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

Functional and Presentation Currency

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

Use of Estimates and Judgments

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

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

Item 3. Summary of Significant Accounting Policies

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

Adoption of Amendments to Standards

The FSRSC approved the adoption of a number of new and amendments to standards effective for annual reporting periods beginning on January 1, 2024 as part of PFRS Accounting Standards. None of these are expected to have a material effect on the financial statements.

Standards Issued but Not Yet Adopted

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, 2025

- Lack of Exchangeability (Amendments to PAS 21, The Effects of Changes in Foreign Exchange Rates)

The amendments clarify that a currency is exchangeable into another currency when a company is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. When a currency is not exchangeable, a company needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique. The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the company because the currency is not exchangeable. The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted. Comparative information is not restated and the effect of initially applying the amendments are adjusted to the opening balance of retained earnings, or to the cumulative amount of translation differences if the company uses a presentation currency other than its functional currency.

Effective January 1, 2026

□ Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9 Financial Instruments and PFRS 7 Financial Instruments: Disclosures) The amendments relate to the date of recognition and derecognition, classification of financial assets, contractually linked instruments and non-recourse features, and disclosures on investments in equity instruments.

Date of recognition and derecognition. The amendments clarified that:

- a financial asset or financial liability is recognized on the date on which the entity becomes party to the contractual provisions of the instrument unless the regular way exemption applies;
- a financial asset is derecognized on the date on which the contractual rights to cash flows expire or the asset is transferred; and
- a financial liability is derecognized on the settlement date, which is the date on which the liability is extinguished because the obligation specified in the contract is discharged or cancelled or expires or the liability otherwise qualifies for derecognition.

However, the amendments provide an exception for the derecognition of financial liabilities where an entity may choose to derecognize a financial liability that is settled using an electronic payment system before the settlement date if, and only if, the entity has initiated the payment instruction that resulted in:

- the entity having no practical ability to withdraw, stop or cancel the payment instruction;
- the entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

Entities may choose to apply the exception on a system-by-system basis. Classification of financial assets. The amendments related to classification of financial assets introduces an additional test to assess whether the solely payments of principal and interest (SPPI) criterion is met for financial assets with contingent features that are not related directly to a change in basic lending risks or costs. The amendments clarified that when a contingent feature gives rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs, the financial asset has contractual cash flows that are SPPI if, and only if, in all contractually possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature. Additional disclosures are required for all financial assets and financial liabilities that have certain contingent features that are not related directly to a change in basic lending risks or costs and are not measured at fair value through profit or loss.

Item 4. Cash and Cash Equivalents

Included in cash and cash equivalents as of March 31, 2025 are composed mainly of cash deposited at various banks.

Item 5. Receivables

This account consists:

	March 2025	December 2024
Trade – Net	22,265,430	22,338,852
Others	114,300,334	112,950,334
Total	136,565,765	135,289,187

Item 6. Inventories

This account consists:

	March 2025	December 2024
Food and Beverage	-	-
Operating Supplies	-	-
Others	762,424	762,424
Total	762,424	762,424

Item 7. Accounts Payable and Accrued Expenses

This account consists:

	March 2025	December 2024
Accrued Expenses	46,215,588	43,695,096
Trade Payables	293,301,836	292,027,673
Others	-	-
Total	339,517,424	335,722,769

Item 8. Related Party Transactions

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

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

Item 9. Loan Payable

There is no currently existing loan.

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

	March 2025	March 2024
Net Income (Loss)	(20,212,748)	(21,692,915)
Weighted Average Number of Shares Outstanding	344,747,520	344,747,520
Earnings (Loss) per share	(0.06)	(0.06)

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

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

- ii. On March 18, 2018, a fire broke out in the hotel property that damaged the lower floors of the main building as well as the Podium building occupied by the casino area that resulted to the suspension of the hotel operations.
- iii. The proceeds from the insurance claims shall be used to restore the hotel for its continued operation.
- iv. There are no off-balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated or other persons created during the reporting period.
- v. The business operation during the 2nd quarter of 2018 has temporary ceased due to the damages caused by fire to the property. By the end of 1st quarter of 2025, the business operation has not yet commenced.
- vi. For the first quarter of 2025, the material or significant elements of loss did not arise from the Company's operations, however, contributable to the non generation of any revenue brought by temporary closure.
- vii. Causes of material changes in the items in the financial statements from 2024 to 2025 have been discussed under management discussion and analysis above.
- viii. Causes of material changes in the items in the income statements for the 1st quarter of 2025 and 2024, and the balance sheets as of 31 March 2025 and 31 December 2024 have been discussed under management discussion and analysis above.
- ix. The hotel operation is currently suspended. This has a material effect on the financial condition and results of operations.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Below are the results of operations of the Company for the period ending March 31, 2025 and 2024 together with its financial conditions as of the same period.

RESULTS OF OPERATIONS

Quarter Ended 31 March 2025 and Quarter Ended 31 March 2024

No gross revenues registered in the same comparative period in 2025 and 2024. No room sales were reported due to the fire incident. There was zero occupancy in 1Q2025 same as 1Q2024. No room revenue contribution to the gross revenues for 1Q2025 and 1Q2024, respectively. Zero average room rate for both 1Q2025 and 1Q2024.

Zero Food and Beverage revenue was recorded in 1Q2025 and 1Q2024. Food and beverages sales have no contribution to gross revenues. Revenues generated by other operating departments including Telephone department went down completely in 1Q2025 and 1Q2024. Rent and other income have remained zero in 1Q2025 and in 1Q2024.

There was no F&B Revenue, thus, no cost of sales in both 1Q2025 and in 1Q2024. Permanent Lay Off has been filed at the DOLE NCR on November 24, 2018 due to the fire incident that occurred in the hotel last March 18, 2018. The Energy cost was recorded at P.65 million in 1Q2025.

The Company posted a gross operating loss of P14 million in 1Q2025, representing increase of P6.82 million from that recorded in 1Q2024 of P7.18 million. Gross operating profit/loss ratio in 1Q2025 and 1Q2024 stood both at 0%.

Fixed financial, operating and other expenses decreased from P14.51 million in 1Q2024 to P6.21 million in 1Q2025 with the major decrease coming from general and administrative expenses. The general and administrative expenses decreased from P9.11 million in 1Q2024 to P0.08 million in 1Q2025 due to a decrease in general expenses. Marketing and guest entertainment decreased from P.093 million in 1Q2024 to nil in 1Q2025. P0.47 million corporate expenses were recorded in 1Q2025. Real estate tax increased from P3.32 million in 1Q2024 to P4.28 million in 1Q2025. For 1Q2025, the Company posted a net loss of P20.21 million representing a decrease of 6.8% from loss of P21.69 million in 1Q2024.

FINANCIAL CONDITION

As of 31 March 2025, and Year Ended 31 December 2024

Total assets increased to P2.879 billion in 31 March 2025 as compared to P2.877 billion as of 31 December 2024. Current assets increased from P.251 billion as of 31 December 2024 to P.256 billion as of end of 1Q2025, this is due to increase in Cash and Cash Equivalents. Cash ending balance as of 31 March 2025 of P23.628 million. Trade receivables as of 31 March 2025 amounted to P22.265 million. No changes have been noted from the Inventories from 31 December 2024 to 1Q 2025. Prepayments and other current assets increased to P23.554 million as of 31 March 2025 from P22.905 million as of 31 December 2024.

Property and equipment account increased from P1.748 billion as of 31 December 2024 to P1.744 billion as of 31 March 2025. Other non-current assets of P859.91 million as of end of 1Q2025.

Total liabilities increased from P1.164 billion as of 31 December 2024 to P1.185 billion as of 31 March 2025. Trade and other current payables increased from P335.72 million as of 31 December 2024 to P339.52 million as of 31 March 2025. Non-current liabilities increased from P292.19 million as of 31 December 2024 to P292.28 million as of 31 March 2025.

TOP FIVE (5) PERFORMANCE INDICATORS

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

	March 2025	March 2024
Occupancy Rate	-	-
Average Room Rate	-	-
Revenues	-	-
Gross Operating Profit	-	-
Gross Operating Profit Ratio	-	-

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

FINANCIAL RISK MANAGEMENT

Risk Management Structure

BOD

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

Risk Management Committee

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

Financial Risk Management Objectives and Policies

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

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

Credit Risk

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

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group grants advances to its affiliates after the BOD reassesses the Group's strategies for managing credits and views that they remain appropriate for the Group's circumstances.

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

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

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

Liquidity Risk

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

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

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

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

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

Market Risks

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

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

Equity Price Risk

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

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

The Group is not exposed to commodity price risk.

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

Financial Instruments

Fair Value of Financial Assets and Liabilities

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

Fair Value Hierarchy

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

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

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

Determination of Fair Value

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

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

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

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to Annex A.

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

Please refer to Annex B.

PART II—OTHER INFORMATION

NONE

SIGNATURES

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

Registrant: ACESITE (PHILS.) HOTEL CORPORATION
Issuer :

Signature and Title 
Amando J. Ponsaran, Jr.
Asst. Corporate Secretary

Date _____

Signature and Title 
Evangelina E. Soliveres
Compliance Officer

Date _____

ADDITIONAL REQUIREMENT (SRC Rule 68)

A schedule showing financial soundness indicators in two comparative period:

CURRENT / LIQUIDITY RATIO

Current Ratio	March 31, 2025	December 31, 2024
Current Assets	256,794,063	251,000,569
Current Liabilities	893,060,535	871,757,497
Ratio	0.2875	0.2879

Quick Ratio	March 31, 2025	December 31, 2024
Cash+AR+ST Mkt Securities	137,328,189	156,172,263
Current Liabilities	893,060,535	871,757,497
Ratio	0.1538	0.1791

Cash Ratio	March 31, 2025	December 31, 2024
Cash+ST Mkt Securities	23,628,255	20,883,077
Current Liabilities	893,060,535	871,757,497
Ratio	0.0265	0.0240

SOLVENCY RATIO

Current Liabilities to Equity Ratio	March 31, 2025	December 31, 2024
Current Liabilities	893,060,535	871,757,497
Total Equity	1,693,322,897	1,713,535,647
Ratio	0.5274	0.5087

Total Liabilities to Equity Ratio	March 31, 2025	December 31, 2024
Total Liabilities	1,185,343,924	1,163,946,281
Total Equity	1,693,322,897	1,713,535,647
Ratio	0.7000	0.6793

Fixed Assets to Equity Ratio	March 31, 2025	December 31, 2024
Fixed Assets	1,743,582,335	1,747,717,909
Total Equity	1,693,322,897	1,713,535,647
Ratio	1.0297	1.0199

Assets to Equity Ratio	March 31, 2025	December 31, 2024
Total Assets	2,878,666,821	2,877,481,928
Total Equity	1,693,322,897	1,713,535,647
Ratio	1.7000	1.6793

INTEREST COVERAGE RATIO

Interest Coverage Ratio	March 31, 2025	December 31, 2024
Net Income Before Tax + Interest Exp	(20,212,173)	(81,705,331)
Interest Expense	-	-
Ratio	-	-

PROFITABILITY RATIO

Interest Coverage Ratio	March 31, 2025	December 31, 2024
Net Income After Tax	(20,212,173)	(77,244,140)
Net Sales	-	-
Ratio	-	-

Return on Assets (ROA) Ratio	March 31, 2025	December 31, 2024
Net Income After Tax	(20,212,173)	(77,244,140)
Total Assets	2,878,666,821	2,877,481,928
Ratio	(0.0070)	(0.0268)

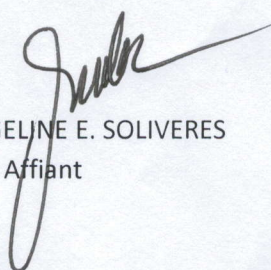
Return on Equity Ratio	March 31, 2025	December 31, 2024
Net Income After Tax	(20,212,748)	(77,244,140)
Total Equity	1,693,322,897	1,713,535,647
Ratio	(0.0119)	(0.0451)

Certification

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

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

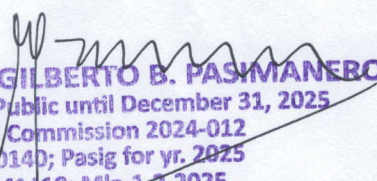
IN WITNESS WHEREOF, I have hereunto set my hands this MAY 15 2025 day of _____, 2025.


EVANGELINE E. SOLIVERES
Affiant

SUBSCRIBED AND SWORN to before me this MAY 15 2025 day of _____ 2025.

NOTARY PUBLIC

Doc. No. 103
Page No. 21
Book No. 12
Series of 2025


ATTY. GILBERTO B. PASIMANE
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. VIII-NP004483 'til 4-14-2028

ACESITE (PHILS.) HOTEL CORPORATION
COMPARATIVE STATEMENTS OF INCOME
FOR THE QUARTER ENDING March 31, 2025
(With Comparative Figures for March 31, 2024)

	QUARTER ENDED 31-Mar-25	YEAR TO ENDED 31-Mar-25	QUARTER ENDED 31-Mar-24	YEAR TO ENDED 31-Mar-24
INCOME				
Rooms	-	-	-	-
Food and Beverage	-	-	-	-
Telephone Exchange	-	-	-	-
Other Operated Departments	-	-	-	-
Rent and Other Income	-	-	-	-
	-	-	-	-
COST OF SALES AND SERVICES				
Cost of Sales:				
Food and Beverage	-	-	-	-
Telephone Exchange	-	-	-	-
Other Operated Departments	-	-	-	-
Rental and Other Income	-	-	-	-
	-	-	-	-
Payroll and Related Expenses	4,872,484	4,872,484	429,324	429,324
Other Expenses	3,495,365	3,495,365	198,872	198,872
	8,367,849	8,367,849	628,196	628,196
Energy Cost	651,381	651,381	822,698	822,698
Property operations and maintenance	-	-	723,747	723,747
Depreciation on cost	4,980,264	4,980,264	5,008,985	5,008,985
Land rental	-	-	-	-
	5,631,645	5,631,645	6,555,430	6,555,430
	13,999,494	13,999,494	7,183,626	7,183,626
GROSS OPERATING PROFIT (LOSS)	(13,999,494)	(13,999,494)	(7,183,626)	(7,183,626)
FIXED, FINANCIAL, OPERATING AND OTHER EXPENSES				
General and Administrative Expenses	78,947	78,947	9,108,499	9,108,499
Marketing and Guest Entertainment	-	-	93,072	93,072
Foreign Exchange (Gain) Loss	575	575	-	-
Interest Expense	-	-	-	-
Corporate Expenses	474,761	474,761	1,994,687	1,994,687
Real Estate Tax	4,277,323	4,277,323	3,316,383	3,316,383
Insurance - Building and Contents	1,499,168	1,499,168	-	-
Interest and Other Charges/(Income)-Net	(117,520)	(117,520)	(3,353)	(3,353)
	6,213,254	6,213,254	14,509,289	14,509,289
INCOME (LOSS) BEFORE DEPRECIATION ON REVALUATION INCREMENT AND INCOME TAX	(20,212,748)	(20,212,748)	(21,692,915)	(21,692,915)
DEPRECIATION - REVALUATION INCREMENT	-	-	-	-
INCOME (LOSS) BEFORE INCOME TAX	(20,212,748)	(20,212,748)	(21,692,915)	(21,692,915)
PROVISION FOR INCOME TAX	-	-	-	-
NET INCOME (LOSS)	(20,212,748)	(20,212,748)	(21,692,915)	(21,692,915)
OTHER COMPREHENSIVE INCOME (LOSS)				
Appraisal increase in property and equipment for the year	-	-	-	-
Unrealized Loss on AFS investment recognized for the year	-	-	-	-
Income tax on other comprehensive income	-	-	-	-
	-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	(20,212,748)	(20,212,748)	(21,692,915)	(21,692,915)
Net Income(Loss)	(20,212,748)	(20,212,748)	(21,692,915)	(21,692,915)
No. of shares issued	344,747,520	344,747,520	344,747,520	344,747,520
INCOME(LOSS) PER SHARE	(0.06)	(0.06)	(0.06)	(0.06)

ACESITE (PHILS.) HOTEL CORPORATION
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THREE - MONTH ENDING Mar 31, 2025

	CAPITAL STOCK COMMON	TREASURY SHARES	REVALUATION INCREMENT IN PROPERTY AND EQUIPMENT	RETIREMENT BENEFITS RESERVE	UNREALIZED VALUATION LOSS ON AFS INVESTMENTS	RETAINED EARNINGS	TOTAL
Balance at December 31, 2024	346,100,578	(12,041,700)	121,080,712	62,565,033	6,132,050	1,189,698,974	1,713,535,647
Transfer of revaluation increment deducted from operations through additional depreciation charges							
Net income (loss) for the three months						(20,212,748)	(20,212,748)
Balance at March 2025	346,100,578	(12,041,700)	121,080,712	62,565,033	6,132,050	1,169,486,226	1,693,322,899
Balance at December 31, 2023	346,100,578	(12,041,700)	135,757,162	62,260,724	7,692,830	1,201,598,798	1,741,368,392
Transfer of revaluation increment deducted from operations through additional depreciation charges							
Net income (loss) for the three months						(21,098,653)	(21,098,653)
Balance at March 31, 2024	346,100,578	(12,041,700)	135,757,162	62,260,724	7,692,830	1,180,500,145	1,720,269,739

ACESITE (PHILS.) HOTEL CORPORATION
STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDINGS March 31, 2025
(With Comparative Figures for March 31, 2024)

	QUARTER ENDED 31-Mar-25	YEAR TO DATE 31-Mar-25	QUARTER ENDED 31-Mar-24	YEAR TO DATE 31-Mar-24
CASH FLOW FROM OPERATING ACTIVITIES				
Income(Loss) before income tax	(20,212,748)	(20,212,748)	(21,692,915)	(21,692,915)
Adjustments for:				
Depreciation	4,980,264	4,980,264	5,008,985	5,008,985
Interest Expense	-	-	-	-
Unrealized foreign exchange loss	-	-	-	-
Retirement benefits expense	268,061	268,061	-	-
Provision for doubtful accounts	-	-	-	-
Interest Income	(3,020)	(3,020)	(3,353)	(3,353)
Foreign exchange losses - net	-	-	-	-
Operating income before working capital changes	(14,967,443)	(14,967,443)	(16,687,283)	(16,687,283)
Decrease (increase) in:				
Receivables	73,422	73,422	20,753,702	20,753,702
Inventories	-	-	-	-
Prepaid expenses	(648,767)	(648,767)	(564,163)	(564,163)
Increase (decrease) in:				
Accounts payable and accrued expenses	3,621,199	3,621,199	(3,437,958)	(3,437,958)
Net Cash flow from Insurance claims	-	-	-	-
Retirement benefit plan obligation	-	-	(0)	(0)
Concessionaires and other deposits	-	-	-	-
Rental paid in advance	-	-	-	-
Net cash generated from operations	(11,921,590)	(11,921,590)	64,297	64,297
Interest received	3,020	3,020	3,353	3,353
Income taxes paid	-	-	-	-
Net cash from operating activities	(11,918,570)	(11,918,570)	67,651	67,651
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in receivable from affiliates	17,508,383	17,508,383	33,024,724	33,024,724
Note receivable	(2,472,972)	(2,472,972)	(2,250,423)	(2,250,423)
Proceeds from insurance claims on property damages	-	-	-	-
Other noncurrent assets	-	-	-	-
Acquisition of property and equipment	(844,690)	(844,690)	(2,721,037)	(2,721,037)
Decrease (increase) in other assets	473,027	473,027	(28,518,568)	(28,518,568)
Net cash from (used) in investing activities	14,663,748	14,663,748	(465,304)	(465,304)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of loan	-	-	-	-
Interest paid	-	-	-	-
Increase (decrease) in contract payable	-	-	-	-
Increase (decrease) in lease rental payable (Cimar)	-	-	-	-
Cash used in financing activities	-	-	-	-
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-	-	-	-
NET INCREASE (DECREASE IN CASH AND CASH EQUIVALENTS	2,745,178	2,745,178	(397,654)	(397,654)
CASH AND CASH EQUIVALENTS, BEGINNING	20,883,077	20,883,077	20,469,058	20,469,058
CASH AND CASH EQUIVALENTS AT END OF PERIOD	23,628,255	23,628,255	20,071,404	20,071,404

ACESITE (PHILS.) HOTEL CORPORATION

(doing business under the name and style of Waterfront Manila Hotel and Casino)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31, 2025	December 31, 2024
ASSETS		
Current Assets		
Cash and cash equivalents	23,628,255	20,883,077
Trade and other current receivables - net	22,265,430	22,338,852
Note receivable	114,300,334	112,950,334
Due from a related party	72,283,878	71,160,906
Inventories	762,424	762,424
Due from parent company	-	-
Prepaid expenses and other current assets	23,553,741	22,904,976
Total Current Assets	256,794,063	251,000,569
Noncurrent Assets		
Property and equipment - net	1,743,582,335	1,747,717,909
Right-of-use assets - net	-	-
Investment in a subsidiary	-	-
Equity security - at fair value through other comprehensive income	18,382,520	18,382,520
Investment property	-	-
Deferred tax assets - net	-	-
Other noncurrent assets - net	859,907,903	860,380,930
Total Noncurrent Assets	2,621,872,758	2,626,481,359
	2,878,666,821	2,877,481,928
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other current payables	339,517,424	335,722,769
Due to related parties	553,543,111	536,034,728
Lease liability - current portion	-	-
Income tax payable	-	-
Total Current Liabilities	893,060,535	871,757,497
Noncurrent Liabilities		
Retirement benefits liability	6,588,583	6,588,583
Lease liability - net of current portion	-	-
Retention payables	88,582,121	88,487,516
Deferred tax liability - net	197,112,685	197,112,685
Total Noncurrent Liabilities	292,283,389	292,188,784
Total Liabilities	1,185,343,924	1,163,946,281
Equity		
Capital stock	346,100,578	346,100,578
Revaluation surplus on property and equipment	121,080,712	121,080,712
Retirement benefits reserve	62,565,031	62,565,033
Fair value reserve	6,132,050	6,132,050
Retained earnings	1,169,486,226	1,189,698,974
Treasury stock	(12,041,700)	(12,041,700)
Total Equity	1,693,322,897	1,713,535,647
	2,878,666,821	2,877,481,928

ACESITE (Philippines) Hotel Corporation
SCHEDULE OF AGING OF ACCOUNTS RECEIVABLE FOR SEC REPORTING
As of March 31, 2025

Trade Receivables	0-30 days	31-60 days	61-90 days	91-120 days	121 days over	Total
Acesite Leisure and Entertainment Corporation					2,644,133	2,644,133
Image Travel & Tours Corpora					151,793	151,793
Various Guest					3,652,104	3,652,104
Total	-	-	-	-	6,448,030	6,448,030

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

Type of Securities

Common

**For the period
ended**

March 31, 2025

Description of the Disclosure

ACE PSE Disclosure List of Top 100 Stockholders

Number of Issued and Outstanding Common Shares	346,100,578
Number of Treasury Common Shares, if any	1,353,058
Number of Outstanding Common Shares	344,747,520
Number of Listed Common Shares	346,100,578
Number of Lodged Common Shares	132,548,977
PCD Nominee – Filipino	79,843,502
PCD Nominee – Non-Filipino	52,705,475
Number of Certificated Common Shares	213,551,601

Change from previous submission

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 03/31/2025

Page No. 1

Rank	Name	Holdings	Percentage
1	WATERFRONT PHILIPPINES, INC.	192,045,057	55.49%
2	PCD NOMINEE CORPORATION	79,843,502	23.07%
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	52,705,475	15.23%
4	NICKELL INTERNATIONAL LTD.	8,935,710	02.58%
5	ACESITE (PHILIPPINES) HOTEL CORPORATION	1,353,058	00.39%
6	ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394	00.25%
7	TANSECO, GENEROSO	714,857	00.21%
8	UNITED PHILIPPINE LINES	714,854	00.21%
9	TAN, JESUS M. (HEIRS OF)	595,728	00.17%
10	DIZON, WILLY O. DIZON OR NENE C.	500,000	00.14%
11	BAUTISTA, DOMINGO C.	476,574	00.14%
12	NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508	00.09%
13	WELLS AND PUMPS INC.	278,001	00.08%
14	MENZI, HANS (ESTATE OF)	278,001	00.08%
15	MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001	00.08%
16	ROSARIO, FRANCISCO DEL	258,146	00.07%
17	CARLOS, GLORIA S. (HEIRS OF)	218,428	00.06%
18	SANCHEZ, ANDREW A.	198,579	00.06%
19	WESTERN STEEL INC.	198,576	00.06%
20	TULIO, ERMINDA L.	198,576	00.06%
21	COJUANGCO, RAMON (HEIRS OF)	198,576	00.06%
22	LORENZO, LUISA DE R.	198,576	00.06%
23	ANUP TRADING	198,576	00.06%
24	PAILIAN, PETER GO	158,858	00.05%
25	BALUYUT, SISENANDO	148,928	00.04%
26	ARANETA, SALVADOR (HEIRS OF)	139,002	00.04%

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 03/31/2025

Page No. 2

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

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 03/31/2025

Page No. 3

Rank	Name	Holdings	Percentage
53	MARILEX REALTY DEVELOPMENT CORP.	39,714	00.01%
54	MOSQUEDA, JOSE O.	39,714	00.01%
55	PEDROSA, CARLOS A.	39,714	00.01%
56	RANOLA, CARMEN	39,714	00.01%
57	ROBERTO BORJA FURNITURE	39,714	00.01%
58	DELGADO, JESUS &/OR CARMEN (HEIRS OF)	39,714	00.01%
59	CRUZ, FERNANDO	39,714	00.01%
60	LAZARTE, GREGORIO (HEIRS OF)	39,714	00.01%
61	LICAROS, GREGORIO JR.	39,714	00.01%
62	LIM, CHOA	39,714	00.01%
63	BUSUEGO, ARACELI A.	39,714	00.01%
64	AURELIO, MANUEL &/OR LILIA	39,714	00.01%
65	CHAVARRIA, BENEDICTO	39,707	00.01%
66	CARPO, PIXIE R.	39,707	00.01%
67	CASTRO, FERNANDO L. (HEIRS OF)	39,707	00.01%
68	LAND, FREDERICK JR. (HEIRS OF)	39,707	00.01%
69	PHIL. INSTITUTE OF HOTEL ADMINISTRATION	39,707	00.01%
70	PEDROSA, PIO (HEIRS OF)	39,707	00.01%
71	CYRIL S. PALLASIGUI	30,000	00.01%
72	SYCIP SALAZAR HERNANDEZ & GATMAITAN	25,977	00.01%
73	HARTSOCK, PAUL JEROME	20,051	00.01%
74	MARGARITA D. MAGSAYSAY	19,870	00.01%
75	FRANCISCO D. MAGSAYSAY	19,870	00.01%
76	MACASAET, AMADO P.	19,855	00.01%
77	VILLAR, BONIFACIO T.	19,855	00.01%
78	VERA, LUIS P.	19,855	00.01%

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 03/31/2025

Page No. 4

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

Total Top 100 Shareholders :	345,239,198	99.75%
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Total Issued Shares	346,100,578
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ACE000000000 March 31, 2025
OUTSTANDING BALANCES FOR SPECIFIC COMPANY
March 31, 2025
ACE000000000

BPNAME	QUANTITY
UPCC SECURITIES CORP.	14,182
A & A SECURITIES, INC.	615,000
ABACUS SECURITIES CORPORATION	313,810
PHILSTOCKS FINANCIAL INC	1,453,051
BA SECURITIES, INC.	2,214,000
AP SECURITIES INCORPORATED	111,500
ANSALDO, GODINEZ & CO., INC.	142,000
AB CAPITAL SECURITIES, INC.	379,339
SB EQUITIES, INC.	81,500
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	100,000
ASIASEC EQUITIES, INC.	149,750
CHINA BANK SECURITIES CORPORATION	3,581,000
BELSON SECURITIES, INC.	85,000
JAKA SECURITIES CORP.	500
BPI SECURITIES CORPORATION	365,666
CAMPOS, LANUZA & COMPANY, INC.	3,500
CTS GLOBAL EQUITY GROUP, INC.	308,698
TRITON SECURITIES CORP.	3,261,290
DAVID GO SECURITIES CORP.	5,700
DIVERSIFIED SECURITIES, INC.	7,350
E. CHUA CHIACO SECURITIES, INC.	28,783
EASTERN SECURITIES DEVELOPMENT CORPORATION	84,500
EVERGREEN STOCK BROKERAGE & SEC., INC.	331,000
FIRST ORIENT SECURITIES, INC.	10,500
F. YAP SECURITIES, INC.	6,000
GLOBALINKS SECURITIES & STOCKS, INC.	10,000
GUILD SECURITIES, INC.	87,184
HDI SECURITIES, INC.	5,615,001
I. B. GIMENEZ SECURITIES, INC.	52,157,527
IMPERIAL, DE GUZMAN, ABALOS & CO., INC.	5,600
INTRA-INVEST SECURITIES, INC.	170,000
LARRGO SECURITIES CO., INC.	88,000
COL Financial Group, Inc.	5,667,872
DA MARKET SECURITIES, INC.	3,000
MERCANTILE SECURITIES CORP.	6,000
MOUNT PEAK SECURITIES, INC.	15,000
OPTIMUM SECURITIES CORPORATION	5,000
RCBC SECURITIES, INC.	19,211

PAPA SECURITIES CORPORATION	23,000
MAYBANK SECURITIES, INC.	93,304
PNB SECURITIES, INC.	1,550
QUALITY INVESTMENTS & SECURITIES CORPORATION	150,000
R & L INVESTMENTS, INC.	10,000
R. COYIUTO SECURITIES, INC.	416,850
REGINA CAPITAL DEVELOPMENT CORPORATION	196,850
AAA SOUTHEAST EQUITIES, INCORPORATED	12,000
R. S. LIM & CO., INC.	475,000
S.J. ROXAS & CO., INC.	210,000
SECURITIES SPECIALISTS, INC.	9,047
SUMMIT SECURITIES, INC.	10,000
TANSENGCO & CO., INC.	101,876
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	19,855
TOWER SECURITIES, INC.	1,301,250
DRAGONFI SECURITIES, INC.	6,531
LANDBANK SECURITIES, INC.	7,250
FIRST METRO SECURITIES BROKERAGE CORP.	327,004
WEALTH SECURITIES, INC.	32,000
WESTLINK GLOBAL EQUITIES, INC.	45,658,400
YAO & ZIALCITA, INC.	362,500
BDO SECURITIES CORPORATION	212,350
EAGLE EQUITIES, INC.	77,000
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	70
SOLAR SECURITIES, INC.	300,000
G.D. TAN & COMPANY, INC.	2,557,287
UNICAPITAL SECURITIES INC.	4,000
SunSecurities, Inc.	7,000
ARMSTRONG SECURITIES, INC.	2,463,218
ACESITE (PHILS.) HOTEL CORP.	771
Total Lodged Shares	132,548,977

50,000

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 20 Stockholders
As of 03/31/2025

Page No. 1

Rank	Name	Holdings	Percentage
1	WATERFRONT PHILIPPINES, INC.	192,045,057	55.49%
2	PCD NOMINEE CORPORATION	79,843,502	23.07%
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	52,705,475	15.23%
4	NICKELL INTERNATIONAL LTD.	8,935,710	02.58%
5	ACESITE (PHILIPPINES) HOTEL CORPORATION	1,353,058	00.39%
6	ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394	00.25%
7	TANSECO, GENEROSO	714,857	00.21%
8	UNITED PHILIPPINE LINES	714,854	00.21%
9	TAN, JESUS M. (HEIRS OF)	595,728	00.17%
10	DIZON, WILLY O. DIZON OR NENE C.	500,000	00.14%
11	BAUTISTA, DOMINGO C.	476,574	00.14%
12	NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508	00.09%
13	WELLS AND PUMPS INC.	278,001	00.08%
14	MENZI, HANS (ESTATE OF)	278,001	00.08%
15	MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001	00.08%
16	ROSARIO, FRANCISCO DEL	258,146	00.07%
17	CARLOS, GLORIA S. (HEIRS OF)	218,428	00.06%
18	SANCHEZ, ANDREW A.	198,579	00.06%
19	WESTERN STEEL INC.	198,576	00.06%
20	TULIO, ERMINDA L.	198,576	00.06%

Total Top 20 Shareholders :	<u>340,961,025</u>	<u>98.51%</u>
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Total Issued Shares	<u>346,100,578</u>
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**ACESITE
(PHILIPPINES)
HOTEL CORPORATION**

April 14, 2025

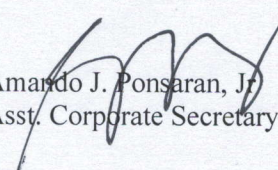
ATTY. JOHANNE DANIEL M. NEGRE
OFFICER-IN-CHARGE, DISCLOSURE DEPARTMENT
4/F Philippine Stock Exchange, Inc.
PSE Centre, Exchange Road, Ortigas Center
Pasig City, Metro Manila

Dear Atty. Johanne Daniel M. Negre,

We submit herewith the Annual Report (SEC 17-A) of ACESITE (PHILS) HOTEL CORPORATION for the year ended December 31, 2024.

Thank you for your kind attention.

Very truly yours,


Amardo J. Ponsaran, Jr.
Asst. Corporate Secretary

Cc:

Securities and Exchange Commission
Mandaluyong City

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

1. For the calendar year ended
DECEMBER 31, 2024

2. SEC Identification Number
7199

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

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

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

6. Industry Classification Code (SEC Use Only)

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

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

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

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

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

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

/ Yes
No

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

PHILIPPINE STOCK EXCHANGE

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 : 152,692,263

Last Trading Price : Php 1.40 as of April 29, 2025

Aggregate Market Value: Php 213,769,168

**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

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

ACESITE (PHILS.) HOTEL CORPORATION

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

For the Calendar year ended	DECEMBER 31, 2024	
Currency (indicate units, if applicable)		
Balance Sheet		
	Year Ending	Previous Year Ending
	DECEMBER 31, 2024	DECEMBER 31, 2023
Current Assets	251,000,569	455,205,683
Total Assets	2,877,481,928	2,925,078,600
Current Liabilities	871,757,497	836,274,111
Total Liabilities	1,163,946,281	1,133,042,342
Retained Earnings/ (Deficit)	1,189,698,974	1,252,266,664
Stockholders' Equity	1,713,535,647	1,792,036,258
Stockholders' Equity - Parent	1,713,535,647	1,792,036,258
Book Value per Share	4.95	5.18
Income Statement		
	Year Ending	Previous Year Ending
	DECEMBER 31, 2024	DECEMBER 31, 2023
Operating Revenue	-	-
Other Revenue	-	-
Gross Revenue	-	-
Operating Expense	97,032,596	63,415,187
Other Expense	15,327,265	(16,773,916)
Gross Expense	81,705,331	80,189,103

Net Income/(Loss) Before Tax	(81,705,331)	(80,189,103)
Income Tax Expense	(4,461,191)	(5,265,060)
Net Income/(Loss) After Tax	(77,244,140)	(74,924,043)
Net Income Attributable to Parent Equity Holder	(76,939,833)	(74,555,391)
Earnings/(Loss) Per Share (Basic)	(0.22)	(0.22)
Earnings/(Loss) Per Share (Diluted)	(0.22)	(0.22)

Financial Ratios	Formula	Calendar Year Ended	Calendar Year Ended
		December 31, 2024	December 31, 2023
Liquidity Analysis Ratios:			
Current Ratio	Current Assets / Current Liabilities	0.29	0.54
Quick Ratio	(Current Assets - Inventory - Prepayments)/ Current Liabilities	0.18	0.21
Solvency Ratio	Total Assets / Total Liabilities	2.47	2.58
Debt Ratio	Total Debt / Total Assets	0.40	0.39
Debt-to-Equity Ratio	Total Debt / Total Stockholders' Equity	0.68	0.63
Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	0.00	0.00
Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	1.68	1.63
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service/ Sales		-
Net Profit Margin	Net Profit / Sales		-
Return on Assets	Net Income before Tax/ Total Assets	(0.03)	(0.03)
Return on Equity	Net Income before Tax / Total Stockholders' Equity	(0.05)	(0.04)
Price / Earnings Ratio	Price Per Share / Earnings Per Common Share	1.86	2.19

TABLE OF CONTENTS

PART I – BUSINESS AND GENERAL INFORMATION

- Item 1 Business
- Item 2 Properties
- Item 3 Legal Proceedings
- Item 4 Submission of Matters to a Vote of Security Holders

PART II – OPERATIONAL AND FINANCIAL INFORMATION

- Item 5 Markets for Registrant's Common Equity and Related Stockholders' Matters
- Item 6 Management's Discussion and Analysis or Plan of Operation
- Item 7 Financial Statements
- Item 8 Changes in and Disagreements with Accountants and Financial Disclosure

PART III – CONTROL AND COMPENSATION INFORMATION

- Item 9 Directors and Executive Officers of the Registrant
- Item 10 Executive Compensation
- Item 11 Security Ownership of Certain Beneficial Owners and Management
- Item 12 Certain Relationships and Related Transactions

PART IV – CORPORATE GOVERNANCE

SIGNATURES

FINANCIAL STATEMENTS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SUPPLEMENTARY SCHEDULES

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

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

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

The Company has not been involved in any bankruptcy, receivership or similar proceeding for the past three years.

The Company acquired 100% interest of CIMAR, a former subsidiary of Acesite Limited (BVI), in October 2011. CIMAR has since been renamed and is now known as Acesite Realty, Inc.

A) Principal Product or Service

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

There is no Revenue Contribution of Operations for 2024.

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

B) Room Sales to Foreigners (Percentage to Room Revenue)

In 2024, the Company remained non-operational and the hotel is under reconstruction.

Foreign Source	% Contribution to Total Room Nights	
	2024	2023
Asia	-	-
Middle East	-	-
North America	-	-
Europe	-	-
Australia	-	-
Africa	-	-
Philippines (Domestic Mkt)	-	-
TOTAL	-	-

C) Distribution Methods of the Products or Services

Food and Beverage (F&B)

No Food & Beverage outlets contributing revenue:

Outlet	F&B Revenues (% Contribution)	
	2024	2023
Seasons		
El Rey (Concessionaire)	-	-
Patisserie	-	-
Room Service	-	-
Banquet	-	-
Mini Bar	-	-
Casino	-	-
TOTAL	-	-

Rooms

In 2024, there were also no rooms revenue due to suspended operation.

Market Segment	% Contribution	
	2024	2023
Marketing Promotions	-	-
Reservation System	-	-
Travel Trade Accounts	-	-
Corporate & FIT Accounts	-	-
TOTAL	-	-

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

There is no new product or service that has been announced 2024.

E) Top Five (5) Performance Indicators

No occupancy of the hotel was recorded in 2024 and 2023. Gross operating loss is Php 85,881,489.

	2024	2023
Occupancy Rate	-	-
Average Room Rate	-	-
Revenues	-	-
Gross Operating Income	-	-
Gross Operating Income Ratio	-	-

F) Sources and Availability of Raw Materials

The hotel sourced all its raw materials (food, beverages, room cleaning items, bed and bath linen, soaps, office supplies, etc.) from various local suppliers. No sourcing activities occurred in 2024.

G) Major Customers

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

H) Transactions with Related Parties

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

Net transactions with WPI amounted to Php 187.95 million in 2024.

I) Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions and Royalty Agreements

Not applicable.

J) Government Approval of Principal Products or Services

The Company held a BFAD License to Operate. Further, the Hotel was accredited with the Department of Tourism with a four-star rating in 2016.

K) Effect of Existing or Probable Governmental Regulations on the Business

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

L) Research and Development Activities

Not Applicable

M) Compliance with Environmental Laws

The Hotel was compliant with the emission standard set by the Clean Air Act, the Solid Waste Management Act and the effluent standard of wastewater during its operation. The cost of compliance

covered the application for certificates of environmental compliance and the regular monitoring and maintenance of engineering equipment and sewerage treatment plant (STP). The hotel obtained a clearance from the Pollution Control Department of the Laguna Lake Development Authority (LLDA). Permit fees for garbage collection, sewage cleaning and maintenance were paid at that time.

N) Manpower Count

	Actual Manpower as of	
	31 Dec 2024	31 Dec 2023
Department Head	8	8
Managerial and Supervisors	5	10
Line Staff	4	4
Casual Direct	-	-
Total	17	22

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

On October 1, 2020, the Company has filed a Temporary Lay-off covering October1, 2020 to March 31, 2021. The Company filed an extension for another six months from April 1, 2021 to September 30, 2021.

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

(p) During the year, the Company retained certain department heads, managers and supervisors. Line staff had drastically reduced during 2018 because of resignations and lay-offs. This was due to the cessation of operations caused by fire incident of March 2018.

ADDITIONAL REQUIREMENTS AS TO CERTAIN ISSUES OR ISSUERS

As of 31 December 2024, the Company has a net worth of P2,938,721,424 and is not planning to issue any unsecured bonds for 2024.

Item 2. Properties

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 the Alcuz Room which could accommodate 250-300 guests. The hotel had approximately 2,200 sq. meters of meeting/banquet/conference facilities, and also housed 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 include a chapel, swimming pool, gym, business center and a valet-service basement car park. Concessionaires and tenants include beauty salon, 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.

The Company acquired 100% interest of CIMAR, a former subsidiary of Acesite Limited (BVI) or ALB, in October 2011. In July 2011, The Company and CIMAR executed a Memorandum of Agreement (MOA), which effectively settle all pending cases and controversies between the two parties. In fulfillment of all the

terms and conditions of the MOA, CIMAR's stockholders including all their nominees, agreed to sign, sell, transfer and convey all existing shares of stocks of CIMAR to the Company.

On March 18, 2018, a fire broke out in APHC's hotel 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

Item 3. Legal Proceedings

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. The minutes of the Annual Meeting of Stockholders dated 26 July 2024 together with the Annual Report and Audited Financial Statements for the calendar year ended 31 December 2024.

2. The law firms of Corporate Counsels Philippines and Gancayco, Balasbas and Associates, which have acted as the legal counsels of the Company since 24 June 2004, stood for reelection at the 02 December 2022 stockholders' meeting. The accounting firm of R.G. Manabat & Co., formerly KPMG Manabat, Sanagustin & Co., has acted as the External Auditors since 2008, also were re-appointed by the shareholders.

PART II – OPERATIONAL AND FINANCIAL INFORMATION**Item 5. Market for Registrant's Common Equity and Related Stockholder Matters****Market Information**

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

	2024		2023	
	High	High	High	Low
1 st Quarter	1.77	1.76	1.60	1.37
2 nd Quarter	1.65	1.63	1.72	1.37
3 rd Quarter	1.59	1.58	1.92	1.36
4 th Quarter	1.78	1.70	1.89	1.32

The last trading price was Php 1.40 on April 29, 2025.

2. Holders

The Company had 165 registered stockholders as of 31 December 2024. The top 20 stockholders are as follows:

Top 20 Stockholders as of 31 December 2024	No. Shares	% Holdings
WATERFRONT PHILIPPINES, INC.	192,045,057	55.49%
PCD NOMINEE CORPORATION	79,844,502	23.06%
PCD NOMINEE CORPORATION (NON-FILIPINO)	52,728,475	15.24%
NICKELL INTERNATIONAL LTD.	8,935,710	02.58%
ACESITE (PHILIPPINES) HOTEL	1,353,058	00.39%
ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394	00.25%
TANSECO, GENEROSO	714,857	00.21%
UNITED PHILIPPINE LINES	714,854	00.21%
TAN, JESUS M. (HEIRS OF)	595,728	00.17%
DIZON, WILLY O. DIZON OR NENE C.	500,000	00.14%
BAUTISTA, DOMINGO C.	476,574	00.14%
NICKELL INTERNATIONAL LTD.	312,508	00.09%

(BRITISH VIRGIN ISLAND)		
MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001	00.08%
MENZI, HANS (ESTATE OF)	278,001	00.08%
WELLS AND PUMPS INC.	278,001	00.08%
ROSARIO, FRANCISCO DEL	258,146	00.07%
CARLOS, GLORIA S. (HEIRS OF)	218,428	00.06%
SANCHEZ, ANDREW A.	198,579	00.06%
TULIO, ERMINDA L.	198,576	00.06%
WESTERN STEEL INC.	198,576	00.06%

3. Dividends

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

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

Recent Sales of Unregistered Securities

Not applicable.

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

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

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

RESULTS OF OPERATION (Amount in P)

	2024	2023	2022
Revenues		-	-
Less: Costs and Expenses	(97,032,596)	(63,415,187)	63,047,074
Gross Expense	(97,032,596)	(63,415,187)	-63,047,074
Other (Expenses) Income	15,327,265	(16,773,916)	-14,940,607
Net Income (Loss) Before Income Tax	(81,705,331)	(80,189,103)	-77,987,681
Income Tax Expense (Benefit)	(4,461,191)	(5,265,060)	-5,130,467
NET INCOME (LOSS)	(76,939,833)	(74,555,391)	-72,857,214
Earnings (Loss) Per Share	-0.22	-0.21	-0.21

FINANCIAL CONDITION (Amount in P)

	2024	2023	2022
ASSETS			
Current Assets	251,000,569	455,205,683	563,465,437
Noncurrent Assets	2,626,481,359	2,469,872,917	2,450,630,343
Total Assets	2,877,481,928	2,925,078,600	3,014,095,780
LIABILITIES			
Current Liabilities	871,757,497	836,274,111	849,823,697
Non-current Liabilities	292,188,784	296,768,231	297,680,433
Total Liabilities	1,163,946,281	1,133,042,342	1,147,504,130
Total Stockholders' Equity	1,713,535,647	1,792,036,258	1,866,591,650
Minority Interest	2,877,481,928	2,925,078,600	3,014,095,780
Total Liabilities & S/H Equity	2,877,481,928	2,925,078,600	3,014,095,780

- Revenues from lease activities (Revenues - Rental): No rental revenues for the year 2024 and in 2023 due to the temporary cessation of operations starting March 2018.
- Revenues from Rooms (Revenues - Rooms): No room revenues for the year 2024 and in year 2023 due to temporary cessation of operations starting March 2018.
- Revenues from Food and Beverage (Revenues - F&B): No F&B revenues for the year 2024 and in year 2023. F&B revenue has been affected since the closure of the outlets due to the fire incident in March 2018.
- Revenues from Others: No Other revenues were recorded for the year 2024 and in year 2023.
- Cost of Sales (F&B): No F&B cost of sales for 2024 and in year 2023 due to the closure of outlets in March 2018.
- Personnel: Personnel costs for the year ended 31 December 2024 amounted to P22.56 million as compared to P25.03 million in the year 2023. The decreased in Personnel Cost was due to the lower number of manpower.

- **Energy Cost:** Energy cost for the year amounted to P2.40 million as compared to 2023 of P3.91 million. A decrease of P1.51 million was recorded due to decrease on charges for water and electricity.
- **Other operating expenses:** These are various cost and expenses under different departments which summed up to P72.67 million in the year 2024 as compared to 2023 of P34.48 million.
- **Depreciation:** Depreciation expense recorded at P19.57 million showing an increase of P0.25 million from 2023.
- **Due from a Related Party:** Due to related parties of 31 December 2024 amounted to P71.16 million as compared to that as of 31 December 2023 of P75.65 million.

Item 7. Financial Statements

1. The audited financial statements as of 31 December 2024 and 31 December 2023 are incorporated herein by reference. A copy of the audited financial statements as of 31 December 2024 is attached.
2. The exhibits attached to the financial statements are in addition to the information disclosed in the annual reports for the year ended 31 December 2024 and for the year ended 31 December 2023.

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.

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

	FOR THE CALENDAR YEAR ENDED DECEMBER 31,	
	2024	2023
<i>Aggregate Fees Billed for the external audit of the Company's financial statements</i>	602,500	545,000

B) Tax Fees

None

C) All Other Fees

None

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

- The Accounting Firm of R.G. Manabat & Co. is the elected External Auditor for Acesite (Phils.) Hotel Corporation. In compliance with SEC Memorandum Circular No. 8, Series of 2003, the financial statements for the year ended 31 December 2020 were audited by the

accounting firm of R.G. Manabat & Co., while prior years financial statements for the years ended 31 December 2005, 31 December 2006 and 31 December 2007, were audited by the accounting firm of SGV and Company.

- Starting with the financial statements 31 December 2008 up to 31 December 2021 audit was undertaken by the accounting firm of R.G. Manabat & Co., formerly KPMG Manabat, Sanagustin & Co., and there have been no disagreements with the independent accountants.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

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

Office	Name	Age	Citizenship	Position in Other Listed Companies
Director	Arthur M. Lopez	76	Filipino	<p>Principal Consultant of AML Hotel Consultants, an independent Hotel Consultancy engaged in Hotel Design Development/Technical Services, Hotel Feasibility Study, Pre and Post Hotel Opening Services and Asset Management/Owner's Representative. He is currently the Management Consultant of the Bellevue Bohol Resort in Panglao, the Bellevue Hotel Manila, The B Hotel Manila; Director of Asia Pacific Top Management International Resources Corporation (Federal Land), owner of Marco Polo Cebu; Director of Philippine Estates Corporation, a public listed company - Philippine Stock Exchange (PSE); Chairman of Acesite Philippines Hotel Corporation, a public listed company - Philippine Stock Exchange (PSE), owner of Waterfront Manila Hotel and Casino (Formerly Manila Pavilion Hotel); Director of Waterfront Hotels and Casinos, a public company-Philippine Stock Exchange (PSE). He is currently working on several hotel developments in the Philippines.</p> <p>He was recently the Management Consultant and assisted in the management and technical services agreement negotiation of Federal Land's Grand Hyatt Project at the Fort Bonifacio, Taguig City; Owner's Representative and Advisor of Four Points by Sheraton Kuching, Sheraton Beach Resort Langkawi, Malaysia, Helang Airport Hotel Langkawi, Malaysia, Santubong Resort Langkawi, Malaysia and Four points by Sheraton Langkawi in Malaysia. He negotiated the management contract and conversion to franchise agreement with Starwood Hotels and Resorts of these properties in Malaysia.</p> <p>He was the Pre-Opening Hotel Management and Technical Services Consultant of Bloomberry Casino Hotels & Resorts/Solaire Hotel and Casino; Regional Director/Asia Pacific of Palmerston Hotels & Resorts; Senior Adviser of Department of Tourism, Philippines; General Manager of Sheraton Hotels in Melbourne, Darwin, Alice Springs and Ayers Rock in Australia, Sheraton Auckland, New Zealand and Westin Philippine Plaza. Resident Manager of Century Park Sheraton Manila, Vice President and Area Manager of ITT Sheraton Australia;</p>

				Country Manager Philippines of Starwood Hotels and Resorts; Philippine Representative of Caesar's Palace; Management Consultant at the Rarotongan Beach Resort & Spa and the Aitutaki Lagoon Resort and Spa in Cook Islands. He was the Asia Pacific and Country Manager of CCA International Ltd., Managers of 45 clubs worldwide including the Tower Club Manila. He held various Management positions in Sales and Marketing, Rooms Division and Food & Beverage in ITT Sheraton Hotels and Hilton International. Mr. Lopez has also completed hotel and business club consultancy work in Japan, Palau, China, Vietnam and Indonesia. He holds a Bachelor of Science in Commerce degree, Major in Management, a Master's Degree in Business Administration (MBA), both from the University of Santo Tomas in the Philippines and Tourism Management at the East-West Center in Honolulu, Hawaii, USA.
Director and Treasurer	Elvira A. Ting	62	Filipino	Director and Treasurer of the Company since 24 June 2004. She earned her bachelor's degree in business administration, major in management, from the Philippine School of Business Administration. She has been a director of WPI since October 2000. She is concurrently, the vice-chairperson and a director of Forum Pacific Inc. She is president of Phil. Estates and vice president of Wellex Industries, Inc. She is a director of Orient Pacific Corporation, Crisanta Realty Development Corporation, Recovery Development Corporation and the Wellex Group, Inc. She is the corporate treasurer of Pacific Rehouse Corp and the chairman and president of Rexlon Realty Group Inc and Heritage Pacific Corp.
Director and Corporate Secretary	Arthur R. Ponsaran	80	Filipino	Director and Corporate Secretary of the Company since 24 June 2004, earned his Bachelor of Laws from the University of the Philippines. He is also a Certified Public Accountant. He is the Managing Partner of Corporate Counsels, Philippines Law Office. He is also the Corporate Secretary of, among others, Waterfront Philippines, Inc., Chemrez Technologies, Inc. and director of D&L Industries and MRL Nickel Philippines, Inc. Mr. Ponsaran is a member of the Integrated Bar of the Philippines and the New York Bar as well as the Philippine Institute of Certified Public Accountants.
President and CEO	Kenneth T. Gatchalian	47	Filipino	Holds a degree in bachelor of science in architecture from the University of Texas. He was elected as one of the directors of the Company since 24 June 2004. He was elected President and CEO of the Company since June 25, 2007. He has been a director of WPI since February 2001. He is concurrently the President of WPI and a director of Forum Pacific, Inc. and Wellex Industries, Inc.
	Sergio R. Ortiz-Luis, Jr.	80	Filipino	He has degrees of Bachelor of Arts and Bachelor of Science in Business Administration from De La Salle University; PhD Humanities from Central Luzon State University, PhD Business Technology from Eulogio "Amang" Rodriguez Institute of Science and Technology. He is the President of Philippine Exporters Confederation, Inc. An Honorary Chairman of Philippine Chamber of Commerce & Industry, Employers Confederation of the Philippines as well as Integrated Concepts & Solutions, Inc. He is the Chairman of National

				Center for Mediation. He is the Vice Chairman of the Alliance Global, Inc., Export Development Council and JARDELI Club Foundation. He is a Director of Manila Exposition Complex, Inc. Lasaltech Academy, Philippine Estate Corporation, BA Securities, Rural Bank of Baguio, PILAK Foundation, Universal Access Center Trade, Philippine International Training Corporation, Philippine Foundation, Inc. (Team Philippines), Forum Pacific, Inc., Calapan Ventures, Inc., and Jolliville Holdings Corporation. A Founding Director of International Chamber of Commerce of the Philippines and GSI. He is also a member of the Board of Advisers of Southville International School and Colleges. He is a commissioner of Patrol 117. He is also a Chairman of Rotary Club of Green Meadows Foundation. He is the past president of Rotary Club Green Meadows Quezon City RI District 3780; Private sector representative of the Philippine Bamboo Council, a senator of Philippine Jaycee Senate, Captain of Philippine Coastguard Auxiliary. He is the Honorary Consul General of Consulate of Romania in the Philippines, a Treasurer of Consular Corps of the Philippines and an Honorary Adviser of International Association of Education for World Peace. A BPLS Champion in National Competitiveness Council. Some Awards that he received were International Peace Award for Economic Development in 2005, Most Outstanding Citizen of Nueva Ecija in the field of business in 2005 also, Most Outstanding Pasigueno in 2006, Uirang Arna also in 2006, Presidential Merit Award Medal in 2007 and ORAS Award in 2011. He became an Independent Director of Waterfront Philippines, Inc. since August 2009 to present and an Independent Director of Acesite (Phils) Hotel Corp since February 2013 to present.
	Lamberto B. Mercado, Jr.	58	Filipino	Vice-President for Legal of the Wellex Group, Inc. He was elected as one of the Directors of the Company since 24 June 2004. He is a graduate of the Ateneo de Manila University School of Law. Atty. Mercado is a certified public accountant. Prior to his post in Wellex Group, he was connected with the Subic Bay Metropolitan Authority (SBMA). From November 1993 to July 1997, he was the chief of staff of SBMA. He also served as president of the Freeport Service Corporation in SBMA from August 1996 to January 1998. He was appointed deputy administrator for administration in February 1997, a post he held until August 1998. Currently a Director of the following publicly listed companies: Waterfront Phils. Inc., Wellex Industries, Inc., Forum Pacific, Inc., Metro Alliance Holdings & Equities Corp. and Acesite (Phils.) Hotel Corporation.
Director	Pablo M. Gancayco	65	Filipino	Director of the Company since 24 June 2004, is a senior partner of the Gancayco, Balasbas & Associates Law Offices. He obtained his bachelor of arts in political science and bachelor of laws from the University of the Philippines. He took a masteral level intensive course on industrial property from the University Robert Schuman in Strasbourg, France. His expertise is in Intellectual Property Law and holds the posts of president and director of the Intellectual Property Association of the Philippines (the association of all intellectual property law practitioners in the Philippines) council member and country head of the Asian Patent Attorneys Association and councilor of the ASEAN Intellectual Property Association. He is the Philippine group head to the Association Internationale pour la

				Protection de la Propriete Industrielle. He is also adept in litigation and corporate law practice. At present, Atty. Pablo M. Gancayco is a director of the Freeport at Bataan, a Past District Governor of Rotary International District 3780, the past Chairman of the Board of Philippine College of Rotary Governors and the Philippine Rotary Magazine Foundation, an officer and member of other corporations, foundations and organizations. Representative of RI District 3780 to the 2016 Council on Legislation.
Director	Dee Hua Gatchalian	74	Filipino	Director of the Company since 19 July 2005. Mrs Gatchalian is the Executive Vice-President of the Wellex Group, Inc., and also the Executive Vice-President of Plastic City Corporation. She is concurrently a director in Philippine Estates Corporation, and Waterfront Philippines, Inc. Mrs. Gatchalian graduated with a degree in Medical Technology from the Far Eastern University in 1970. In addition to her numerous positions in business firms, she is the Chairperson of Jesus Our Life Ministries, Inc., a non-profit, non-stock organization duly registered with the Securities and Exchange Commission and a Chairperson of Dakilang Handog Foundation, a non-profit, non-stock organization.
	Ruben D. Torres	81	Filipino	Graduated in the University of the Philippines with a degree of Bachelor of Arts (Political Science) after which, he finished the degree of Bachelor of Laws at the same university. Presently he is also the President of BPO Workers Association of the Philippines and Senior Partner of Torres Caparas Torres Law Office. He is associated with the Integrated Bar of the Philippines and Philippine Academy of Professional Arbitrators. His former positions include being a Member of the House of Representatives of the 2nd District of Zambales, Executive Secretary of the Office of the President in Malacafiang, Secretary of the Department of Labor and Employment. Mr. Torres became an Independent Director of Waterfront Philippines, Inc. since August 2006-present. Member of Board of Advisers, TYTANA Colleges, Owner of Kitsie's Farms, Iba Zambales and CEO of Optimus Medical Care and Trading Corporation.
	Renato C. Francisco	74	Filipino	Justice Renato Francisco graduated Bachelor of Laws at Ateneo de Manila University. From 1974 to 1987, he was involved in the private practice. In 1987, he started working as Assistant Provincial Prosecutor at the Office of the Provincial Prosecutor - Rizal and, later

				became Assistant City Prosecutor in Makati City. He became Executive Judge at the Regional Trial Court -- Branch 19 in Malolos, Bulacan. On May 31, 2012, he was appointed as Associate Justice of Court of Appeal. He Retired as Associate Justice on August 20, 2018.
	Noel M. Carinio	68	Filipino	Studied Bachelor of Science in AB Philosophy at the University of Sta. Tomas. He is the Founder and Former President of Fil• Estate Realty Corporation; Founder and President of War Against Poverty Foundation; Former Member and Commissioner of Presidential Consultative Commission; National President of Chamber of Real Estate and Builders Associations, Inc. (CREBA); Owner of Carino Development and Management Corporation (CDMC); Chairman and Founder of SunAsia Energy Inc.; Owner of Leon Philippe Industries, Inc.; Former Chairman of the Board of The Manila Time; Founder and Former Publisher of The Philippine Chronicles Media Corporation; Former Publisher of Punta; Founder and Former Publisher of Good Morning Philippines; Founder of Kilusan at Ugnayan ng Maralitang Pasiguenio, Inc. (KUMPAS); Founder of Lakas Pilipino; and Director of Metro Global Holdings Corporation.
	Aristeo R. Cruz	56	Filipino	Atty. Aristeo Cruz studied Bachelor of Commerce Major in Accounting from De La Salle University Manila and Bachelor of Laws from the New Era University. He is a member of the Philippine Bar and also a Certified Public Accountant. He is currently the Vice Chairman/Director Dean of Meycuayan College, Inc.; Vice President/Compiler of Liberty Bank (A Rural Bank), Inc; Founding and Managing Partner of Cruz Altares & Associates Law Office (formerly Cruz, Castro & Altares Law Office); President and Chief Operating Officer (COO) of Idealand Realty & Development Corporation, and Statosphere Realty & Development Corporation; Director and Corporate Secretary of Philstar Innovation Realty Corporation; President of Jose & Luz Locsin Foundation, and Waterstreet Realty Corporation; Corporate Secretary of Justino Emilia Realty and Management & Development Corporation; and Director of Metro Alliance

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

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

Family Relationships

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

Involvement in Legal Proceedings of Control Persons

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

Item 10. Executive Compensation

General

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

COMPENSATION TABLE

	2024	2023
Officers and Directors	2,227,330	2,162,456
Bonus & Compensation	-	-

Compensation Plan of Directors

The members of the Board of Director are elected for a term of one year. Director per diems are pegged at a rate of P10,000.00 per board meeting. Except for the Chairman and the CEO, Directors,

are not entitled to compensation package. Except as herein mentioned, no director received bonuses or profit sharing plans for the years ended 31 December 2024 and 31 December 2023.

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

No director or officer has a compensatory contract in case of resignation, termination or change in control.

Warrants and Options Outstanding: Repricing

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

Item 11. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners

As of 31 December 2024, the stock transfer book of the corporation showed the following record owners:

Title of Class	Name and Address of Record	Beneficial Owner	Citizenship	Number of Shares	%
Common Shares	Waterfront Philippines, Inc. No. 1 Waterfront Drive Off Salinas Drive Lahug, Cebu City 6000	Owner	Filipino	192,045,057	55.49%
Common Shares	PCD Nominee Corporation MSE Building, Ayala Avenue, Makati City	Various Clients	Filipino	79,820,502	23.06%

WPI is a publicly listed corporation on the Philippine Stock Exchange. The board of directors of WPI, as a group of natural persons acting together, directs the voting disposition of shares by WPI. The following are directors of WPI: Messrs. Arthur M. Lopez, Kenneth T. Gatchalian, Lamberto B. Mercado, Arthur Ponsaran, Sergio Ortiz-Luis Jr., Ruben D. Torres, Ms. Dee Hua Gatchalian, and Ms. Elvira A. Ting.

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

Security Ownership of Management

As of 31 December 2024, the following are the record and beneficial ownership of directors and management:

Title of Class	Name Beneficial Owner	Position	Citizenship	Nature and Amount of Ownership		%
Common	Arthur M. Lopez*	Chairman	Filipino	D	350	0.00%
Common	Kenneth T. Gatchalian	President	Filipino	D	350	0.00%
Common	Elvira A. Ting	Treasurer	Filipino	D	350	0.00%
Common	Ruben D. Torres*	Director	Filipino	D	100	0.00%
Common	Sergio R. Ortiz-Luiz, Jr.*	Director	Filipino	D	350	0.00%

Common	Pablo M. Gancavco	Director	Filipino	D	350	0.00%
Common	Lamberto B. Mercado, Jr.	Director	Filipino	D	350	0.00%
Common	Renato C. Francisco	Director	Filipino	D	100	0.00%
Common	Noel M. Carino	Director	Filipino	D	100	0.00%
Common	Aristeo R. Cruz	Director	Filipino	D	3,500	0.00%
Common	Arthur R. Ponsaran	Director	Filipino	D	350	0.00%
Common	Dee Hua Gatchalian	Director	Filipino	D	3,850	0.00%
Total Beneficial Ownership					10,100	0.00%

*Independent Director D – Director I - Indirect

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

Voting Trust Holders of 5% or More

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

Changes in Control

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

Item 12. Certain Relationships and Related Transactions

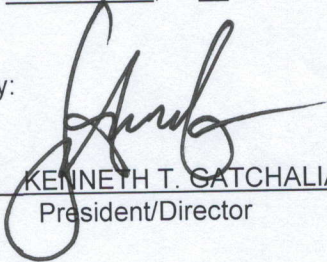
The Directors by virtue of their interest in the shares of the Company are deemed to have interests in the shares of its subsidiary companies and associated companies to the extent the Company have an interest.

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 11 2025, 20__.

By:


KENNETH T. GATCHALIAN
 President/Director


EVANGELINE E. SOLIVERES
 Corporate Finance Director

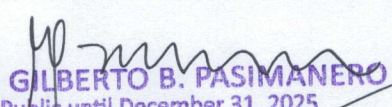

ARTHUR R. PONSARAN
 Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 11 2025 day of _____ 20__ affiant(s) exhibiting to me his/their Residence Certificates, as follows:

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

 Notary Public

DOC. NO. 854
 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
 PTRN 2041418; Mla-1-2-2025
 Roll # 25478; TIN 103-098-346
 MCLE Exempt. No. VII-NP004370 'til 4-14-2025

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
Stockholder MasterList
As of 12/31/2024

Page No. 1

Count	Name	Holdings
1	ABAD SANTOS, VICTOR E.	19,855
2	ACESITE (PHILIPPINES) HOTEL CORPORATION	1,353,058
3	ACOSTA, FRANCISCO P.	700
4	AGUAS, FORTUNATO	19,855
5	AGUILA, ARTHUR	19,855
6	ANDRADA CONSTRUCTION & DEV. INC.	99,291
7	ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394
8	ANTONIO, ARTURO	19,855
9	ANTONIO, SILVINO JR.	19,855
10	ANUP TRADING	198,576
11	AQUINO, ERNESTO R.	99,291
12	ARANETA, SALVADOR (HEIRS OF)	139,002
13	ARROYO, TOMAS	19,855
14	ASIAMERIT SECURITIES, INC. FAO MC142	1,984
15	ATILANO, VICENTE C.	3,500
16	AURELIO, MANUEL &/OR LILIA	39,714
17	AVENDANO, ANTONIO	1,298
18	AZORES, NORMA T.	196
19	BALUYUT, SISENANDO	148,928
20	BARREDO, LUISA	19,855
21	BAUTISTA, DOMINGO C.	476,574
22	BELLO JR., SILVESTRE H.	3,500
23	BENITEZ, CONRADO II	19,855
24	BONDOC, ANGELITA L.	19,855
25	BUGARIN, JOLLY R.	79,432
26	BUSUEGO, ARACELI A.	39,714
27	CABANERO, GILDA	19,855
28	CABANERO, LEONARDO	19,855
29	CABANERO, LORNA	19,855
30	CABANERO, MA. CECILIA	19,855
31	CABANERO, NORBERTO S.	19,855
32	CABANERO, REBECCA S.	19,855
33	CABANEZ, LORETO	19,855
34	CANCIO, AGUSTIN S.	79,429
35	CAPILITAN ANDRADA ENGINEERING CORP	99,291
36	CARINO, DANILO	19,855
37	NOEL MABUNAY CARIÑO	100
38	CARLOS, GLORIA S. (HEIRS OF)	218,428
39	CARLOS, MA. NELIA	19,855
40	CARPO, PIXIE R.	39,707
41	CASTILLO, DOMINGO	19,855
42	CASTRILLO, EDUARDO	19,855
43	CASTRO, FERNANDO L. (HEIRS OF)	39,707
44	CATO, BENJAMIN	19,855
45	CHAN, JEANIE	196
46	CHAVARRIA, BENEDICTO	39,707
47	CHEN PENG JING	700
48	CHICO, PACIFICO	19,855
49	CHIU KWOK SHING	700
50	CHOI, DAVIS	600
51	CHUA, VICENTE YU	59,570

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
Stockholder MasterList
As of 12/31/2024

Page No. 2

Count	Name	Holdings
52	COJUANGCO, RAMON (HEIRS OF)	198,576
53	COLAYCO, FRANCISCO J.	19,855
54	COMMON TRADE INC.	19,855
55	CORDERO, VICENTE	1,298
56	COSIO, REYNALDO F.	19,855
57	COSME, ANGELO JOSE L.	5,957
58	COSME, ELIAS V.	7,945
59	COSME, JOSE MARI	5,957
60	CRUZ, ARISTEO R.	3,500
61	CRUZ, FERNANDO	39,714
62	CUSTODIA SANCIANGCO OR CUSTODIA PARKER	5,271
63	FRANCISCO BENIGNO T. DELGADO IV	9,935
64	ANA MARIA C. DELGADO	39,740
65	DELGADO, FEDERICO C.	59,570
66	DELGADO, JESUS &/OR CARMEN (HEIRS OF)	39,714
67	JOSE MARI C. DELGADO	39,740
68	DELGADO, JOSE MARI C.	59,570
69	JUAN MIGUEL T. DELGADO	9,936
70	RICARDO C. DELGADO	39,740
71	ROSE MARIE T. DELGADO	9,935
72	DIAZ, ELIZABETH L.	290
73	DIZON, WILLY O. DIZON OR NENE C.	500,000
74	EFREN D. BAUTISTA OR SARAH ANGELA S. BAUTISTA	46,000
75	FELICIANO JR., GUILLERMO	19,855
76	FELICIANO, GRACE K.	19,855
77	FELICIANO, GWENDOLYN P.	196
78	FELICIANO, ROSA H.	19,855
79	FIDELINO, CONCEPCION S.	19,855
80	FLOIRENDO, ANTONIO	16,328
81	RENATO C. FRANCISCO	100
82	FU LIANG	700
83	GANCAYCO, PABLO M.	350
84	GAPUZ, CO KIAN CHAY &/OR RITA A.	7,000
85	GARCIA, VERONICA	19,855
86	GATCHALIAN, DEE HUA T.	3,850
87	GATCHALIAN, KENNETH T.	350
88	GATCHALIAN, REXLON T.	350
89	GILI JR., GUILLERMO F.	350
90	GLORIA, ALFREDO S.	79,429
91	GO, GEORGE	1,113
92	GONZALES, ALEXANDRIA P.	350
93	GONZALEZ, MANUEL J.	18,487
94	GOZUM, ATILANO G.	5,271
95	GREGORIO, PATRICK C.	350
96	GREGORIO, VICENTE G.	196
97	HARTSOCK, PAUL JEROME	20,051
98	HO, ANDREW	196
99	JACINTO, MAMERTO JR.	19,855
100	JAMES WATT (A.K.A WATT KA PO)	759
101	KATIGBAK, MARIO O.	19,855
102	KENNETH NG (A.K.A. NG HANG YIU)	700

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Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
Stockholder MasterList
As of 12/31/2024

Page No. 3

Count	Name	Holdings
103	LACSON, ALEXANDER	196
104	LAM, FRANCIS B.	196
105	LAND, FREDERICK JR. (HEIRS OF)	39,707
106	LAUREL, MA. PAZ R.	39,714
107	LAZARTE, GREGORIO (HEIRS OF)	39,714
108	LI HUI	700
109	LICAROS, GREGORIO JR.	39,714
110	LIM, CHOA	39,714
111	LIM, LEONOR D.	19,855
112	LIM, VICTOR Y.	19,855
113	LOPEZ, ARTHUR M.	350
114	LORENZO, LUISA DE R.	198,576
115	LUCIANO, VICTOR	19,855
116	LUCOT III, ISMAEL EUFEMIO S.	1,000
117	MACASAET, AMADO P.	19,855
118	MAGADIA, RENATO B.	350
119	FRANCISCO D. MAGSAYSAY	19,870
120	MARGARITA D. MAGSAYSAY	19,870
121	MAKALINTAL, QUERUBIN F.	59,570
122	MANILA SANDS HOTEL & CASINO, INC.	10,000
123	MARILEX REALTY DEVELOPMENT CORP.	39,714
124	MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001
125	MENZI, HANS (ESTATE OF)	278,001
126	MERCADO JR., LAMBERTO B.	350
127	MOSQUEDA, JOSE O.	39,714
128	NADAL, EDGARDO	39,714
129	NALDOZA, JOHN CLARK L.	199
130	NICKELL INTERNATIONAL LTD.	8,935,710
131	NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508
132	NICKELL INTERNATIONAL	55,601
133	ORTEGA, MANUEL JIZ DE (HEIRS OF)	39,714
134	ORTIZ, RICARDO L.	19,855
135	ORTIZ-LUIZ JR., SERGIO R.	350
136	PAILIAN, PETER GO	158,858
137	PALAD JR., ABELARDO C.	350
138	CYRIL S. PALLASIGUI	30,000
139	PATERNO, VICENTE	19,855
140	PCD NOMINEE CORPORATION (NON-FILIPINO)	52,728,475
141	PCD NOMINEE CORPORATION	79,820,502
142	PE, HARRY C.	794
143	PECAYO, DOMINADOR	19,855
144	PEDROSA, CARLOS A.	39,714
145	PEDROSA, PIO (HEIRS OF)	39,707
146	PELAEZ JR., EMMANUEL	196
147	PELAEZ, EMMANUEL	129
148	PHIL. INSTITUTE OF HOTEL ADMINISTRATION	39,707
149	PHILADELPHIA STEEL CORPORATION	19,855
150	PHILIPPINE TA SECURITIES, INC.	399
151	PONSARAN, ARTHUR R.	350
152	MARIA INES D. PRIETO	9,936
153	PUA, MARCIANA G.	19,855

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
Stockholder MasterList
As of 12/31/2024

Page No. 4

Count	Name	Holdings
154	PUGAO, RAMON	19,855
155	RADIOWEALTH INC.	99,291
156	RAMOS, JANUARIO	19,855
157	RANOLA, CARMEN	39,714
158	RAZON, ENRIQUE JR.	139,002
159	REGINA CAPITAL DEV. CORP. 020485	10,500
160	REYES, ALEX (HEIRS OF)	139,002
161	ROBERTO BORJA FURNITURE	39,714
162	RODRIGUEZ, ARTEMIO S.	19,855
163	ROSARIO, FRANCISCO DEL	258,146
164	ROXAS, JUAN ROBERTO R.	9,926
165	RUALO, BEETHOVEN	19,855
166	RUFINO, CARLOS	39,714
167	SALAZAR, MARIANO S.	350
168	SALES, ARTHUR	19,855
169	SANCHEZ, ANDREW A.	198,579
170	SANDICO, FELIPITO	19,855
171	SANTIAGO, JOSE A.	19,855
172	SER VINCENT ROMARATE &/OR LILIA HUELGAS &/OR VIOLETA PUNZALAN	1,050
173	SHAU, MARGARET L.	99,291
174	SINGSON, VICENTE III	19,855
175	SIOSON, LUCITO	19,855
176	SOLIDUM, RODOLFO (HEIRS OF)	19,855
177	SOLIVEN, STEPHEN G.	500
178	SY, CELESTINO	79,429
179	SY, FRED	19,855
180	SYCIP SALAZAR HERNANDEZ & GATMAITAN	25,977
181	TAN, BENITO AND/OR CYNTHIA	19,855
182	TAN, ELIZABETH H.	6,751
183	TAN, JESUS M. (HEIRS OF)	595,728
184	TANGCO, AMBROSIO	79,429
185	TANSECO, GENEROSO	714,857
186	TATOY, ROSE	19,855
187	TING, ELVIRA A.	350
188	TOLEDO, TOMAS	19,855
189	TORRES, RUBEN D.	100
190	TUAZON, ALELI T.	5,271
191	TULIO, ERMINDA L.	198,576
192	TY TEK SUAN	19,855
193	UMALI, ANGEL T.	350
194	UNITED PHILIPPINE LINES	714,854
195	UY, WILLIAM CARLOS	5,673
196	VALENCIA, JESUS SAN LUIS	1,000
197	VERA, LUIS P.	19,855
198	VERGARA, WILFRIDO	4,538
199	VILLAR, BONIFACIO T.	19,855
200	WAI KA CHEUNG (GERRY KA CHEUNG WAI)	196
201	WATERFRONT PHILIPPINES, INC.	192,045,057
202	WELLS AND PUMPS INC.	278,001
203	WESTERN STEEL INC.	198,576
204	YEUNG, LAP HO N.	1,750
205	YIU KIN WAI	129
206	YOUNG, BARTHOLOMEW D.	1,000
207	YU PUN HOI	392
208	YU, MANUEL L.	119,140
Total Stockholders :		346,100,578

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

ACE PSE Disclosure List of Top 100 Stockholders

Number of Issued and Outstanding Common Shares	346,100,578
Number of Treasury Common Shares, if any	1,353,058
Number of Outstanding Common Shares	344,747,520
Number of Listed Common Shares	346,100,578
Number of Lodged Common Shares	132,548,977
PCD Nominee – Filipino	79,820,502
PCD Nominee – Non-Filipino	52,728,475
Number of Certificated Common Shares	213,551,601

Change from previous submission

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 12/31/2024

Page No. 1

Rank	Name	Holdings	Percentage
1	WATERFRONT PHILIPPINES, INC.	192,045,057	55.49%
2	PCD NOMINEE CORPORATION	79,820,502	23.06%
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	52,728,475	15.24%
4	NICKELL INTERNATIONAL LTD.	8,935,710	02.58%
5	ACESITE (PHILIPPINES) HOTEL CORPORATION	1,353,058	00.39%
6	ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394	00.25%
7	TANSECO, GENEROSO	714,857	00.21%
8	UNITED PHILIPPINE LINES	714,854	00.21%
9	TAN, JESUS M. (HEIRS OF)	595,728	00.17%
10	DIZON, WILLY O. DIZON OR NENE C.	500,000	00.14%
11	BAUTISTA, DOMINGO C.	476,574	00.14%
12	NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508	00.09%
13	WELLS AND PUMPS INC.	278,001	00.08%
14	MENZI, HANS (ESTATE OF)	278,001	00.08%
15	MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001	00.08%
16	ROSARIO, FRANCISCO DEL	258,146	00.07%
17	CARLOS, GLORIA S. (HEIRS OF)	218,428	00.06%
18	SANCHEZ, ANDREW A.	198,579	00.06%
19	WESTERN STEEL INC.	198,576	00.06%
20	TULIO, ERMINDA L.	198,576	00.06%
21	COJUANGCO, RAMON (HEIRS OF)	198,576	00.06%
22	LORENZO, LUISA DE R.	198,576	00.06%
23	ANUP TRADING	198,576	00.06%
24	PAILIAN, PETER GO	158,858	00.05%
25	BALUYUT, SISENANDO	148,928	00.04%
26	ARANETA, SALVADOR (HEIRS OF)	139,002	00.04%

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 12/31/2024

Page No. 2

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

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 12/31/2024

Page No. 3

Rank	Name	Holdings	Percentage
53	MARILEX REALTY DEVELOPMENT CORP.	39,714	00.01%
54	MOSQUEDA, JOSE O.	39,714	00.01%
55	PEDROSA, CARLOS A.	39,714	00.01%
56	RANOLA, CARMEN	39,714	00.01%
57	ROBERTO BORJA FURNITURE	39,714	00.01%
58	DELGADO, JESUS &/OR CARMEN (HEIRS OF)	39,714	00.01%
59	CRUZ, FERNANDO	39,714	00.01%
60	LAZARTE, GREGORIO (HEIRS OF)	39,714	00.01%
61	LICAROS, GREGORIO JR.	39,714	00.01%
62	LIM, CHOA	39,714	00.01%
63	BUSUEGO, ARACELI A.	39,714	00.01%
64	AURELIO, MANUEL &/OR LILIA	39,714	00.01%
65	CHAVARRIA, BENEDICTO	39,707	00.01%
66	CARPO, PIXIE R.	39,707	00.01%
67	CASTRO, FERNANDO L. (HEIRS OF)	39,707	00.01%
68	LAND, FREDERICK JR. (HEIRS OF)	39,707	00.01%
69	PHIL. INSTITUTE OF HOTEL ADMINISTRATION	39,707	00.01%
70	PEDROSA, PIO (HEIRS OF)	39,707	00.01%
71	CYRIL S. PALLASIGUI	30,000	00.01%
72	SYCIP SALAZAR HERNANDEZ & GATMAITAN	25,977	00.01%
73	HARTSOCK, PAUL JEROME	20,051	00.01%
74	MARGARITA D. MAGSAYSAY	19,870	00.01%
75	FRANCISCO D. MAGSAYSAY	19,870	00.01%
76	MACASAET, AMADO P.	19,855	00.01%
77	VILLAR, BONIFACIO T.	19,855	00.01%
78	VERA, LUIS P.	19,855	00.01%

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 12/31/2024

Page No. 4

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

Total Top 100 Shareholders :	<u>345,239,198</u>	<u>99.75%</u>
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Total Issued Shares	<u>346,100,578</u>
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ACE000000000 December 27, 2024

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

December 27, 2024

ACE000000000

BPNAME	QUANTITY
UPCC SECURITIES CORP.	14,182
A & A SECURITIES, INC.	615,000
ABACUS SECURITIES CORPORATION	313,810
PHILSTOCKS FINANCIAL INC	1,445,809
BA SECURITIES, INC.	2,214,000
AP SECURITIES INCORPORATED	91,500
ANSALDO, GODINEZ & CO., INC.	142,000
AB CAPITAL SECURITIES, INC.	377,647
SB EQUITIES, INC.	81,500
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	100,000
ASIASEC EQUITIES, INC.	149,750
CHINA BANK SECURITIES CORPORATION	5,943,000
BELSON SECURITIES, INC.	85,000
JAKA SECURITIES CORP.	500
BPI SECURITIES CORPORATION	363,815
CAMPOS, LANUZA & COMPANY, INC.	3,500
CTS GLOBAL EQUITY GROUP, INC.	308,698
TRITON SECURITIES CORP.	3,261,290
DAVID GO SECURITIES CORP.	5,700
DIVERSIFIED SECURITIES, INC.	7,350
E. CHUA CHIACO SECURITIES, INC.	28,783
EASTERN SECURITIES DEVELOPMENT CORPORATION	84,500
EVERGREEN STOCK BROKERAGE & SEC., INC.	331,000
FIRST ORIENT SECURITIES, INC.	10,500
F. YAP SECURITIES, INC.	6,000
GLOBALINKS SECURITIES & STOCKS, INC.	10,000
GUILD SECURITIES, INC.	87,184
HDI SECURITIES, INC.	5,150,001
I. B. GIMENEZ SECURITIES, INC.	52,157,527
IMPERIAL, DE GUZMAN, ABALOS & CO., INC.	5,600
INTRA-INVEST SECURITIES, INC.	170,000
LARRGO SECURITIES CO., INC.	88,000
COL Financial Group, Inc.	5,594,584
DA MARKET SECURITIES, INC.	3,000
MERCANTILE SECURITIES CORP.	6,000
MOUNT PEAK SECURITIES, INC.	15,000
OPTIMUM SECURITIES CORPORATION	5,000
RCBC SECURITIES, INC.	19,211

PAPA SECURITIES CORPORATION	4,000
MAYBANK SECURITIES, INC.	93,304
PNB SECURITIES, INC.	1,550
QUALITY INVESTMENTS & SECURITIES CORPORATION	150,000
R & L INVESTMENTS, INC.	10,000
R. COYIUTO SECURITIES, INC.	670,350
REGINA CAPITAL DEVELOPMENT CORPORATION	196,850
AAA SOUTHEAST EQUITIES, INCORPORATED	12,000
R. S. LIM & CO., INC.	475,000
S.J. ROXAS & CO., INC.	210,000
SECURITIES SPECIALISTS, INC.	9,047
SUMMIT SECURITIES, INC.	10,000
TANSENGCO & CO., INC.	101,876
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	19,855
TOWER SECURITIES, INC.	1,301,250
DRAGONFI SECURITIES, INC.	1,104
LANDBANK SECURITIES, INC.	7,250
FIRST METRO SECURITIES BROKERAGE CORP.	327,004
WEALTH SECURITIES, INC.	52,000
WESTLINK GLOBAL EQUITIES, INC.	43,543,400
YAO & ZIALCITA, INC.	362,500
BDO SECURITIES CORPORATION	197,350
EAGLE EQUITIES, INC.	80,000
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	70
SOLAR SECURITIES, INC.	300,000
G.D. TAN & COMPANY, INC.	2,635,287
UNICAPITAL SECURITIES INC.	11,000
SunSecurities, Inc.	7,000
ARMSTRONG SECURITIES, INC.	2,463,218
ACESITE (PHILS.) HOTEL CORP.	771
Total Lodged Shares	132,548,977

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

With Independent Auditors' Report

REPORT OF INDEPENDENT AUDITORS

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

Opinion

We have audited the consolidated financial statements of Acesite (Phils.) Hotel Corporation (the Parent Company) and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 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 the years then ended, and notes, comprising summary of material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for years then ended 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.

Firm Regulatory Registration & Accreditation:

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

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

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

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

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



Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at date, the Group's hotel operations have been suspended due to the 2018 fire incident significantly damaging the Group's podium and hotel property, and that the Group's current liabilities exceeded its current assets by P625.84 million and P381.35 million as at December 31, 2024 and 2023, respectively. As stated in Note 1, these events and conditions, among others, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Note 1 discloses the plans of the Company to improve its cash flows. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is that matter that, in our professional judgment, were of most significance in our audit of the 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. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined no other matters to be key audit matters to be communicated in our report..

Going concern

(see Note 1 to the consolidated financial statements)

The Risk

Events and conditions identified that may cast significant doubt on the Group's ability to continue as a going concern are not completely identified. Further, inadequate disclosure in the financial statements when events or conditions have been identified, and a material uncertainty exists. We focused on this area because there is a risk that the Group's plans for future actions relating to its going concern assessment are unreasonable or insufficient.

Our response

As part of our audit procedures, we considered throughout the audit whether events or conditions exist that may cast significant doubt on the Group's ability to continue as a going concern. We challenged the assessment of the Group on its going concern assumption by assessing its cash budget forecast and evaluated whether key assumptions are within reasonable range. We evaluated Group's plans for future actions are realistic, achievable and consistent with other evidence, and whether data used is reliable and relevant. We also obtained letter of financial support from Ultimate Parent Company and shareholder and evaluated their intent and ability to provide such support.

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 Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Oliver C. Bucao.

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read 'O. Bucao', with a long horizontal line extending from the end of the signature.

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 1, 2025

Makati City, Metro Manila



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

REPORT OF INDEPENDENT AUDITORS

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

Opinion

We have audited the consolidated financial statements of Acesite (Phils.) Hotel Corporation (the Parent Company) and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 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 the years then ended, and notes, comprising summary of material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for years then ended 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.

Firm Regulatory Registration & Accreditation:

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

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

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

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

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



Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at date, the Group's hotel operations have been suspended due to the 2018 fire incident significantly damaging the Group's podium and hotel property, and that the Group's current liabilities exceeded its current assets by P625.84 million and P381.35 million as at December 31, 2024 and 2023, respectively. As stated in Note 1, these events and conditions, among others, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Note 1 discloses the plans of the Company to improve its cash flows. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is that matter that, in our professional judgment, were of most significance in our audit of the 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. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined no other matters to be key audit matters to be communicated in our report..

Going concern

(see Note 1 to the consolidated financial statements)

The Risk

Events and conditions identified that may cast significant doubt on the Group's ability to continue as a going concern are not completely identified. Further, inadequate disclosure in the financial statements when events or conditions have been identified, and a material uncertainty exists. We focused on this area because there is a risk that the Group's plans for future actions relating to its going concern assessment are unreasonable or insufficient.

Our response

As part of our audit procedures, we considered throughout the audit whether events or conditions exist that may cast significant doubt on the Group's ability to continue as a going concern. We challenged the assessment of the Group on its going concern assumption by assessing its cash budget forecast and evaluated whether key assumptions are within reasonable range. We evaluated Group's plans for future actions are realistic, achievable and consistent with other evidence, and whether data used is reliable and relevant. We also obtained letter of financial support from Ultimate Parent Company and shareholder and evaluated their intent and ability to provide such support.

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 Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Oliver C. Bucao.

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read 'O. Bucao', with a long horizontal flourish extending to the right.

OLIVER C. BUCAO

Partner

CPA License No. 0086699

Tax Identification No. 129-433-612

BIR Accreditation No. 08-001987-053-2023

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Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Acesite (Phils.) Hotel Corporation and Subsidiaries (the Group) as at and for the years ended December 31, 2024 and 2023, included in this Form 17-A, on which we have rendered our report thereon dated May 1, 2025.

Our audits were 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 PFRS Accounting Standards and may not be comparable to similarly titled measures presented by other companies.

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025
IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)
BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements



This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 and is not a required part of the Group's consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the years ended December 31, 2024 and 2023 and no material exceptions were noted.

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read 'Oliver C. Bucar', written over the printed name.

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 1, 2025

Makati City, Metro Manila



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The KPMG Center, 6/F
6787 Ayala Avenue, Makati City
Philippines 1209
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Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

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

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Acesite (Phils.) Hotel Corporation and Subsidiaries (the Group) as at and for the year ended December 31, 2024, included in this Form 17-A, on which we have rendered our report thereon dated May 1, 2025.

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

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

Firm Regulatory Registration & Accreditation:

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

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

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

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

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



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

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read 'Oliver C. Bucar', with a long horizontal flourish extending to the right.

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 1, 2025

Makati City, Metro Manila


**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

The Management of **Acesite (Phils) Hotel Corporation** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended **December 31, 2024**. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

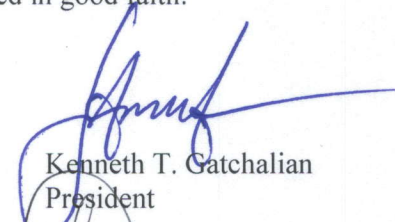
In this regard, the Management affirms that the attached audited financial statements for the year ended **December 31, 2024** and the accompanying Annual Income Tax Return are in accordance with the books and records of **Acesite (Phils) Hotel Corporation** complete and correct in all material respects. Management likewise affirms that:

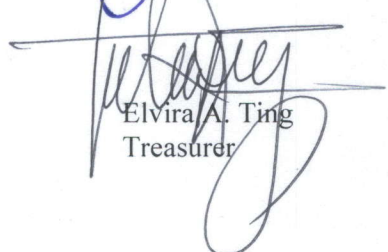
- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards Philippine Financial Reporting Standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) **Acesite (Phils) Hotel Corporation** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signed under oath by the following:


Arthur M. Lopez
Chairman of the Board


Evangelina B. Soliveres
Corporate Finance Director


Kenneth T. Gatchalian
President


Elvira A. Ting
Treasurer

Signed this ___th day of _____ 20__

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	17	P20,883,077	P20,469,058
Trade and other current receivables - net	4, 17	22,338,852	45,208,122
Note receivable	10, 17	112,950,334	107,023,005
Inventories	5	762,424	762,424
Due from related parties	10	71,160,906	75,652,997
Prepaid expenses and other current assets	6	22,904,976	206,090,077
Total Current Assets		251,000,569	455,205,683
Noncurrent Assets			
Property and equipment - net	7	1,747,717,909	1,764,106,580
Equity securities - at fair value through other comprehensive income	10, 17	18,382,520	19,943,300
Other noncurrent assets - net	8	860,380,930	685,823,037
Total Noncurrent Assets		2,626,481,359	2,469,872,917
		P2,877,481,928	P2,925,078,600
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other current payables	9, 17	P335,722,769	P324,644,663
Due to related parties	10, 17	536,034,728	511,915,749
Total Current Liabilities		871,757,497	836,560,412
Noncurrent Liabilities			
Retention payables	17	88,487,516	88,381,362
Retirement benefits liability	14	6,588,583	5,929,700
Deferred tax liabilities - net	15	197,112,685	202,170,867
Total Noncurrent Liabilities		292,188,784	296,481,929
Total Liabilities		1,163,946,281	1,133,042,341
Equity			
Capital stock	11, 18	346,100,578	346,100,578
Revaluation surplus on property and equipment	7	121,080,712	135,757,162
Fair value reserve		6,132,050	7,692,830
Treasury shares		(12,041,700)	(12,041,700)
Retained earnings	11	1,189,698,974	1,252,266,664
Retirement benefits reserve		62,565,033	62,260,725
Total Equity		1,713,535,647	1,792,036,259
		P2,877,481,928	P2,925,078,600

See Notes to the Consolidated Financial Statements.

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

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

Years Ended December 31				
	Note	2024	2023	2022
REVENUES		P -	P -	P -
COSTS AND EXPENSES OTHER THAN DEPRECIATION, FINANCING AND INCOME TAX BENEFIT				
Personnel	14	22,563,530	25,025,898	21,811,080
Energy		2,402,194	3,912,540	3,686,177
Others	12	72,066,872	34,476,749	37,549,817
		97,032,596	63,415,187	63,047,074
LOSS BEFORE GAIN (LOSSES), DEPRECIATION, FINANCING AND INCOME TAX BENEFIT		(97,032,596)	(63,415,187)	(63,047,074)
GAIN (LOSSES), DEPRECIATION AND FINANCING				
Depreciation	7	(19,568,600)	(19,819,109)	(21,564,304)
Foreign exchange gains (losses) - net		9,963	15,201	-
Financing income (charges) - net	13	4,484,769	3,060,394	6,623,697
Gain from insurance claims		30,401,133	-	-
		15,327,265	(16,773,916)	(14,940,607)
LOSS BEFORE INCOME TAX BENEFIT		(81,705,331)	(80,189,103)	(77,987,681)
INCOME TAX BENEFIT	15	(4,461,191)	(5,265,060)	(5,130,467)
NET LOSS		(P77,244,140)	(P74,924,043)	(P72,857,214)
OTHER COMPREHENSIVE INCOME				
Items that will never be reclassified to profit or loss				
Remeasurement gains on defined benefit plan	14	P405,743	P491,536	P440,482
Deferred tax effect	15	(101,436)	(122,884)	(110,120)
		304,307	368,652	330,362
TOTAL COMPREHENSIVE LOSS		(P76,939,833)	(P74,555,391)	(P72,526,852)
LOSS EARNINGS PER SHARE - Basic and Diluted	16	(P0.22)	(P0.22)	(P0.21)

See Notes to the Consolidated Financial Statements.

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year Ended December 31							
	Capital Stock (Note 11)	Revaluation Surplus on Property and Equipment (Note 7)	Retirement Benefits Reserve (Note 14)	Fair Value Reserve	Retained Earnings (Note 11)	Treasury Stock (Note 11)	Total
Balance at beginning	P346,100,578	P135,757,162	P62,260,725	P7,692,830	P1,252,266,664	(P12,041,700)	P1,792,036,259
Net loss for the year	-	-	-	-	(77,244,140)	-	(77,244,140)
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	(14,676,450)	-	-	14,676,450	-	-
Other comprehensive income (loss) - net of tax effect	-	-	304,308	(1,560,780)	-	-	(1,256,472)
	-	(14,676,450)	304,308	(1,560,780)	(62,567,690)	-	(78,500,612)
Balance at December 31, 2024	P346,100,578	P121,080,712	P62,565,033	P6,132,050	P1,189,698,974	(P12,041,700)	P1,713,535,647

See Notes to the Consolidated Financial Statements.

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year Ended December 31

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

See Notes to the Consolidated Financial Statements.

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year Ended December 31

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

See Notes to the Consolidated Financial Statements.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31				
	Note	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax benefit		(P81,705,331)	(P80,189,103)	(P77,987,681)
Adjustments for:				
Depreciation	7	19,568,600	19,819,109	21,564,304
Retirement benefits expense	14	1,064,626	1,163,168	1,154,682
Foreign exchange gains (losses) - net		(9,963)	(15,201)	-
Interest income	13	(4,362,336)	(3,063,281)	(6,626,267)
Loss before working capital changes		(65,444,404)	(62,285,308)	(61,894,962)
Decrease (increase) in:				
Trade and other current receivables	4	4,474,824	72,692,024	20,631,260
Prepaid expenses and other current assets	6	184,039,871	(2,496,491)	(30,259,723)
Increase (decrease) in:				
Trade and other current payables	9	15,480,187	(65,374,267)	(45,909,775)
Due from related parties	10	4,429,091	(75,652,997)	-
Cash generated from (absorbed by) operations		142,979,569	(133,117,039)	(117,433,200)
Interest received	13	4,362,336	3,063,281	6,626,267
Income tax paid	15	(698,427)	-	-
Contributions paid	14	-	(120,949)	-
Net cash generated from (used in) operating activities		146,643,478	(130,174,707)	(110,806,933)
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in:				
Note receivable	10	(5,927,329)	(8,321,189)	(7,084,909)
Other noncurrent assets	8	(179,645,588)	3,685,763	57,381,744
Proceeds from insurance claims on property damages	1	18,394,446	-	6,816,060
Additions to property and equipment	7	(3,179,929)	(41,795,001)	(248,174,339)
Net cash used in investing activities		(170,358,400)	(46,430,427)	(191,061,444)

Forward

Years Ended December 31				
	Note	2024	2023	2022
CASH FLOW FROM A FINANCING ACTIVITY				
Increase (decrease) in due to related parties	10	P24,118,978	P54,584,781	(P24,552,868)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		404,056	(122,020,353)	(326,421,245)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		9,963	15,201	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17	20,469,058	142,474,210	468,895,455
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	P20,883,077	P20,469,058	P142,474,210

See Notes to the Consolidated Financial Statements.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting Entity

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

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

The Parent Company is the owner and operator of Waterfront Manila Hotel and Casino (the Hotel). The Parent Company has corporate life of 50 years pursuant to its articles of incorporation. However, under the Revised Corporation Code of the Philippines which took effect on February 23, 2019, the Parent Company shall have a perpetual corporate life. The Parent Company's shares have been listed on the Philippine Stock Exchange (PSE) since December 5, 1986.

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

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

**nonoperating entities*

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

Status of Operation

On March 18, 2018, a fire broke out in the Parent Company's hotel property damaging the podium and hotel building and suspending its hotel operations. Based on the Fire Certification issued by the Bureau of Fire Protection - National Headquarters on April 23, 2018, the cause of the subject fire was declared and classified as "accidental in nature". The 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 4).

While 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 Phase 1 of a reconstruction project by the 1st quarter of 2026. Phase 1 includes public areas including the lobby, some food and beverage outlets, and the casino area at the ground floor level up to the third floor. The entire proceeds from insurance coverage claims have been allotted to complete Phase 1 of the reconstruction work with additional funding expected to be come 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 that will be generated by the operations of Phase 1 and, when necessary, bank borrowings.

Going Concern

Management continues to have a reasonable expectation that the Group has adequate resources to continue in operation for at least the next 12 months and that the going concern basis of accounting remains appropriate. The effects of the fire incident in 2018 significantly damaged the Group's hotel property resulting in the suspension of the Group's hotel operations. The Group's current liabilities exceeded its total assets by P625.84 million and P381.35 million as at December 31, 2024 and 2023, respectively. This condition, among others, indicates the existence of material uncertainty which may cast significant doubt on Group's ability to continue as a going concern, and therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

In response to the above, the management has initiated the following mitigating actions to optimize the Group's cash flows, preserve liquidity and continue as a going concern:

- Complete the project based on schedule and operate based on the project timeline;
- Negotiate terms with suppliers and vendors to defer payments;
- Ensure implementation of strict project cost controls;
- Reduce non-essential capital expenditure and deferring or cancelling discretionary spending;
- Freeze non-essential recruitment; and
- Resume partial operations on portion of properties with completed reconstruction/restoration.

Based on these factors, management has a reasonable expectation that the Group has adequate resources. Further, Waterfront Philippines, Inc. (the ultimate Parent Company) and the Wellex Group, Inc. (shareholder) will continue to provide financial support and other resources to the Group to enable it to continue as a going concern.

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.

Authorization for Issuance of the Financial Statements

The accompanying financial statements were approved and authorized for issue by the Board of Directors (BOD) on April 28, 2025.

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

Basis of Measurement

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

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

Functional and Presentation Currency

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

3. Use of Judgments and Estimates

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

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

Judgments

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

Recognizing Insurance Claims

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

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

Going Concern

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

Although the various community quarantines implemented in Metro Manila have caused some delays, construction activities have not been totally stopped and management expects to complete Phase 1 of reconstruction project by the 1st quarter of 2026. A soft opening of the podium, which houses the public areas including the lobby, some food and beverage outlets and the casino area at the ground floor level up to the third floor, is expected by the 1st quarter of 2026. The hotel rooms are expected to be partially completed in Phase 1 and the remaining amenities, guest facilities and rooms of the hotel building are expected to be completed over Phase 2 and Phase 3 of the reconstruction project. Phases 2 and 3 are expected to be completed by the 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 and, when necessary, bank borrowings.

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

Classifying Financial Instruments

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

Distinguishing Investment Properties and Owner-occupied Properties

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

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

Transactions with PAGCOR

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

Operating Lease - Group as Lessor

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

Assumptions and Estimation Uncertainties

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

Provision for Expected Credit Losses on Financial Assets

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

Further details on the carrying amount of assets are disclosed in Notes 4, 8, and 10.

Fair Value Measurement of Financial Instruments

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

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

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

Revaluation of Property and Equipment

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

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

Useful Lives of Property and Equipment

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

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

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

Impairment of Nonfinancial Assets

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

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

- significant underperformance relative to the expected historical or projected future operating results;

- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

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

Retirement Benefits

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

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

Further details about pension obligations are provided in Note 14.

Deferred Tax Assets

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

Further details on deferred taxes are disclosed in Note 15.

4. Trade and Other Current Receivables

This account consists of:

	Note	2024	2023
Trade receivables		P19,646,919	P18,345,114
Insurance receivable	1	-	18,394,446
Others		35,800,404	28,379,949
	17	55,447,323	65,119,509
Less: allowance for impairment losses on guests, concessionaires and other patrons and other receivables	17	33,108,471	19,911,387
		P22,338,852	P45,208,122

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

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

In assessing the lifetime ECL of the Group's receivables, the Group excluded in its assessment all receivables that were related to long outstanding third-party accounts as these were already specifically identified as uncollectible, hence, impaired. The management has recognized an additional impairment loss amounting to P13.2 million, nil, and nil in 2024, 2023, and 2022, respectively.

5. Inventories

The Group's inventories are carried at cost, which is lower than the NRV, as at December 31, 2024 and 2023 amounting to P0.76 million.

The cost recognized as an expense for operating supplies of P0.10 million, P0.10 million, and P0.26 in 2024, 2023 and 2022, respectively, is included as part of "Supplies" under "Others" account in the separate statements of profit or loss and other comprehensive income (see Note 13).

6. Prepaid Expenses and Other Current Assets

This account consists of:

	2024	2023
Creditable withholding taxes	P22,348,006	P22,728,551
Input VAT - net	89,700	173,354,640
Other prepayments	467,270	10,006,886
	P22,904,976	P206,090,077

Creditable withholding taxes are excess of tax credits over current income tax due which can be applied against future income tax liability.

Input VAT is available as tax credit against output VAT liability.

Others consist of prepaid licenses and taxes, prepaid maintenance, deposits and prepaid subscription charges.

7. Property and Equipment

The balances and movements in this account are as follows:

Measurement Basis:	As at and for the Year Ended December 31, 2024				Total
	Land	Hotel Building	Furniture, Fixtures and Equipment	Construction-in-Progress	
	At Cost	Revalued	Revalued	At Cost	
Cost					
Beginning balance	P650,000,000	P471,046,928	P14,854,179	P933,097,030	P2,068,998,137
Additions	-	-	-	3,179,929	3,179,929
Ending balance	650,000,000	471,046,928	14,854,179	936,276,959	2,072,178,066
Accumulated Depreciation					
Beginning balance	-	290,037,378	14,854,179	-	304,891,557
Depreciation for the year	-	19,568,600	-	-	19,568,600
Ending balance	-	309,605,978	14,854,179	-	324,460,157
Carrying Amount	P650,000,000	P161,440,950	P -	P936,276,959	P1,747,717,909

As at and for the Year Ended December 31, 2023					
<i>Measurement Basis:</i>	Land	Hotel Building	Furniture, Fixtures and Equipment	Construction- in-Progress	Total
	<i>At Cost</i>	<i>Revalued</i>	<i>Revalued</i>	<i>At Cost</i>	
Cost					
Beginning balance	P650,000,000	P471,046,928	P14,854,179	P891,302,029	P2,027,203,136
Additions	-	-	-	41,795,001	41,795,001
Ending balance	650,000,000	471,046,928	14,854,179	933,097,030	2,068,998,137
Accumulated Depreciation					
Beginning balance	-	270,468,778	14,603,670	-	285,072,448
Depreciation for the year	-	19,568,600	250,509	-	19,819,109
Ending balance	-	290,037,378	14,854,179	-	304,891,557
Carrying Amount	P650,000,000	P181,009,550	P -	P933,097,030	P1,764,106,580

In 2023, the Company engaged an independent firm of appraisers to determine the fair value of certain classes of its property and equipment, specifically hotel building and furniture, fixtures and equipment, which are carried at revalued amounts. Fair value was determined by reference to market-based evidence, which is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In determining fair value, an estimate was made in accordance with the prevailing prices for materials, equipment, labor, and contractor's overhead and all other costs associated with acquisition while taking into account the depreciation resulting from physical deterioration, functional and economic obsolescence. The Company'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.

In 2023, "land", "hotel buildings" and "furniture, fixtures and equipment" were revalued by an independent professional appraiser, accredited by the Professional Regulation Commission and the Securities and Exchange Commission.

No revaluation was performed as of December 31, 2024. Management believes that the carrying amounts of "hotel buildings and 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 would have been as follows:

	2024	2023
Hotel building	P1,503,527	P1,503,527
Furniture, fixtures and equipment	14,846,724	13,633,905
	16,350,251	15,137,432
Less: Accumulated depreciation	12,402,505	10,156,292
	P3,947,746	P4,981,140

Depreciation on cost charged to profit or loss amounted to P22.16 million, P21.88 million, and P21.30 million in 2024, 2023, and 2022, respectively.

The revaluation surplus absorbed through depreciation and transferred directly to retained earnings, net of tax effect, amounted to P14.68 million as at December 31, 2024 and 2023, respectively. The carrying amount of revaluation surplus, net of tax amounting to P121.08 million and P135.76 million as at December 31, 2024 and 2023, respectively, is not available for distribution to shareholders.

8. Other Noncurrent Assets

This account consists of:

	<i>Note</i>	2024	2023
Advances to contractors		P723,383,822	P723,596,126
Other deposits	17	7,539,918	7,539,918
Other noncurrent asset		174,770,198	-
		905,693,937	731,136,044
Less: allowance for impairment losses on advances to contractors		45,313,007	45,313,007
		P860,380,930	P685,823,037

Advances to contractors are deposits for the reconstruction and restoration of the Company's hotel property and equipment (see Note 1).

There were no additional impairment losses on advances to contractors recognized for 2024, 2023 and 2022.

Other noncurrent asset pertains to reclassification of input vat from current to noncurrent in 2024 since it is not expected to be utilized within one year following on the suspension of the Parent Company's operations as a result of the fire in 2018.

9. Trade and Other Current Payables and Retention Payables

This account consists of:

	<i>Note</i>	2024	2023
Trade payables		P292,027,673	P315,680,836
Accruals:			
Utilities		19,602,341	1,152,409
Other accruals		17,101,547	2,372,052
Withholding taxes		1,098,007	1,493,742
Others		5,893,201	3,945,624
	17	P335,733,769	P324,644,663

Trade payables are noninterest-bearing and are normally on a 30-day term.

Other payables include commissions, unclaimed wages, sponsorships, Social Security System, Philippine Health Insurance Corporation and Housing Development Mutual Fund and sundry payables.

10. Related Party Transactions

Identity of Related Parties

The Group has related party relationships with its key management personnel (KMP) and the following entities:

Related Party	Relationship
WPI	Ultimate Parent Company
ARI	Subsidiary
PLEC	Subsidiary
PEC	Subsidiary
Waterfront Cebu City Casino Hotel, Incorporated (WCCCHI)	Under Common Control
Waterfront Mactan Casino Hotel, Incorporated (WMCHI)	Under Common Control
Davao Insular Hotel Company, Inc. (DIHCI)	Under Common Control
Waterfront Hotel Management Corporation (WHMC)	Under Common Control
Acesite Leisure Entertainment Corporation (ALEC)	Under Common Control
Grand Ilocandia Resort and Development, Inc.	Under common control
Wellex Industries Incorporated (WII)	Affiliate

Significant Transactions and Balances with Related Parties

The summary of significant transactions and balances with the related parties is as follows:

Category/ Transaction	Year	Note	Amount of the Transaction	Outstanding Balance			Due to Related Parties	Terms	Conditions
				Due from a Related Party	Note Receivable	Equity Securities - at FVOCI			
WPI									
▪ Advances	2024	a	P105,957,593	P36,438	P -	P -	P203,028,522	Noninterest-bearing, and payable on demand	Unsecured
	2023	a	(35,810,723)	-	-	-	192,497,424		
	2022	a	(29,964,88)	-	-	-	132,881,652		
ALEC									
▪ Note receivable	2024	b	5,927,329	-	112,950,334	-	-	Due in one year; interest-bearing	Unsecured; no impairment
	2023	b	8,321,189	-	107,023,005	-	-		
	2022	b	7,084,909	-	98,701,816	-	-		
WCCCHI									
▪ Advances	2024	c	7,425,838	1,500	-	-	15,228,872	Noninterest-bearing, and payable on demand	Unsecured
	2023	c	148,753,087	-	-	-	7,804,535		
	2022	c	5,330,690	-	-	-	9,702,898		
WMCHI									
▪ Advances	2024	c	1,576,006	-	-	-	240,429,265	Noninterest-bearing, and payable on demand	Unsecured
	2023	c	(816,347)	-	-	-	242,005,271		
	2022	c	(262,916)	-	-	-	242,263,251		
DIHCI									
▪ Advances	2024	c	77,348,819	750	-	-	77,348,069	Noninterest-bearing, and payable on demand	Unsecured
	2023	c	(77,748,565)	5,265,398	-	-	69,608,519		
	2022	c	344,244	-	-	-	72,483,167		
WHMC									
▪ Advances	2024	d	-	2,552,799	-	-	-	Noninterest-bearing, payable on demand; impaired	Unsecured
	2023	d	2,552,799	2,552,799	-	-	-		
	2022	d	-	2,551,338	-	-	-		
▪ Allowance for impairment losses	2024	d	-	-	-	-	-		
	2023	d	-	-	-	-	-		
	2022	d	-	(2,551,338)	-	-	-		
WII									
▪ Equity security - at FVOCI	2024	e	(1,560,780)	-	-	18,382,520	-		
	2023	e	-	-	-	19,943,300	-		
	2022	e	-	-	-	19,943,300	-		
▪ Advances	2024		9,360	67,844,160	-	-	-		
	2023		67,834,800	67,834,800	-	-	-		
	2022		-	-	-	-	-		
GIRDI									
Advances	2024	f	725,259	725,259	-	-	-		
	2023		-	-	-	-	-		
	2022		-	-	-	-	-		
KMP									
▪ Short-term employee benefits	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
	2022		1,284,221	-	-	-	-		
▪ Post-employment benefits	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
	2022		290,000	-	-	-	-		
TOTAL	2024			P71,160,906	P112,950,334	P18,382,520	P536,034,728		
TOTAL	2023			P75,652,997	P107,023,005	P19,943,300	P511,915,749		

- a. The transactions with WPI pertain to various noninterest-bearing and unsecured short-term advances which include WPI-allocated share in the common operating expenses.
- b. In 2017, the Parent Company extended a loan to ALEC payable on December 31, 2018, and bear interest at 4% per annum. From 2018 to 2023, the Parent Company extended another interest-bearing loan at 4% per annum to ALEC. In 2024, the Parent Company extended another interest-bearing loan at 4% per annum to ALEC payable at the end of 2025. The related interest income recognized in profit or loss amounted to P4.34 million, P3.0 million, P3.39 million in 2024, 2023 and 2022, respectively (see Note 13).

Further, the Company and ALEC entered into a seven (7) year operating lease contract for use of hotel premises. The lease will commence once the planned soft opening of the podium building happens (see Note 1).

- c. In the ordinary course of business, the Company obtains noninterest-bearing, collateral-free cash and non-cash advances from related parties for shared corporate expenses. The above advances are due and demandable at anytime.
- d. The Parent Company has noninterest-bearing advances to WHMC for shared corporate expenses and working capital purposes.

Advances specifically identified as impaired amounted to P2.55 million, recognized and presented as part of "Impairment losses" under "Others" account in the consolidated statements of profit or loss and other comprehensive income (see Note 12).

- e. In July and August 2005, the BOD approved the conversion of the Company's net receivables from related parties amounting to P43.30 million into 86.71 million shares of stock of WII, an affiliate. The shares of WII are listed on the PSE. The fair market value of the shares based on closing market price as at December 31, 2024 and 2023 amounted to P18.38 million and P19.94 million, resulting in a valuation loss of P1.56 million, nil, and nil in 2024, 2023 and 2022, respectively.
- f. Starting May 2024, the Company has a noninterest-bearing advances to GIRDI for shared corporate expenses.

All outstanding related party transactions are generally settled in cash.

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 a Related Party - net	Note Receivable	Equity Security - at FVOCI	Due to Related Parties	Terms	Conditions
ARI									
▪ Advances	2024	<i>h</i>	P170,155	P7,980,218	P -	P -	P -	Noninterest- bearing, and payable on demand	Unsecured
	2023		2,430,371	5,265,398	-	-	-		
	2022		2,498,032	5,379,692	-	-	-		

- h. In the ordinary course of business, the Company obtained noninterest-bearing, collateral-free cash and non-cash advances from ARI for shared corporate expenses and working capital purposes. The above advances are due on demand.

Further, the Company has entered into an operating lease with ARI for use of the latter's land. This noncancellable operating lease commenced on November 1, 2011 and has a term of 20 years with escalation rate of 5% per annum. Also, the contract provides for two (2) months of free rental.

11. Equity

Common Shares

Details of the common stock of the Parent Company as at December 31 are as follows:

	2024	2023
Authorized - P1 par value	P1,200,000,000	P1,200,000,000
Issued	346,100,578	346,100,578
Outstanding	344,747,520	344,747,520

Date of Registration/Listing	Securities
December 5, 1986	1,760,000 common shares
January 26, 1998	73,351,197 common shares This is after SEC approval on October 16, 1997 of the change in authorized capital stock from 1,777,400 no par value common shares to 6,595,214 common shares with P1 par value per share.
May 19, 1999	19,970,461 common shares These represented dividends declared which was approved by the SEC on March 24, 1999.
May 28, 2012	246,248,212 common shares Dividend declared after SEC approval on May 28, 2012 of the increase in authorized capital stock from P310.00 million to P1.21 billion (including P10.00 million preferred shares).

On July 14, 2014, the BOD approved the amendment of the entitlement ratio of stock rights offering from 0.58 common share for every one share held to 1 common share to every one share held.

As at December 31, 2024 and 2023 the Parent Company has 152,692,263 shares held by the public or 44.29% of the total outstanding capital stock and a total of 206 stockholders. The Parent Company has not sold any unregistered securities for the past 5 years.

Other Information

In February 1993, common shares of the Parent Company representing 75% of the total issued outstanding shares previously held by Acesite Limited (BVI) (ALB), were pledged by ALB in favor of Equitable PCI Bank Hong Kong Group (EPCIB) for the latter's loan to an affiliate of ALB.

On February 17, 2003, EPCIB foreclosed the said shares and sold them to WPI as a block sale in the PSE. ALB contested the foreclosure, and on February 20, 2003, filed a case for the annulment of the sale, with application for issuance of a writ of preliminary injunction and a prayer for a temporary restraining order with the Regional Trial Court (RTC) of Makati City. On August 15, 2003, the RTC of Makati City granted ALB's request for preliminary injunction upon posting of the necessary injunction bond.

On June 3, 2004, for failure of ALB to post the full amount of the injunction bond, the RTC of Makati City ordered the stock transfer agent of the Parent Company to transfer the 74,889,231 shares to EPCIB and, in accordance with the Deed of Assignment of Shares of Stock dated February 17, 2003, the shares were transferred to WPI. Subsequently, ALB filed a motion for reconsideration of the order dissolving the writ of injunction issued by the RTC of Makati City.

On June 24, 2004, at the annual stockholders' meeting of the Parent Company pursuant to the order of the SEC, WPI, as the registered majority stockholder of record, elected new directors to serve as such until the next annual stockholders' meeting.

On August 10, 2004, the Court of Appeals (CA) gave due course to EPCIB's petition and set aside the questioned Orders on ALB request for preliminary injunction bond. On the same date, ALB filed a Motion for Reconsideration which the CA denied on November 24, 2004.

On December 22, 2004, ALB questioned the said Resolutions of the CA by filing a Petition for Review on Certiorari at the Supreme Court (SC). On January 19, 2005, the SC denied the Petition for Review on Certiorari on the decision and resolution of the CA dated August 10, 2004 and November 24, 2004, respectively, for failure of ALB to state the material date showing when notice of judgment thereof was received. On March 1, 2005, ALB filed a motion for reconsideration of the said denial by the SC. The petition for reconsideration filed by ALB has been denied with finality by the SC on March 14, 2005.

In March 2006, ALB commenced proceedings in Hong Kong against EPCIB and WPI to pursue its claim. In view of the Memorandum of Agreement signed in July 2011, ALB forever renounces its claim against WPI and EPCIB.

Preferred Shares

The Parent Company's authorized and unissued preferred shares as at December 31, 2024 and 2023 amounted to P10.00 million, consisting of 20,000 shares with a par value of P500 per share.

The Parent Company's preferred shares have the following attributes:

- a. non-voting;
- b. non-convertible to common shares;
- c. redeemable at a premium of 5%; and
- d. entitled to cumulative dividends of 9% per annum.

Treasury Stock

On November 13, 2007, the BOD approved the creation of a share buyback program involving the Parent Company's common stock. As at December 31, 2024 and 2023, the Parent Company has bought back 1,353,058 shares for a total cost of P12.04 million.

Retained Earnings

In accordance with Section 42 of the Revised Corporation Code of the Philippines, stock corporations are prohibited from retaining surplus profits in excess of one hundred (100%) percent of their paid-in capital stock, except: (1) when justified by definite corporate expansion projects or programs approved by the BOD; or (2) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or (3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies.

The Group has retained earnings in excess of the one hundred percent of its paid-in capital stock. As at December 31, 2024 and 2023, no appropriation has been made.

As discussed in Note 1, the hotel operation has been suspended as the hotel building is under ongoing construction as at December 31, 2024. The Company will focus its resources to the reconstruction and restoration of the podium and hotel building until its completion in 2026.

12. Other Costs and Expenses

This account consists of:

	<i>Note</i>	2024	2023	2022
Bad debts expense	4	P13,197,084	P -	P -
Share in common operating expenses		11,272,689	-	284,356
Taxes and licenses		11,223,078	14,068,860	14,906,295
Head office and corporate costs		10,249,469	1,787,928	47,590
Security and other services		9,424,986	6,802,012	10,497,597
Professional fees		6,947,161	1,409,593	2,708,215
Insurance		5,996,671	5,344,707	4,355,000
Data processing		1,261,265	1,324,555	1,323,241
Representation and entertainment		856,037	573,152	15,234
Directors' fees		740,127	-	668,059
Repairs and maintenance		201,591	1,054,107	1,077,589
Advertising		120,294	276,891	317,869
Supplies	5	107,133	99,731	258,933
Transportation and travel		48,570	147,160	180,194
Communications		40,737	258,452	248,629
Other services		-	339,597	-
Rent		-	289,474	415,441
Meeting expenses		-	628,036	-
Miscellaneous		379,980	72,494	245,575
		P72,066,872	P34,476,749	P37,549,817

Share in common operating expenses pertains to allocated corporate costs incurred by the Parent Company and chargeable to the Company.

Miscellaneous includes recruitment expense, donations, and employee association dues.

13. Financing Income (Charges) - net

This account consists of:

	Note	2024	2023	2022
Interest income	11, 17	P4,362,336	P3,063,281	P6,626,267
Other Income		124,524	-	-
Bank charges		(2,091)	(2,887)	(2,570)
		P4,484,769	P3,060,394	P6,623,697

14. Retirement Benefits Cost

The Group has a funded, noncontributory retirement plan (the Plan) covering substantially all of its regular employees with at least five years of continuous service. The retirement benefits are based on percentage of the employees' final monthly salary for every year of continuous service depending on the length of stay. Contributions and costs are determined in accordance with the actuarial studies made for the Plan.

The latest independent actuarial valuation of the Plan was as at December 31, 2024, which was prepared using the projected unit credit method. The Plan is administered by independent trustees (the Retirement Plan Trustee) with assets held consolidated from those of the Company.

The Plan is registered with the Bureau of Internal Revenue (BIR) as a tax-qualified plan under Republic Act (R.A.) No. 4917, As Amended, *Retirement Pay Law*.

The Plan exposes the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

The reconciliation of the present value of the DBO and the FVPA to the recognized liability presented as "Retirement benefits liability" in the consolidated statements of financial position is as follows:

	FVPA	DBO	Retirement Benefits Liability
2024			
At January 1	P3,412,720	(P9,342,420)	(P5,929,700)
Included in Profit or Loss			
Current service cost	-	(706,472)	(706,472)
Net interest income (cost)	206,128	(564,282)	(358,154)
	206,128	(1,270,754)	(1,064,626)
Included in OCI			
Remeasurement gains:			
1. Actuarial gains (losses) arising from:			
▪ Financial assumptions	-	77,721	77,721
▪ Demographic assumptions	-	428,087	428,087
▪ Experience adjustments	(100,065)	-	(100,065)
2. Return on plan assets excluding interest income	(100,065)	505,808	405,743
Benefits paid	(973,158)	973,158	-
Contributions paid	-	-	-
Transferred obligation	-	-	-
At December 31	P2,545,625	(P9,134,208)	(P6,588,583)

2023	FVPA	DBO	Retirement Benefits Liability
At January 1	P3,871,074	(P8,297,644)	(P4,426,570)
Included in Profit or Loss			
Current service cost	-	(804,391)	(804,391)
Net interest income (cost)	273,685	(632,462)	(358,777)
	273,685	(1,436,853)	(1,163,168)
Included in OCI			
Remeasurement gains:			
1. Actuarial gains (losses) arising from:			
▪ Financial assumptions	-	(882,594)	(882,594)
▪ Demographic assumptions	-	-	-
▪ Experience adjustments	-	1,123,097	1,123,097
2. Return on plan assets excluding interest income	(732,039)	-	(732,039)
	(732,039)	240,503	(491,536)
Benefits paid	(120,949)	120,949	-
Contributions paid	120,949	-	120,949
Transferred obligation	-	30,625	30,625
At December 31	P3,412,720	(P9,342,420)	(P5,929,700)

Retirement benefits expense is included in “Personnel” account in the consolidated statements of profit or loss and other comprehensive income.

The personnel account comprise the following:

	2024	2023	2022
Salaries and wages	P17,964,512	P23,034,906	P19,926,204
Retirement benefits expense	1,064,626	1,163,168	1,154,682
Other employee benefits	3,534,392	827,824	730,194
	P22,563,530	P25,025,898	P21,811,080

The Group's plan assets consist of the following:

	2024	2023	2022
Cash and cash equivalents	P1,007,527	P1,622,102	P2,481,934
Debt instruments - government bonds	1,514,630	1,771,361	746,883
Unit investment trust funds	-	-	587,604
Others	105,292	19,257	54,653
	P2,627,449	P3,412,720	P3,871,074
Accrued trust fees payable	(81,824)	-	-
	P2,545,625	P3,412,720	P3,871,074

Asset-liability Matching

The Retirement Plan Trustee has no specific matching strategy between the plan assets and the plan liabilities.

Funding Policy

The Group is not required to pre-fund the future defined benefit liability under the Plan before they become due. For this reason, the amount and timing of contributions to the Plan are at the Group's discretion. However, in the event a benefit claim arises and the Plan is insufficient to pay the claim, the shortfall will then be due and payable from the Group to the employee. Hence, there is no expected contribution to the Plan in 2025.

The December 31 actuarial valuation uses these principal actuarial assumptions at the reporting date:

	2024	2023
Discount rate	6.04%	7.07%
Future salary increases	3.00%	3.00%

Assumptions regarding the mortality and disability rates are based on the 2001 CSO Table - Generational (Scale AA, Society of Actuaries) and the Disability Study, Period 2, Benefit 5 (Society of Actuaries), respectively.

The weighted-average duration of the DBO is 7.96 years and 7.46 years as at December 31, 2024 and 2023, respectively.

Maturity analysis of the benefit payments over the period of 10 years as at December 31 follows:

	Carrying Amount	Contractual Cash Flows	Within 1 Year	Within 1 - 5 Years	Within 6 - 10 Years
2024	P9,134,208	P8,022,962	P324,150	P3,980,769	P3,718,043
2023	P9,373,044	P10,174,206	P374,690	P3,947,591	P5,851,925
2022	P8,297,644	P10,259,672	P519,348	P2,047,256	P7,693,068

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have increased (decreased) the DBO by the amounts shown below:

2024	+ 1%	- 1%
Discount rate	(P804,520)	P909,128
Expected rate of salary increases	938,522	(851,602)
2023	+ 1%	- 1%
Discount rate	(P858,568)	P975,548
Expected rate of salary increases	1,004,493	(905,517)
2022	+ 1%	- 1%
Discount rate	(P858,568)	P975,548
Expected rate of salary increases	1,004,493	(905,517)

15. Income Taxes

The components of the income tax benefit are as follows:

	2024	2023	2022
Current	P698,427	P33,255	P35,425
Deferred	(5,159,618)	(5,298,315)	(5,165,892)
	(P4,461,191)	(P5,265,060)	(P5,130,467)

The reconciliation of the income tax benefit computed at the statutory tax rate to the actual benefit shown in profit or loss is as follows:

	2024	2023	2022
Loss before income tax benefit	(P81,705,331)	(P80,189,103)	(P77,987,681)
Statutory tax rate for income tax expense	20%/25%	20%/25%	20%/25%
Income tax benefits	(P20,426,333)	(P19,496,920)	(P19,496,920)
Additions to (reductions in) income tax due to the effects of:			
Unrecognized deferred tax asset on NOLCO and MCIT	13,515,755	15,133,597	15,133,597
Nondeductible expenses	232,759	3,809	3,809
Interest income already subjected to final tax	(4,523)	(770,953)	(770,953)
Other	2,221,151	-	-
	(P4,461,191)	(P5,130,467)	(P5,130,467)

The movements of the deferred tax assets and deferred tax liabilities are as follows:

	Balance January 1, 2024	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2023
December 31, 2024				
Deferred tax liability:				
Revaluation surplus on property and equipment	P203,649,490	(P4,892,150)	P -	P198,757,340
Deferred tax assets:				
Retirement benefits liability	1,482,424	266,158	(101,436)	1,647,146
Unrealized foreign exchange loss	(3,801)	1,310	-	(2,491)
	1,478,623	267,468	(101,436)	1,644,655
	P202,170,867	(P5,159,618)	P101,436	P197,112,685
	Balance January 1, 2023	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2023
December 31, 2023				
Deferred tax liability:				
Revaluation surplus on property and equipment	P208,827,941	(P5,178,451)	P -	P203,649,490
Deferred tax assets:				
Retirement benefits liability	1,481,643	123,665	(122,884)	1,482,424
Unrealized foreign exchange loss	-	(3,801)	-	(3,801)
	1,481,643	119,864	(122,884)	1,478,623
	P207,346,298	(P5,298,315)	P122,884	P202,170,867

December 31, 2022	Balance January 1, 2022	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2022
Deferred tax liability:				
Revaluation surplus on property and equipment	P213,720,091	(P4,892,150)	P -	P208,827,941
Deferred tax assets:				
Retirement benefits liability	1,303,093	288,671	(110,121)	1,481,643
Unrealized foreign exchange loss	14,929	(14,929)	-	-
	1,318,022	273,742	(110,121)	1,481,643
	P212,402,069	(P5,165,892)	P110,121	P207,346,298

Deferred tax assets in respect of possible future taxable benefit arising from NOLCO and MCIT are not recognized because management has assessed that the future taxable profits will not be available against which the Group can utilize the benefits thereon.

Details of the Parent Company's NOLCO are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2024	P51,616,868	P -	P -	P51,616,868	2027
2023	18,627,924	-	-	18,627,924	2026
2022	14,483,139	-	-	14,483,139	2025
2021	59,520,608	-	-	59,520,608	2026
	P144,248,539	P -	P -	P144,248,539	

Details of the Subsidiary's NOLCO are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2021	P2,887,194	P -	P -	P2,887,194	2026

Details of the Parent Company's MCIT are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2024	P611,539	P -	P -	P611,539	2027
2023	33,255	-	-	33,255	2026
2021	35,425	-	-	35,425	2025
2020	33,387	-	(33,387)	-	2024
	P713,606	P -	(P33,387)	P680,219	

16. Loss Per Share

Loss per share (LPS) is computed by dividing the net loss for the year by the weighted average number of outstanding shares of common stock during the year.

	2024	2023	2022
Net loss	(P76,939,833)	(P74,924,043)	(P72,857,214)
Weighted average number of outstanding shares of common stock (net of treasury stock)	344,747,520	344,747,520	344,747,520
LPS - basic/diluted	(P0.22)	(P0.22)	(P0.21)

There are no potential dilutive common shares for the years ended December 31, 2024, 2023 and 2022.

17. Financial Instruments - Risk Management and Fair Values

Risk Management Structure

BOD

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

Risk Management Committee

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

Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of cash and cash equivalents, trade and other current receivables, note receivable, due from a related party, equity securities - at FVOCI, other deposits (presented under "Other noncurrent assets"), trade and other current payables (excluding statutory payables), due to related parties and retention payables. The main purpose of these financial instruments is to finance the Group's operations.

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

Credit Risk

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

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group grants advances to its related parties after the BOD reassesses the Group's strategies for managing credits and views that they remain appropriate for the Group's circumstances.

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

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

At the reporting date, other than the trade and other current receivables and due from a related party, there were no significant concentrations of credit risk.

The tables below show the credit quality of the Group's financial assets (amounts are in thousands):

	2024			
	At Amortized Cost			
	FVOCI	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P18,383	P267,936	P -	P -
Grade B	-	-	-	-
Grade C	-	-	-	-
Gross carrying amount	18,383	267,936	-	-
Loss allowance	-	(33,108)	-	-
Carrying amount	P18,383	P234,828	P -	P -

	2023			
	At Amortized Cost			
	FVOCI	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P19,943	P267,936	P -	P -
Grade B	-	-	-	-
Grade C	-	-	-	-
Gross carrying amount	19,943	267,936	-	-
Loss allowance	-	-	-	-
Carrying amount	P19,943	P267,936	P -	P -

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*		P20,813	P20,419
Trade and other current receivables	4	55,447	65,120
Note receivable	10	112,950	107,023
Due from related parties	10	71,161	75,653
Equity securities - at FVOCI	10	18,382	19,943
Other deposits	8	7,540	7,540
		286,293	295,698
Less allowance for impairment losses	4	78,421	19,911
		P207,872	P275,787

*Excluding cash on hand

Cash and cash equivalents consist of:

	2024	2023
Cash on hand	P70,000	P50,000
Cash in banks	20,813,077	20,419,058
	P20,883,077	P20,469,058

Cash in banks earn interest based on prevailing deposit rates.

Related interest income recognized in profit or loss amounted to P0.01 million, P0.02 million, and P0.01 million in 2024, 2023, and 202 respectively (see Note 15).

The aging analysis of the Group's financial assets are as follows (in thousands):

December 31, 2024	Total	Neither Past Due nor Impaired	Past Due but not Impaired					Past Due and Impaired
			< 30 Days	30 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days	
Cash and cash equivalents*	P20,813	P20,813	P -	P -	P -	P -	P -	P -
Trade and other current receivables	55,447	22,339	-	-	-	-	-	33,108
Note receivable	112,950	112,950	-	-	-	-	-	-
Due from a related parties	71,161	71,161	-	-	-	-	-	-
Equity securities - at FVOCI	18,383	18,383	-	-	-	-	-	-
Other deposits	7,540	7,540	-	-	-	-	-	-
Total	P286,294	P253,186	P -	P -	P -	P -	P -	P33,108

December 31, 2023	Total	Neither Past Due nor Impaired	Past Due but not Impaired					Past Due and Impaired
			< 30 Days	30 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days	
Cash and cash equivalents*	P20,419	P20,419	P -	P -	P -	P -	P -	P -
Trade and other current receivables	126,023	106,112	-	-	-	-	-	19,911
Note receivable	107,023	107,023	-	-	-	-	-	-
Due from a related parties	-	-	-	-	-	-	-	-
Equity securities - at FVOCI	19,943	19,943	-	-	-	-	-	-
Other deposits	7,540	-	-	-	-	-	7,540	-
Total	P287,879	P260,428	P -	P -	P -	P -	P7,540	P19,911

*Excluding cash on hand

Information on the Group's receivables that are impaired as at December 31, 2024 and 2023 and the movements in the impairment losses are disclosed in Notes 4 and 10 to the consolidated financial statements.

The main considerations for impairment assessment include whether any payments are overdue or if there are any known difficulties in the cash flows of the counterparties. The Group assesses impairment in two ways: individual assessment and collective assessment.

The Group determines allowance for each significant receivable on an individual basis. Among the items that the Group considers in assessing impairment is the inability to collect from the counterparty based on the contractual terms of the receivables. Receivables included in the specific assessment are the accounts that have been endorsed to the legal department, non-moving accounts receivable, accounts of defaulted agents and corporate accounts.

For collective assessment, allowances are assessed for receivables that are not individually significant and for individually significant receivables where there is no objective evidence yet of individual impairment. Impairment losses are estimated by taking into consideration the age of the receivables, past collection experience and other factors that may affect collectability.

The total impairment losses on the financial assets recognized in the consolidated statements of profit or loss and other comprehensive income amounted to P13.2 million, nil, and nil in 2024, 2023, and 2022, respectively (see Notes 4 and 11), which were determined and measured through the Company's individual assessment procedures.

Liquidity Risk

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

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

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

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

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

The following tables summarize the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (in thousands):

December 31, 2024	Note	Total Carrying Amount	Contractual Undiscounted Payments			
			Total	On Demand	Less than 1 Year	1 to 5 Years
Trade and other current payables*	9	P316,831	P316,831	P -	P316,831	P -
Due to related parties	10	536,035	536,035	536,035	-	-
Retention payables		88,488	88,488	88,488	-	-
		P941,354	P941,354	P624,523	P316,831	P88,488

*Excluding statutory payables

December 31, 2023	Note	Total Carrying Amount	Contractual Undiscounted Payments			
			Total	On Demand	Less than 1 Year	1 to 5 Years
Trade and other current payables*	9	P319,205	P319,205	P5,316	P313,889	P -
Due to related parties	10	511,916	511,916	511,916	-	-
Retention payables		88,381	88,381	88,381	-	-
		P919,502	P919,502	P605,613	P313,889	P -

*Excluding statutory payables

Market Risk

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

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

Equity Price Risk

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

The Group is exposed to equity price risk because of its investment in shares of stock of WII which are listed on the PSE totaling to 86.71 million shares as at December 31, 2024 and 2023.

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

The sensitivity of the Group's equity to a reasonably possible change in equity price. These changes are considered to be reasonably possible based on past equity price performance of the Group's equity security - at FVOCI and macroeconomic forecast for 2024 and 2023. This analysis assumes an increase of 10% for 2024 and 2023 and a decrease of 10% for 2024 and 2023 of the equity price of the Group's equity security - at FVOCI. All other variables are held constant. There are no fair value change in other comprehensive income in 2024 and 2023.

Fair Value Measurement

The carrying amount of cash and cash equivalents, trade and other current receivables, note receivable, due from a related party, trade and other current payables (excluding statutory payables) and due to related parties approximate their fair values due to the short-term maturity of these instruments.

The discussions on the fair value of equity security - at FVOCI are disclosed in Note 10 to the consolidated financial statements.

The carrying values of other deposits and retention payables approximate their fair value because these are not subject to significant risk of change in value.

The approximation of the fair values of the Company's financial assets and liabilities are based on Level 3, except for equity securities - at FVOCI which is based on Level 1 of the fair value hierarchy.

18. Capital Management

The primary objective of the Group's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group's overall strategy remains unchanged since prior financial year.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or process in 2024 and 2023. 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 and fair value reserve.

The Group is not subject to externally-imposed capital requirements.

19. Significant Contingencies

Legal Cases

The Parent Company is also a defendant in other legal and labor cases which are still pending resolution. Management and its legal counsels believe that the outcome of these cases will not have any material effect on the Parent Company's consolidated financial position and results of operations.

20. Summary of Material Accounting Policies

Adoption of New or Revised Standards, Amendments to Standards and Interpretations

The FSRSC approved the adoption of a number of new and amendments to standards effective for annual reporting periods beginning on January 1, 2024 as part of PFRS Accounting Standards. None of these are expected to have a material effect on the financial statements.

Standards Issued but Not Yet Adopted

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, 2025

- *Lack of Exchangeability (Amendments to PAS 21, The Effects of Changes in Foreign Exchange Rates)*

The amendments clarify that a currency is exchangeable into another currency when a company is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, a company needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted. Comparative information is not restated and the effect of initially applying the amendments are adjusted to the opening balance of retained earnings, or to the cumulative amount of translation differences if the company uses a presentation currency other than its functional currency.

Effective January 1, 2026

▪ *Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9 Financial Instruments and PFRS 7 Financial Instruments: Disclosures)*

The amendments relate to the date of recognition and derecognition, classification of financial assets, contractually linked instruments and non-recourse features, and disclosures on investments in equity instruments.

Date of recognition and derecognition. The amendments clarified that:

- a financial asset or financial liability is recognized on the date on which the entity becomes party to the contractual provisions of the instrument unless the regular way exemption applies;
- a financial asset is derecognized on the date on which the contractual rights to cash flows expire or the asset is transferred; and
- a financial liability is derecognized on the settlement date, which is the date on which the liability is extinguished because the obligation specified in the contract is discharged or cancelled or expires or the liability otherwise qualifies for derecognition.

However, the amendments provide an exception for the derecognition of financial liabilities where an entity may choose to derecognize a financial liability that is settled using an electronic payment system before the settlement date if, and only if, the entity has initiated the payment instruction that resulted in:

- the entity having no practical ability to withdraw, stop or cancel the payment instruction;
- the entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

Entities may choose to apply the exception on a system-by-system basis.

Classification of financial assets. The amendments related to classification of financial assets introduces an additional test to assess whether the solely payments of principal and interest (SPPI) criterion is met for financial assets with contingent features that are not related directly to a change in basic lending risks or costs.

The amendments clarified that when a contingent feature gives rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs, the financial asset has contractual cash flows that are SPPI if, and only if, in all contractually possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

Additional disclosures are required for all financial assets and financial liabilities that have certain contingent features that are not related directly to a change in basic lending risks or costs and are not measured at fair value through profit or loss.

Contractually linked instruments and non-recourse features. The amendments clarify the key characteristics of contractually linked instruments (CLIs) and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test). For example, it clarifies that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets; that CLIs have non-recourse features, but not all financial assets with non-recourse features are CLIs; and that the underlying pool of instruments of CLIs may include financial assets outside the scope of IFRS 9.

Disclosures on investments in equity instruments. The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI). The entity discloses for each class of investment the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period. It also discloses any transfers of the cumulative gain or loss within equity during the reporting period related to investments derecognized during that reporting period.

The amendments apply for reporting periods beginning on or after January 1, 2026. Earlier application is permitted. Entities may choose to early-adopt the amendments for the recognition and derecognition of financial assets and financial liabilities separately from the other amendments.

Effective January 1, 2027

- *PFRS 18 Presentation and Disclosure in Financial Statements will replace PAS 1 Presentation of Financial Statements 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. PFRS 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.* PFRS 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 PFRS 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 PFRS Accounting Standards.

- *Greater disaggregation of information.* PFRS 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.

PFRS 18 also now require goodwill to be presented as a line item in the statement of financial position.

Consequential amendments to PAS 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.

PFRS 18 also amends PAS 33 *Earnings per Share* to permit companies to disclose additional amounts per share using as numerator a required income and expenses total or subtotal, a common subtotal listed in PFRS 18 or an MPM disclosed by the entity.

PFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. It applies retrospectively in accordance with PAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Specific reconciliations are required to be disclosed. Eligible entities including venture capital organizations, mutual funds and some insurers will be allowed to change their election for measuring investments in associates and joint ventures from equity method to fair value through profit or loss.

The Group is still assessing the impact of this standard.

- *PFRS 19 Subsidiaries without Public Accountability: Disclosures* permits a subsidiary to apply the requirements of PFRS Accounting Standards with the reduced disclosure requirements of PFRS 19 in its consolidated, separate or individual financial statements provided that, at the reporting date:
 - it does not have public accountability, and
 - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with PFRS Accounting Standards.

Eligible subsidiaries may apply the standard for reporting periods beginning on or after January 1, 2027. Earlier application is permitted.

Current versus Noncurrent Classification

The Group presents assets and liabilities in the statements of financial position based on current and noncurrent classification. An asset is current when it is: (a) expected to be realized or intended to be sold or consumed in the normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within 12 months after the reporting period; or (d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is current when: (a) expected to be settled in the normal operating cycle; (b) it is held primarily for trading; (c) it is due to be settled within 12 months after the reporting period; or (d) there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other assets and liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition

Financial instruments are recognized in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates these classifications at each reporting date.

All regular way purchases and sales of financial assets are recognized on the trade date, i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Measurement at Initial Recognition

Financial instruments are recognized initially at fair value of the consideration given (in case of an asset) or received (in case of a liability). Except for financial instruments at FVTPL, the initial measurement of financial instruments includes transaction costs.

Financial Assets

On initial recognition, a financial asset is classified as measured at amortized cost, FVOCI or FVTPL, based on their contractual cash flow characteristics and the business model for managing the financial assets.

Debt Instruments

Financial Assets Measured at Amortized Cost

A financial asset that is a debt instrument, other than those that are designated at FVTPL, which meet both of the following conditions:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Included in this category are the Group's cash and cash equivalents, trade and other current receivables, note receivable and due from a related party.

Equity Instruments

Financial assets that are equity instruments shall be classified under any of the following categories:

- Financial assets measured at FVTPL which shall include financial assets held for trading; or

- Financial assets at FVOCI which shall consist of equity instruments that are irrevocably designated at FVOCI at initial recognition that are neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which PFRS 3, *Business Combinations*, applies. This election is made on an instrument-by-instrument basis.

As at December 31, 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 SPPI

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. nonrecourse features).

Prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired for a discount or premium to its contractual face amount, a feature that permit or requires prepayment that an amount that substantially represents the contractual face amount plus accrued (but unpaid) contractual interest (which may include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent Measurement of Financial Assets

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Amounts recognized in OCI are not classified to profit or loss.

Classification and Measurement of Financial Liabilities

Financial Liabilities

Financial liabilities are initially recognized at fair value. Transaction costs are deducted from the initial measurement of the Group's financial liabilities except for debt instruments classified at FVTPL.

Financial liabilities are subsequently measured as follows:

- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in a business combination.

As at December 31, 2024 and 2023, other financial liabilities at amortized cost include trade and other current payables (excluding statutory payables), due to related parties and retention payables in the consolidated statement of financial position (see Notes 9, 10 and 17). There are no financial liabilities measured at FVTPL.

Other Financial Liabilities at Amortized Cost

Issued financial instruments or their components which are not classified as financial liabilities at FVTPL are classified as other financial liabilities at amortized cost, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder or lender, or to satisfy the obligation other than by the exchange of a fixed amount of cash. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Derecognition of Financial Instruments

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the 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 statement 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 statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is generally not the case with master netting agreements, thus, the related assets and liabilities are presented at gross amounts in the consolidated statement of financial position.

As at December 31, 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 nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to market participant that would use the asset in its highest and best use.

The Group uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated statement of financial position on a recurring basis, the Group determines whether transfer have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of Financial Assets

Impairment of Financial Instruments

At the date of initial application of PFRS 9, the Group uses reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that a financial instrument was initially recognized and compared that to the credit risk at the date of initial application.

Lifetime ECLs result from all possible default events over the expected life of a financial instruments while 12-month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period of the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Movement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the EIR of the financial assets.

Credit-impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. The financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as default or being more than the normal credit terms of the Group;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group determines and presents operating segments based on the information that is internally provided to the BOD, who is the Group's chief operating decision maker. The Group assessed that its hotel operations represent one segment. Accordingly, the Group does not present segment information in these consolidated financial statements.

Inventories

Inventories are stated at the lower of cost and NRV. Cost comprises all cost of purchase and other direct costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method.

NRV represents the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. NRV of operating supplies and engineering and maintenance supplies is the estimated replacement cost.

Prepaid Expenses

Prepaid expenses represent expenses not yet incurred but are already paid. Prepaid expenses are initially recorded as assets and measured at the amount of cash paid. Subsequent to initial recognition, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepaid expenses are classified in the consolidated statement of financial position as current assets when the cost of goods or services related to the prepayment are expected to be incurred within one year or the Group's normal operating cycle, whichever is longer. Otherwise, they are classified as noncurrent assets.

Property and Equipment

Measurement at Recognition

Upon recognition, items of property and equipment are measured at cost which comprises the purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use. For land which is acquired as part of business combination, it is originally measured at deemed cost (fair value at the acquisition date). No depreciation is provided on land.

Measurement Subsequent to Recognition

Operating equipment is carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Hotel building and furniture, fixtures and equipment are carried at revalued amounts, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Fair values are determined through the appraisal of an independent firm of appraisers. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in the carrying amount resulting from a revaluation (revaluation increase) is recognized in OCI and accumulated in equity. However, the increase shall be recognized in profit or loss to the extent that the increase reverses a revaluation decrease of the same asset previously recognized in profit or loss.

Any decrease in the carrying amount resulting from a revaluation (revaluation decrease) is recognized in profit or loss. However, the decrease shall be recognized in OCI to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in OCI reduces the amount accumulated in equity.

Subsequent Costs

Subsequent costs that can be measured reliably are added to the carrying amount of the asset when it is probable that future economic benefits associated with the asset will flow to the Group. The costs of day-to-day servicing of an asset are recognized as an expense in the period in which they are incurred.

Depreciation

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Number of Years
Hotel building	15 - 50
Furniture, fixtures and equipment	3 - 5

The useful lives and depreciation method are reviewed at each reporting date to ensure that such useful lives and depreciation method are consistent with the expected pattern of economic benefits from those assets.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

Construction-in-progress is stated at cost. This includes cost of construction, equipment and other direct costs. Construction-in-progress is not depreciated until such time the relevant assets are completed and put into operational use.

When an asset is disposed of, or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal is recognized in profit or loss.

Impairment of Nonfinancial Assets

The carrying amount of the Group's property and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the impaired asset is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss, unless the asset is carried at revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset.

The recoverable amount is the greater of the asset's fair value less costs of disposal and value in use. Fair value less cost of disposal is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, less the costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset being evaluated. If an asset does not generate cash inflows that are largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized. Reversals of impairments are recognized in profit or loss, unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

After such reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Revenue Recognition

Revenue from Contracts with Customers

The Group's business is primarily engaged in offering hotel rooms and facilities such as restaurants, function halls, coffee shops and all adjuncts and accessories thereto.

The Group recognizes revenue when it transfers control over a product or service to a customer. Revenue is measured based on the consideration specified in a contract with a customer.

The following is a description of principal activities from which the Group generates its revenue. Revenue is disaggregated by major products/service lines as reflected in the consolidated statement of profit or loss and other comprehensive income.

Hotel Rooms and Function Halls

Revenue from hotel rooms and function halls is recognized at the point in time when control of the asset is transferred to a customer, generally on actual occupancy. The normal credit terms for lease of hotel rooms and function halls is 30 days, when payment is made on credit.

Food and Beverage

Revenue from food and beverage is recognized at the point in time when the goods have been delivered.

Rent and Related Income

Rental income on leased areas of the Group is accounted for on a straight-line basis over the term of the lease.

Other Operating Departments

Revenue from other operating departments is recognized at the point in time when the service has been rendered. This includes guest, laundry and valet, parking fees, among others.

Interest Income

Interest income is recognized on a time proportion basis on the principal outstanding and at the rate applicable.

Other Income

Other income is recognized at the point in time when the service has been rendered.

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

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

- whether the Group has primary responsibility for providing the goods and services; and
- whether the Group has discretion in establishing prices.

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

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

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss upon utilization of the service or at the date they are incurred. Interest expense is recognized in profit or loss in the period in which they are incurred using the effective interest method.

Income Taxes

Income tax comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized in OCI or directly in equity, in which case they are recognized respectively therein.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

Current Tax

Current tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the end of each reporting period.

Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided, using the liability method, on all temporary differences at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic subsidiaries, associates and interest in joint ventures. With respect to investments in other subsidiaries, associates and interests in joint ventures, deferred tax liabilities are recognized except when the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred tax asset to be recovered. It is probable that sufficient future taxable profits will be available against which a deductible temporary difference can be utilized when there are sufficient taxable temporary difference relating to the same taxation authority and the same taxable entity which are expected to reverse in the same period as the expected reversal of the deductible temporary difference. In such circumstances, the deferred tax asset is recognized in the period in which the deductible temporary difference arises.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rate and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognized in OCI or directly in equity is recognized in the consolidated statement of other comprehensive income and consolidated statement of changes in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if there is a legally enforceable right to offset current income tax assets against current income tax liabilities and they relate to income taxes levied by the same tax authority and the Group intends to settle its current income tax assets and liabilities on a net basis.

Foreign Currency Transactions and Translations

Transactions in foreign currencies are translated into PHP using the exchange rates prevailing at the dates of such transactions. Monetary assets and liabilities denominated in foreign currencies are translated to their PHP equivalents using the rates of exchange prevailing at the reporting date.

Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Employee Benefits

Short-term Employee Benefits

Short-term employee benefit obligations, such as those for salaries and wages, social security contributions, short-term compensated absences, bonuses and non-monetary benefits, among others, are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits Costs

The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of DBO is performed on a periodic basis by a qualified actuary using the PUCM. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI and presented under Retirement benefits reserves under equity. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the DBO at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Related Party Relationship

A related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its KMP, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Capital Stock

Capital stock is classified as equity. Incremental costs directly attributable to the issuance of capital stock and share options are recognized as deduction from equity, net of any tax effects.

Preferred share capital is classified as equity if it is non-redeemable, or redeemable only at the option of the Parent Company, or if the dividend payments are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the BOD of the Parent Company.

Retained Earnings

Retained earnings include accumulated results of operations as reported in the consolidated statement of profit or loss and other comprehensive income less any dividends declared. Dividends are recorded in the period in which the dividends are approved by the BOD.

Treasury Stock

The Group's shares which are reacquired and held by the Group are deducted from equity and accounted for at weighted average cost. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

(LPS) EPS

Basic EPS/LPS is determined by dividing net income or loss for the year by the weighted average number of common shares subscribed and issued during the year, after retroactive adjustment for any stock dividend and stock splits declared during the year. Diluted EPS/LPS is computed in the same manner as the aforementioned, except that all outstanding convertible preferred shares are further assumed to have been converted to common stock at the beginning of the period or at the time of issuance during the year.

Provisions and Contingencies

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that a transfer of economic benefits will be required to settle the obligation.

Contingent liabilities are not recognized as liabilities, but are disclosed in the consolidated financial statements unless the possibility of an outflow of resources is remote. Contingent assets are not recognized but are disclosed in the consolidated financial statements when an inflow of economic benefits is probable.

Events After the Reporting Period

The Group identifies post-year-end events as events that occurred after the reporting date but before the date when the consolidated financial statements were authorized for issue. Any post-year-end events that provide additional information on conditions that existed at the end of a reporting period (adjusting events) are recognized in the consolidated financial statements. Events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES

As of December 31, 2024

Ratio	Formula	2024	2023
Current ratio	Total Current Assets divided by Total Current Liabilities <div style="display: flex; justify-content: space-between;"> <div>Total Current Assets</div> <div>P251,000,569</div> </div> <div style="display: flex; justify-content: space-between;"> <div><u>Divided by: Total Current Liabilities</u></div> <div><u>871,757,497</u></div> </div> <div style="display: flex; justify-content: space-between;"> <div>Current ratio</div> <div>0.29</div> </div>	29%	54%
Acid test ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities <div style="display: flex; justify-content: space-between;"> <div>Total Current Assets</div> <div>P251,000,569</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Less: Inventories</div> <div>762,424</div> </div> <div style="display: flex; justify-content: space-between;"> <div><u>Other current assets</u></div> <div><u>22,904,976</u></div> </div> <div style="display: flex; justify-content: space-between;"> <div>Quick assets</div> <div>P227,333,170</div> </div> <div style="display: flex; justify-content: space-between;"> <div><u>Divided by: Total Current Liabilities</u></div> <div><u>871,757,497</u></div> </div> <div style="display: flex; justify-content: space-between;"> <div>Acid test ratio</div> <div>0.26</div> </div>	26%	30%
Solvency ratio	Net Income After Tax plus Non-cash Expenses divided by Total Liabilities <div style="display: flex; justify-content: space-between;"> <div>Net Income After Tax</div> <div>(P77,244,140)</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Add: Non-Cash Expenses</div> <div>16,260,927</div> </div> <div style="display: flex; justify-content: space-between;"> <div><u>After-tax Net Operating Income</u></div> <div><u>(P60,983,213)</u></div> </div> <div style="display: flex; justify-content: space-between;"> <div><u>Divided by: Total Liabilities</u></div> <div><u>1,163,946,281</u></div> </div> <div style="display: flex; justify-content: space-between;"> <div>Solvency ratio</div> <div>-0.05</div> </div>	-5%	-5%
Debt-to-equity ratio	Total Liabilities divided by Shareholder's Equity <div style="display: flex; justify-content: space-between;"> <div>Total Liabilities</div> <div>P1,163,946,281</div> </div> <div style="display: flex; justify-content: space-between;"> <div><u>Divided by Shareholder's Equity</u></div> <div><u>1,713,535,467</u></div> </div> <div style="display: flex; justify-content: space-between;"> <div>Debt-to-equity ratio</div> <div>0.68</div> </div>	68%	63%
Asset-to-equity ratio	Total assets divided by Shareholder's Equity <div style="display: flex; justify-content: space-between;"> <div>Total assets</div> <div>P2,877,481,359</div> </div> <div style="display: flex; justify-content: space-between;"> <div><u>Divided by: Shareholder's Equity</u></div> <div><u>1,713,535,467</u></div> </div> <div style="display: flex; justify-content: space-between;"> <div>Asset-to-equity ratio</div> <div>1.68</div> </div>	168%	163%
Return on equity	Net loss divided by Shareholder's Equity <div style="display: flex; justify-content: space-between;"> <div>Net Loss</div> <div>(P77,244,140)</div> </div> <div style="display: flex; justify-content: space-between;"> <div><u>Divided by: Shareholder's Equity</u></div> <div><u>1,713,535,467</u></div> </div> <div style="display: flex; justify-content: space-between;"> <div>Return on Equity</div> <div>-0.05%</div> </div>	-5%	-4%

Ratio	Formula	2024	2023
Return on assets	Net Income divided by Average Total Assets		
	Net Loss (P77,244,140)		
	Divided by: Average Total Asset		
	Beginning Balance, asset P2,925,078,600		
	Add: Ending Balance, asset <u>2,877,481,928</u>		
	P5,802,560,528	-3%	-3%
	Divided by: <u>2,901,280,264</u>		
	Return on asset -0.03%		

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024**

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES

8th Floor, Manila Pavilion Hotel
United Nations Avenue, Ermita, Manila

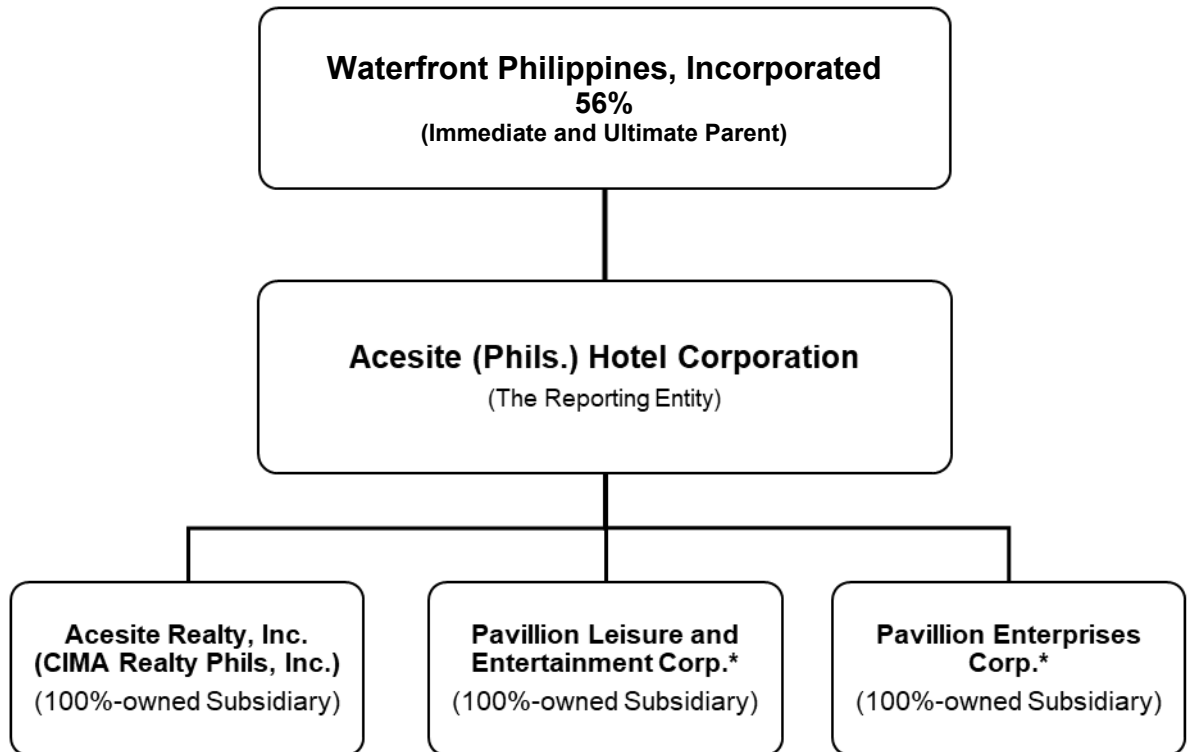
Unappropriated Retained Earnings, beginning of the reporting period			P1,177,136,784
Unappropriated Retained Earnings, as adjusted			1,177,136,784
Add/Less: Net loss			(78,499,599)
Adjusted Net Income/Loss			(78,499,599)
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)			
Depreciation on revaluation increment (after tax)	P14,676,450		14,676,450
Less: Category F: Other items that should be excluded from the determination of available for dividend distribution			
Others	4,636,126		4,636,126
Total Retained Earnings, end of the reporting period available for dividend			P1,108,677,509

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED
INFORMATION
December 31, 2024

	2024	2023
Total Audit Fees		
Audit of financial statements	P602,500	P545,000
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	P602,500	P545,000

**ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED UNDER THE REVISED SRC
RULE 68**

Map of Conglomerate



*nonoperating entities

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES

Table of Contents

**Supplementary Schedules
Required Under the Revised Securities Regulation Code Rule 68
December 31, 2024**

	<u>Page</u>
A. Financial Assets	<u>2</u>
B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties).	<u>3</u>
C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements - <i>(nothing to report)</i>	<u>4</u>
D. Long-term Debt - <i>(nothing to report)</i>	<u>5</u>
E. Indebtedness to Related Parties	<u>6</u>
F. Guarantees of Securities of Other Issuers - <i>(nothing to report)</i>	<u>7</u>
G. Capital Stock	<u>8</u>

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2024

Name of Issuing Entity and Association of Each Issue	Number of shares or Principal Amount of Bonds and Notes	Amount Shown in the Statement of Financial Position	Value Based on Market Quotation at End of Reporting Period	Income Received and Accrued
Cash	P20,883,077	P20,883,077	P20,883,077	
Trade and other current receivables - net		22,338,852	22,338,852	
Note receivable		112,950,334	112,950,334	P4,344,244
Equity securities - at fair value through other comprehensive income	86,710,000	18,382,520	18,382,520	
	P107,593,077	P174,554,783	P174,554,783	P4,344,244

See Notes 4, 10 and 18 of Notes to the Consolidated Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS
EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (Other than Related Parties)
DECEMBER 31, 2024

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Noncurrent	Balance at End of Period
Acesite Leisure and Entertainment Corp. (ALEC)	P107,023,005	P5,927,329	P -	P -	P -	P -	P112,950,334

See Note 10 of Notes to the Consolidated Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED
DURING CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2024

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Noncurrent	Balance at End of Period

Nothing to report

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 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

Nothing to report

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES
DECEMBER 31, 2024

<u>Name of Related Party</u>	<u>Balance at Beginning of Period</u>	<u>Balance at End of Period</u>
Waterfront Philippines, Inc. (Parent Company)	P97,070,929	P203,028,522
Waterfront Cebu City Casino Hotel, Incorporated	158,742,286	15,228,873
Waterfront Mactan Casino Hotel, Incorporated	241,446,904	240,429,265
Davao Insular Hotel Company, Inc.	-	77,348,069
	<u>P497,260,119</u>	<u>P536,034,729</u>

See Note 10 of Notes to the Consolidated Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2024

Name of Issuing Entity of Securities of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which Statement is Filed	Nature of Guarantee

Nothing to report

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 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	1,200,000,000	346,100,578	1,353,058	192,045,057	10,000	152,692,263
Preferred shares	10,000,000	-	-	-	-	-
	1,210,000,000	346,100,578	1,353,058	192,045,057	10,000	152,692,263

See Note 11 of Notes to the Consolidated Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION

SEPARATE FINANCIAL STATEMENTS
December 31, 2024 and 2023

With Independent Auditors' Report

REPORT OF INDEPENDENT AUDITORS

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

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Acesite (Phils.) Hotel Corporation (the Company), which comprise the separate statements of financial position as at December 31, 2024 and 2023, and the separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising summary of material accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at December 31, 2024 and 2023, and its unconsolidated financial performance and its unconsolidated cash flows for the years then ended 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.

Firm Regulatory Registration & Accreditation:

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

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024

and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

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

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

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

financial statements

Emphasis of Matter - Status of Operation

We draw attention to Note 1 to the financial statements which describes the effects of a fire on March 18, 2018 that damaged the Company's podium and the hotel buildings that resulted to the suspension of its operations. It is further stated in Note 1 that the Company has started in 2018 the reconstruction and restoration of the podium and the hotel buildings, which are still ongoing as at December 31, 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. Note 1 indicates as well that a related party that has a long-term sublease contract with Philippine Amusement and Gaming Corporation, entered into a long-term lease contract with the Company for the operation of the casino until 2025. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with 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 PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with 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.

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

**Report on the Supplementary Information Required Under Revenue Regulations
No. 15-2010 of the Bureau of Internal Revenue**

Our audit was conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 23 to the basic separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic separate financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic separate financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditors' report is 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 1, 2025

Makati City, Metro Manila

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

REPORT OF INDEPENDENT AUDITORS

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

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Acesite (Phils.) Hotel Corporation (the Company), which comprise the separate statements of financial position as at December 31, 2024 and 2023, and the separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising summary of material accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at December 31, 2024 and 2023, and its unconsolidated financial performance and its unconsolidated cash flows for the years then ended 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.

Firm Regulatory Registration & Accreditation:

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

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024

and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

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

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

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

financial statements

Emphasis of Matter - Status of Operation

We draw attention to Note 1 to the financial statements which describes the effects of a fire on March 18, 2018 that damaged the Company's podium and the hotel buildings that resulted to the suspension of its operations. It is further stated in Note 1 that the Company has started in 2018 the reconstruction and restoration of the podium and the hotel buildings, which are still ongoing as at December 31, 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. Note 1 indicates as well that a related party that has a long-term sublease contract with Philippine Amusement and Gaming Corporation, entered into a long-term lease contract with the Company for the operation of the casino until 2025. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with 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 PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with 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.

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

**Report on the Supplementary Information Required Under Revenue Regulations
No. 15-2010 of the Bureau of Internal Revenue**

Our audit was conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 23 to the basic separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic separate financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic separate financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditors' report is 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 1, 2025

Makati City, Metro Manila

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

**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SEPARATE FINANCIAL STATEMENTS FOR FILING
WITH THE BUREAU OF INTERNAL REVENUE**

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

We have audited the accompanying separate financial statements of Acesite (Phils.) Hotel Corporation (the Company) as at and for the year ended December 31, 2024, on which we have rendered our report dated May 1, 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 president, manager, 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 1, 2025
Makati City, Metro Manila

Firm Regulatory Registration & Accreditation:

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

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024

and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

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

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

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

financial statements


**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

The Management of **Acesite (Phils) Hotel Corporation** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended **December 31, 2024**. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

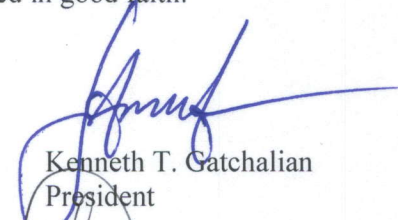
In this regard, the Management affirms that the attached audited financial statements for the year ended **December 31, 2024** and the accompanying Annual Income Tax Return are in accordance with the books and records of **Acesite (Phils) Hotel Corporation** complete and correct in all material respects. Management likewise affirms that:

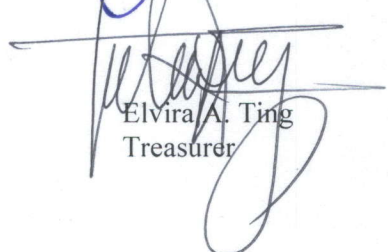
- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards Philippine Financial Reporting Standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) **Acesite (Phils) Hotel Corporation** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signed under oath by the following:


Arthur M. Lopez
Chairman of the Board


Evangelina B. Soliveres
Corporate Finance Director


Kenneth T. Gatchalian
President


Elvira A. Ting
Treasurer

Signed this ___th day of _____ 20__

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	18	P20,883,077	P20,469,058
Trade and other current receivables - net	4, 18	22,338,852	45,208,122
Note receivable	11, 18	112,950,334	107,023,005
Due from a related party	11	79,141,124	75,652,997
Inventories	5	762,424	762,424
Prepaid expenses and other current assets	6	22,573,294	206,090,078
Total Current Assets		258,649,105	455,205,684
Noncurrent Assets			
Property and equipment - net	7	1,097,717,909	1,114,106,580
Right-of-use assets - net	20	20,226,717	21,304,639
Investment in a subsidiaries	8	459,762,500	459,762,500
Equity security - at fair value through other comprehensive income		18,382,520	19,943,300
Other noncurrent assets - net	9	860,380,930	685,823,038
Total Noncurrent Assets		2,456,470,576	2,300,940,055
		P2,715,119,681	P2,756,145,739
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other current payables	10, 18	P340,738,844	P324,644,664
Due to related parties	11, 18	536,034,728	508,967,497
Total Current Liabilities		876,773,572	833,612,161
Noncurrent Liabilities			
Retention payables	18	88,487,517	88,381,364
Retirement benefits liability	15	6,588,583	5,929,700
Lease liability - net of current portion	18, 20	54,777,682	50,094,396
Deferred tax liability - net	16	26,880,006	36,759,726
Total Noncurrent Liabilities		176,733,788	181,165,186
Total Liabilities		1,053,507,360	1,014,777,347
Equity			
Capital stock	12, 19	346,100,578	346,100,578
Revaluation surplus on property and equipment	7	121,080,712	135,757,162
Retirement benefits reserve	15	62,565,032	62,260,724
Fair value reserve		6,132,050	7,692,830
Retained earnings	12	1,137,755,649	1,201,598,798
Treasury stock	12	(12,041,700)	(12,041,700)
Total Equity		1,661,612,321	1,741,368,392
		P2,715,119,681	P2,756,145,739

See Notes to the Separate Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	2024	2023	2022
REVENUES		P -	P -	P -
COSTS AND EXPENSES				
OTHER THAN DEPRECIATION, FINANCING AND INCOME TAX EXPENSE (BENEFIT)				
Personnel	15	22,563,530	25,025,898	21,811,080
Energy		2,402,194	3,942,942	3,686,177
Rental		315,789	289,474	415,441
Others	13	72,066,872	34,187,278	34,674,243
		97,348,385	63,445,592	60,586,941
LOSS BEFORE GAIN (LOSSES), DEPRECIATION, FINANCING AND INCOME TAX BENEFIT		(97,348,385)	(63,445,592)	(60,586,941)
GAIN (LOSSES), DEPRECIATION AND FINANCING				
Financing income (charges) - net	14	(1,128,820)	173,127	(3,619,634)
Foreign exchange losses – net		(9,963)	(15,201)	-
Gain from insurance claims - net	1	(30,401,133)	-	-
Depreciation	7, 20	21,973,858	21,880,848	23,626,043
		(9,566,058)	22,038,774	20,006,409
LOSS BEFORE INCOME TAX		(87,782,327)	(85,484,366)	(80,593,350)
INCOME TAX BENEFIT		(9,282,728)	(5,265,060)	(6,396,918)
NET LOSS		(78,499,599)	(80,219,306)	(74,196,432)
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will never be reclassified to profit or loss				
Remeasurement loss on defined benefit plan	15	405,743	491,536	440,482
Deferred tax effect	16	(101,435)	(122,884)	(110,120)
		304,308	368,652	330,362
TOTAL COMPREHENSIVE LOSS		(78,195,291)	(79,850,654)	(73,866,070)
LOSS PER SHARE - Basic and Diluted		(P0.23)	(P0.23)	(P0.21)
		P344,747,520	P344,747,520	P344,747,520

See Notes to the Separate Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF CHANGES IN EQUITY

Year Ended December 31, 2024

	Capital Stock (Note 12)	Revaluation Surplus on Property and Equipment (Note 7)	Retirement Benefits Reserve (Note 15)	Fair Value Reserve (Note 11)	Retained Earnings (Note 12)	Treasury Stock (Note 12)	Total
Balance at January 1, 2024	P346,100,578	P135,757,162	P62,260,724	P7,692,830	P1,201,598,798	(P12,041,700)	P1,741,368,392
Net loss for the year	-	-	-	-	(78,499,599)	-	(78,499,599)
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	-	-	-	-	-	-
Reversal of revaluation surplus - net of tax	-	(14,676,450)	-	-	14,676,450	-	-
Other comprehensive income - net of tax effect	-	-	304,308	(1,560,780)	-	-	(1,256,472)
	-	(14,676,450)	304,308	(1,560,780)	(63,823,149)	-	(79,756,071)
Balance at December 31, 2024	P346,100,578	P121,080,712	P62,565,032	P6,132,050	P1,137,775,649	(P12,041,700)	P1,661,612,321

See Notes to the Separate Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF CHANGES IN EQUITY

Year Ended December 31, 2023

	Capital Stock (Note 12)	Revaluation Surplus on Property and Equipment (Note 7)	Retirement Benefits Reserve (Note 15)	Fair Value Reserve (Note 11)	Retained Earnings (Note 12)	Treasury Stock (Note 12)	Total
Balance at beginning, as previously stated	P346,100,520	P150,433,612	P61,892,072	P7,692,830	P1,267,141,712	(P12,041,700)	P1,821,219,046
Effect of restatement	58	-	-	-	(58)	-	-
Balance at beginning, as restated	346,100,578	150,433,612	61,892,072	7,692,830	1,267,141,654	(12,041,700)	1,821,219,046
Net loss for the year	-	-	-	-	(80,219,306)	-	(80,219,306)
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	-	-	-	-	-	-
Reversal of revaluation surplus - net of tax	-	(14,676,450)	-	-	14,676,450	-	-
Other comprehensive income - net of tax effect	-	-	368,652	-	-	-	368,652
	-	(14,676,450)	368,652	-	(65,542,856)	-	(79,850,654)
Balance at December 31, 2023	P346,100,578	P135,757,162	P62,260,724	P7,692,830	P1,201,598,798	(P12,041,700)	P1,741,368,392

See Notes to the Separate Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF CHANGES IN EQUITY

Year Ended December 31, 2022

	Capital Stock (Note 12)	Revaluation Surplus on Property and Equipment (Note 7)	Retirement Benefits Reserve (Note 15)	Fair Value Reserve (Note 11)	Retained Earnings (Note 12)	Treasury Stock (Note 12)	Total
Balance at beginning, as previously stated	P346,100,520	P165,110,062	P61,561,711	P7,692,830	P1,326,661,694	(P12,041,700)	P1,895,085,117
Effect of restatement	58	-	-	-	(58)	-	-
Balance at beginning, as restated	346,100,578	165,110,062	61,561,711	7,692,830	1,326,661,636	(12,041,700)	1,895,085,117
Net loss for the year	-	-	-	-	(74,196,432)	-	(74,196,432)
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	(14,676,450)	-	-	14,676,450	-	-
Other comprehensive income - net of tax effect	-	-	330,362	-	-	-	330,362
	-	(14,676,450)	330,362	-	(59,519,982)	-	(73,866,070)
Balance at December 31, 2022	P346,100,578	P150,433,612	P61,892,073	P7,692,830	P1,267,141,654	(P12,041,700)	P1,821,219,047

See Notes to the Separate Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		(P87,782,327)	(P85,484,366)	(P80,593,350)
Adjustments for:				
Depreciation	7	21,973,858	21,880,849	23,626,043
Interest expense	14	3,355,949	3,233,521	3,004,064
Lease modification	20	1,327,337	(4,150,060)	-
Retirement benefits expense	15	1,064,626	1,163,168	1,154,682
Foreign exchange losses - net		(9,964)	(15,201)	-
Interest income	14	(4,362,336)	(3,063,281)	(6,626,267)
		(64,432,857)	(66,435,370)	(59,434,828)
Decrease (Increase) in:				
Trade and other current receivables	4	4,474,824	76,874,015	485,219
Due from related parties	11	(3,488,127)	-	-
Prepaid expenses and other current assets	6	184,308,556	(5,098,094)	(30,259,721)
Trade and other current payables	10, 18	15,408,563	(65,236,036)	(44,409,778)
Cash generated from (used in) Operations		136,270,959	(59,895,485)	(133,619,108)
Interest received		4,362,336	3,063,281	6,626,267
Benefits paid	15	-	831,498	(1,500,000)
Income taxes paid		(698,427)	-	-
Net cash generated from (used in) activities		139,934,868	(56,000,706)	(128,492,841)
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in:				
Note Receivable		(5,927,329)	(8,321,189)	(7,084,909)
Change in other noncurrent assets		(175,885,230)	2,733,319	57,381,744
Proceeds from insurance claims on property damages	1	18,394,446	-	27,000,000
Additions to property and equipment	7	(3,179,929)	(41,795,001)	(248,174,339)
Net cash used in investing activities		(166,598,042)	(47,382,871)	(170,877,504)
CASH FLOW FROM A FINANCING ACTIVITY				
Increase (decrease) in due to related parties		27,067,230	(18,636,766)	(27,050,900)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		404,056	(122,020,353)	(326,421,245)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		9,963	15,201	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		P20,469,058	142,474,210	468,895,455
CASH AND CASH EQUIVALENTS AT END OF YEAR		P20,883,077	P20,469,058	P142,474,210

See Notes to the Separate Financial Statements

ACESITE (PHILS.) HOTEL CORPORATION
NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Reporting Entity

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

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

The Company is the owner and operator of Waterfront Manila Hotel and Casino (the Hotel). The Company has corporate life of 50 years pursuant to its articles of incorporation. However, under the Revised Corporation Code of the Philippines which took effect on February 23, 2019, the Company shall have a perpetual corporate life. The Company's shares have been listed on the Philippine Stock Exchange (PSE) since December 5, 1986.

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

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

**nonoperating entities*

The Company and all of the above subsidiaries were incorporated in the Philippines.

Status of Operation

On March 18, 2018, a fire broke out in the 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 4).

While 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 Phase 1 of a reconstruction project by the 1st quarter of 2026. Phase 1 includes public areas including the lobby, some food and beverage outlets, and the casino area at the ground floor level up to the third floor. The entire proceeds from insurance coverage claims have been allotted to complete Phase 1 of the reconstruction work with additional funding expected to be come 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 that will be generated by the operations of Phase 1 and, when necessary, bank borrowings.

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 come 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 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.

Authorization for Issuance of the Financial Statements

The accompanying financial statements were approved and authorized for issue by the Board of Directors (BOD) on April 28, 2025.

Details of the Company's material accounting policies are included in Note 22.

Basis of Measurement

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

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

Functional and Presentation Currency

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

3. Use of Judgments and Estimates

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

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

Judgments

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

Recognizing Insurance Claims

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

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

Going Concern

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

Although the various community quarantines implemented in Metro Manila have caused some delays, construction activities have not been totally stopped and management expects to complete Phase 1 of reconstruction project by the 1st quarter of 2026. A soft opening of the podium, which houses the public areas including the lobby, some food and beverage outlets and the casino area at the ground floor level up to the third floor, is expected by the 1st quarter of 2026. The hotel rooms are expected to be partially completed in Phase 1 and the remaining amenities, guest facilities and rooms of the hotel building are expected to be completed over Phase 2 and Phase 3 of the reconstruction project. Phases 2 and 3 are expected to be completed by the 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 and, when necessary, bank borrowings.

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

Classifying Financial Instruments

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

Distinguishing Investment Properties and Owner-occupied Properties

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

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the delivery of services or for administrative purposes. If these portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the delivery of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company has classified its properties as owner-occupied (see Notes 7, 20 and 21).

Transactions with PAGCOR

The Company has significant transactions with PAGCOR. Under Presidential Decree (PD) No. 1869, otherwise known as the PAGCOR Charter, PAGCOR is exempted from payment of any form of taxes other than the 5% franchise tax imposed on the gross revenue or earnings derived by PAGCOR from its operations under the franchise. The amended Revenue Regulation (RR) No. 16-2005 which became effective in 2006, however, provides that gross receipts of PAGCOR shall be subject to the 12% value-added tax (VAT). In February 2007, the Philippine Congress amended PD No. 1869 to extend the franchise term of PAGCOR for another 25 years but did not include any revocation of PAGCOR's tax exemption privileges as previously provided for in PD No. 1869. In accounting for the Company's transactions with PAGCOR, the Company's management and its legal counsel have made a judgment that the amended PD No. 1869 prevails over the amended RR No. 16-2005 (see Note 20).

Determining the Lease Term of Contract with Renewal Option - Company as Lessee
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Company has one contract that includes an extension option. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Company excluded the renewal period as part of the lease term for its current long-term lease contract as it is determined to be renewable upon mutually acceptable terms and conditions of both the lessee and the lessor.

Operating Lease - Company as Lessor

The Company has entered into commercial property leases on the commercial spaces located in the Hotel. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these commercial spaces and accounts for the contracts as operating leases (see Notes 20 and 21).

Assumptions and Estimation Uncertainties

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

Provision for Expected Credit Losses on Financial Assets

The Company uses the expected credit loss (ECL) model in estimating the level of allowance which includes forecasts of future events and conditions. A credit loss is the difference between the cash flows expected to be received discounted at the original effective interest rate (EIR). The model represents a probability-weighted estimate of the difference over the remaining life of the financial asset. Lifetime ECL is calculated by multiplying the lifetime Probability of Default by Loss Given Default (LGD) and Exposure at Default (EAD). LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty. The EAD of a financial asset is its gross carrying amount at the time of default.

Further details on the carrying amounts of assets are disclosed in Notes 4, 9, and 11.

Fair Value Measurement of Financial Instruments

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

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

The specific methods and assumptions used by the Company in estimating the fair values of its financial instruments are disclosed in Note 18.

Revaluation of Property and Equipment

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

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

Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property and equipment. However, it is possible that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recording of expenses for any period would be affected by changes in these factors and circumstances.

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

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

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that the carrying amount of nonfinancial assets may be impaired or that the previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

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

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

The Company assessed that the carrying amounts of its nonfinancial assets approximate their recoverable amounts.

Retirement Benefits

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

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

Further details on retirement benefits liability are disclosed in Note 15.

Deferred Tax Assets

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

Further details on deferred taxes are disclosed in Note 16.

Leases - Estimating the Incremental Borrowing Rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs such as market interest rates when available and is required to make certain entity-specific estimates such as the Company's stand-alone credit rating.

Further details on leases are disclosed in Note 20.

4. Trade and Other Current Receivables

This account consists of:

	Note	2024	2023
Guests, concessionaires and other patrons		P19,646,919	P18,345,114
Insurance receivable	1	-	18,394,446
Others		35,800,404	28,379,949
	18	55,447,323	65,119,509
Less allowance for impairment losses on guests, concessionaires and other patrons and other receivables	18	33,108,471	19,911,387
		P22,338,852	P45,208,122

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

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

In assessing the lifetime ECL of the Company's receivables, the Company excluded in its assessment all receivables that were related to long outstanding third-party accounts as these were already specifically identified as uncollectible, hence, impaired.

All of the Company's trade and other receivables have been reviewed for indicators of impairment. As at December 31, 2024 and 2023, management has recognized an additional impairment loss amounting to P13.2 million and nil, respectively (see Note 13).

5. Inventories

The Company's inventories are carried at cost, which is lower than the NRV, as at December 31, 2024 and 2023 amounting to P0.76 million.

The cost recognized as an expense for operating supplies of P0.11 million and P0.10 million in 2024 and 2023, respectively, is included as part of "Supplies" under "Others" account in the separate statements of profit or loss and other comprehensive income (see Note 13).

6. Prepaid Expenses and Other Current Assets

This account consists of:

	2024	2023
Creditable withholding taxes	P22,030,124	P22,728,551
Input VAT - net	89,700	173,354,640
Other prepayments	453,470	10,006,886
	P22,573,294	P206,090,077

Creditable withholding taxes are excess of tax credits over current income tax due which can be applied against future income tax liability.

Input VAT is available as tax credit against output VAT liability.

Others consist of prepaid licenses and taxes, prepaid maintenance, deposits and prepaid subscription charges.

7. Property and Equipment

The balances and movements in this account are as follows:

<i>Measurement basis:</i>	As at and For the Year Ended December 31, 2024			
	Hotel Building	Furniture, Fixtures and Equipment	Construction-in-Progress	Total
	<i>Revalued</i>	<i>Revalued</i>	<i>At Cost</i>	
Cost	P471,046,928	P14,854,179	P933,097,030	P1,418,998,137
Beginning balance	-	-	-	-
Additions	-	-	3,179,929	3,179,929
Disposals	-	-	-	-
Ending balance	471,046,928	14,854,179	936,276,959	1,422,178,066
Accumulated Depreciation				
Beginning balance	290,037,378	14,854,179	-	304,891,557
Depreciation for the year	19,568,600	-	-	19,568,600
Ending balance	309,605,978	14,854,179	-	324,460,157
Carrying Amount	P161,440,950	P -	P936,276,959	P1,097,717,909

<i>Measurement basis:</i>	As at and For the Year Ended December 31, 2023			
	Hotel Building	Furniture, Fixtures and Equipment	Construction-in-Progress	Total
	<i>Revalued</i>	<i>Revalued</i>	<i>At Cost</i>	
Cost				
Beginning balance	P471,046,928	P14,854,179	P891,302,029	P1,377,203,136
Additions	-	-	41,795,001	41,795,001
Disposals	-	-	-	-
Ending balance	471,046,928	14,854,179	933,097,030	1,418,998,137
Accumulated Depreciation				
Beginning balance	270,468,778	14,603,670	-	285,072,448
Depreciation for the year	19,568,600	250,509	-	19,819,109
Ending balance	290,037,378	14,854,179	-	304,891,557
Carrying Amount	P181,009,550	P -	P933,097,030	P1,114,106,580

In 2023, the Company engaged an independent firm of appraisers to determine the fair value of certain classes of its property and equipment, specifically hotel building and furniture, fixtures and equipment, which are carried at revalued amounts. Fair value was determined by reference to market-based evidence, which is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In determining fair value, an estimate was made in accordance with the prevailing prices for materials, equipment, labor, and contractor's overhead and all other costs associated with acquisition while taking into account the depreciation resulting from physical deterioration, functional and economic obsolescence. The Company'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.

In 2023, "land", "hotel buildings" and "furniture, fixtures and equipment" were revalued by an independent professional appraiser, accredited by the Professional Regulation Commission and the Securities and Exchange Commission.

No revaluation was performed as of December 31, 2024. Management believes that the carrying amounts of "hotel buildings and 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 would have been as follows:

	2024	2023
Hotel building	P1,503,527	P1,503,527
Furniture, fixtures and equipment	14,846,724	14,846,724
	16,350,251	16,350,251
Less: Accumulated depreciation	12,402,505	12,151,996
	P3,947,746	P4,198,255

Depreciation on cost charged to profit or loss amounted to P22.16 million, P21.88 million, and P21.30 million in 2024, 2023, and 2022, respectively.

The revaluation surplus absorbed through depreciation and transferred directly to retained earnings, net of tax effect, amounted to P14.68 million as at December 31, 2024 and 2023, respectively. The carrying amount of revaluation surplus, net of tax amounting to P121.08 million and P135.76 million as at December 31, 2024 and 2023, respectively, is not available for distribution to shareholders.

8. Investment in Subsidiaries

Discussed below are the descriptions and the financial information of the subsidiaries.

ARI

ARI is a wholly-owned and domestic subsidiary whose shares of stocks are not quoted in an active market. ARI is the owner of the land on which the Hotel is situated (see Note 1).

The registered office of is located at 8th floor Waterfront Manila Hotel and Casino, United Nations Avenue, Ermita, Manila.

The following is the summarized financial information of the subsidiary as at and for the periods ended December 31:

	2024	2023
Financial Position		
Total assets	P2,321,196,517	P1,587,115,415
Total current liability	12,235,454	12,058,078
Total noncurrent liabilities	576,216,208	392,128,441
Results of Operation		
Revenue	4,231,753	4,119,320
Net income (loss)	730,460	546,653,558

PLEC

PLEC was incorporated and registered with the SEC on June 29, 1998. Its primary purpose is to engage in the business of managing and operating hotels and other accommodations.

The registered office of PLEC is located at 8th floor Waterfront Manila Hotel and Casino, United Nations Avenue, Ermita, Manila.

Due to its nonoperational status, the Company has provided an allowance for impairment loss on its investment in PLEC.

PEC

PEC was incorporated and registered with the SEC on June 29, 1998. Its primary purpose is to engage in the business of managing and operating hotels and other accommodations.

The registered office of PEC is located at 8th floor Waterfront Manila Hotel and Casino, United Nations Avenue, Ermita, Manila.

Due to its nonoperational status, the Company has provided an allowance for impairment loss on its investment in PEC.

9. Other Noncurrent Assets

This account consists of:

	<i>Note</i>	2024	2023
Advances to contractors		P723,383,822	P723,596,127
Other deposits	18	182,310,115	7,539,918
		905,693,937	731,136,045
Less allowance for impairment losses on advances to contractors		45,313,007	45,313,007
		P860,380,930	P685,823,038

Advances to contractors are deposits for the reconstruction and restoration of the Company's hotel property and equipment (see Note 1).

There were no additional impairment losses on advances to contractors recognized for 2024, 2023 and 2022.

10. Trade and Other Current Payables and Retention Payables

This account consists of:

	<i>Note</i>	2024	2023
Trade payables		P297,115,368	P295,498,002
Accruals:			
Utilities		19,602,341	20,884,781
Other accruals		16,309,779	2,372,052
Withholding taxes		1,098,007	1,526,049
Others		6,613,349	4,363,780
	18	P340,738,844	P324,644,664

Trade payables are noninterest-bearing and are normally on a 30-day term.

Other payables include commissions, unclaimed wages, sponsorships, Social Security System, Philippine Health Insurance Corporation and Housing Development Mutual Fund and sundry payables.

11. Related Party Transactions

Identity of Related Parties

The Company has related party transactions with its key management personnel (KMP) and the following entities:

Related Party	Relationship with the Company
WPI	Parent Company
ARI	Subsidiary
PLEC	Subsidiary
PEC	Subsidiary
Waterfront Cebu City Casino Hotel, Incorporated (WCCCHI)	Under common control
Waterfront Mactan Casino Hotel, Incorporated (WMCHI)	Under common control
Davao Insular Hotel Company, Inc. (DIHCI)	Under common control
Waterfront Hotel Management Corporation (WHMC)	Under common control
Acesite Leisure and Entertainment Corp. (ALEC)	Under common control
Grand Ilocandia Resort and Development, Inc.	Under common control
Wellex Industries Incorporated (WII)	Affiliate

Significant Transactions and Balances with Related Parties

The summary of significant transactions and balances with the related parties is as follows:

Category/ Transaction	Year	Note	Amount of the Transaction	Outstanding Balance				Terms	Conditions
				Due from a Related Party- net	Note Receivable	Equity Security - at FVOCI	Due to Related Parties		
WPI									
▪ Advances	2024	a	P105,957,593	P36,438	P -	P -	P203,028,522	Noninterest-bearing, and payable on demand	Unsecured
	2023		(35,810,723)	-	-	-	189,549,172		
	2022		(29,964,88)	-	-	-	132,881,652		
ARI									
▪ Advances	2024	b	170,155	7,980,218	-	-	-	Noninterest-bearing, and payable on demand	Unsecured
	2023		2,430,371	5,265,398	-	-	-		
	2022		2,498,032	5,379,692	-	-	-		
ALEC									
▪ Note receivable	2024	c	5,927,329	-	112,950,334	-	-	Due in one year interest-bearing	Unsecured; no impairment
	2023		8,321,189	-	107,023,005	-	-		
	2022		7,084,909	-	98,701,816	-	-		
WCCCHI									
▪ Advances	2024	d	7,425,838	1,500	-	-	15,228,872	Noninterest-bearing, and payable on demand	Unsecured
	2023		(1,898,363)	-	-	-	7,804,535		
	2022		5,330,690	-	-	-	9,702,898		
WMCHI									
▪ Advances	2024	d	1,576,006	-	-	-	240,429,265	Noninterest-bearing, and payable on demand	Unsecured
	2023		257,980	-	-	-	242,005,271		
	2022		(21,644,320)	-	-	-	242,263,251		
DIHCI									
▪ Advances	2024	d	77,348,819	750	-	-	77,348,069	Noninterest-bearing, and payable on demand	Unsecured
	2023		5,265,398	-	-	-	69,608,519		
	2022		24,750,536	-	-	-	72,483,167		
WHMC									
▪ Advances	2024	e	-	2,552,799	-	-	-	Noninterest-bearing, and payable on demand; impaired	Unsecured; impaired
	2023		2,552,799	2,552,799	-	-	-		
	2022		-	2,551,338	-	-	-		
▪ Allowance for impairment losses	2024	e	-	-	-	-	-		
	2023		-	-	-	-	-		
	2022		-	(2,551,338)	-	-	-		

Forward

Outstanding Balance

Category/ Transaction	Year	Note	Amount of the Transaction	Due from a Related Party- net	Note Receivable	Equity Security - at FVOCI	Due to Related Parties	Terms	Conditions
WII									
▪ Equity security - at FVOCI	2024	f	(P1,560,780)	P -	P -	P18,382,520	P -		
	2023		-	-	-	19,943,300	-		
	2022		-	-	-	19,943,300	-		
Advances	2024		9,360	67,844,160	-	-	-		
	2023		67,834,800	67,834,800	-	-	-		
	2022		-	-	-	-	-		
GIRDI									
Advances	2024	g	725,259	725,259	-	-	-		
	2023		-	-	-	-	-		
	2022		-	-	-	-	-		
KMP									
▪ Short-term employee benefits	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
	2022		1,284,221	-	-	-	-		
▪ Post employment benefits	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
	2022		290,000	-	-	-	-		
TOTAL	2024			P79,141,124	P112,950,334	P18,382,520	P536,034,728		
TOTAL	2023			P75,652,997	P107,023,005	P19,943,300	P508,967,497		

- a. The transactions with WPI pertain to various noninterest-bearing and unsecured short-term advances which include WPI-allocated share in the common operating expenses.
- b. In the ordinary course of business, the Company obtained noninterest-bearing, collateral-free cash and non-cash advances from ARI for shared corporate expenses and working capital purposes. The above advances are due on demand.

Further, the Company has entered into an operating lease with ARI for use of the latter's land. This noncancellable operating lease commenced on November 1, 2011 and has a term of 20 years with escalation rate of 5% per annum. Also, the contract provides for two (2) months of free rental.

From July 1, 2019 to December 31, 2024, the Company was granted a temporary suspension of lease payments by ARI due to the current non-operating status of the Company's hotel (see Note 20).

- c. In 2017, the Parent Company extended a loan to ALEC payable on December 31, 2018, and bear interest at 4% per annum. From 2018 to 2023, the Parent Company extended another interest-bearing loan at 4% per annum to ALEC. In 2024, the Parent Company extended another interest-bearing loan at 4% per annum to ALEC payable at the end of 2025. The related interest income recognized in profit or loss amounted to P4.36 million, P3.06 million, P6.63 million in 2024, 2023 and 2022, respectively (see Note 14).

Further, the Company and ALEC entered into a seven (7) year operating lease contract for use of hotel premises. The lease will commence once the planned soft opening of the podium building happens (see Note 1).

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

Advances specifically identified as impaired amounted to P2.55 million, recognized and presented as part of "Impairment losses" under "Others" account in the separate statements of profit or loss and other comprehensive income (see Note 13).

- f. In July and August 2005, the BOD approved the conversion of the Company's net receivables from related parties amounting to P43.30 million into 86.71 million shares of stock of WII, an affiliate. The shares of WII are listed on the PSE. The fair market value of the shares based on closing market price as at December 31, 2024 and 2023 amounted to P18.38 million and P19.94 million, resulting in a valuation loss of P1.56 million, nil, and nil in 2024, 2023 and 2022, respectively.
- g. Starting May 2024, the Company has a noninterest-bearing advances to GIRD for shared corporate expenses.

All outstanding related party transactions are generally settled in cash.

12. Equity

Common Shares

Details of the common stock of the Company as at December 31 are as follows:

	2024	2023
Authorized - P1 par value	P1,200,000,000	P1,200,000,000
Issued	346,100,578	346,100,578
Outstanding	344,747,520	344,747,520

Date of Registration/Listing	Securities
December 5, 1986	1,760,000 common shares
January 26, 1998	73,351,197 common shares This is after SEC approval on October 16, 1997 of the change in authorized capital stock from 1,777,400 no par value common shares to 6,595,214 common shares with P1 par value per share.
May 19, 1999	19,970,461 common shares These represented dividends declared which was approved by the SEC on March 24, 1999.
May 28, 2012	246,248,212 common shares Dividend declared after SEC approval on May 28, 2012 of the increase in authorized capital stock from P310.00 million to P1.21 billion (including P10.00 million preferred shares).

On July 14, 2014, the BOD approved the amendment of the entitlement ratio of stock rights offering from 0.58 common share for every one share held to 1 common share to every one share held.

As at December 31, 2024 and 2023, the Company has 152,692,263 shares held by the public or 44.29% of the total outstanding capital stock and a total of 206 stockholders. The Company has not sold any unregistered securities for the past 4 years.

Other Information

In February 1993, common shares of the Company representing 75% of the total issued outstanding shares previously held by Acesite Limited(BVI) (ALB), were pledged by ALB in favor of Equitable PCI Bank Hong Kong Branch (EPCIB) for the latter's loan to an affiliate of ALB.

On February 17, 2003, EPCIB foreclosed the said shares and sold them to WPI as a block sale in the PSE. ALB contested the foreclosure, and on February 20, 2003, filed a case for the annulment of the sale, with application for issuance of a writ of preliminary injunction and a prayer for a temporary restraining order with the Regional Trial Court (RTC) of Makati City. On August 15, 2003, the RTC of Makati City granted ALB's request for preliminary injunction upon posting of the necessary injunction bond.

On June 3, 2004, for failure of ALB to post the full amount of the injunction bond, the RTC of Makati City ordered the stock transfer agent of the Company to transfer the 74,889,231 shares to EPCIB and, in accordance with the Deed of Assignment of Shares of Stock dated February 17, 2003, the shares were transferred to WPI. Subsequently, ALB filed a motion for reconsideration of the order dissolving the writ of injunction issued by the RTC of Makati City.

On June 24, 2004, at the annual stockholders' meeting of the Company pursuant to the order of the SEC, WPI, as the registered majority stockholder of record, elected new directors to serve as such until the next annual stockholders' meeting.

On August 10, 2004, the Court of Appeals (CA) gave due course to EPCIB's petition and set aside the questioned Orders on ALB request for preliminary injunction bond. On the same date, ALB filed a Motion for Reconsideration which the CA denied on November 24, 2004.

On December 22, 2004, ALB questioned the said Resolutions of the CA by filing a Petition for Review on Certiorari at the Supreme Court (SC). On January 19, 2005, the SC denied the Petition for Review on Certiorari on the decision and resolution of the CA dated August 10, 2004 and November 24, 2004, respectively, for failure of ALB to state the material date showing when notice of judgment thereof was received. On March 1, 2005, ALB filed a motion for reconsideration of the said denial by the SC. The petition for reconsideration filed by ALB has been denied with finality by the SC on March 14, 2005.

In March 2006, ALB commenced proceedings in Hong Kong against EPCIB and WPI to pursue its claim. In view of the Memorandum of Agreement signed in July 2011, ALB forever renounces its claim against WPI and EPCIB.

Preferred Shares

The Company's authorized and unissued preferred shares as at December 31, 2024 and 2023 amounted to P10.00 million, consisting of 20,000 shares with a par value of P500 per share.

The Company's preferred shares have the following attributes:

- a. non-voting;
- b. non-convertible to common shares;
- c. redeemable at a premium of 5%; and
- d. entitled to cumulative dividends of 9% per annum.

Treasury Stock

On November 13, 2007, the BOD approved the creation of a share buyback program involving the Company's common stock. As at December 31, 2024 and 2023, the Company has bought back 1,353,058 shares for a total cost of P12.04 million.

Retained Earnings

In accordance with Section 42 of the Revised Corporation Code of the Philippines, stock corporations are prohibited from retaining surplus profits in excess of one hundred (100%) percent of their paid-in capital stock, except: (1) when justified by definite corporate expansion projects or programs approved by the BOD; or (2) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or (3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies.

The Company has retained earnings in excess of the one hundred percent of its paid-in capital stock. As at December 31, 2024 and 2023, no appropriation has been made.

13. Other Costs and Expenses

This account consists of:

	<i>Note</i>	2024	2023	2022
Allowance for impairment losses	4	P13,197,084	P -	P -
Share in common operating expenses		11,272,689	-	284,356
Taxes and licenses		11,223,078	P14,068,860	12,446,163
Head office and corporate costs		10,249,469	1,787,928	47,590
Security and other related services		9,424,986	6,802,012	10,787,571
Professional fees		6,947,161	1,409,593	2,643,815
Insurance		5,996,671	5,344,707	4,355,000
Data processing		1,261,265	1,324,555	1,323,241
Representation and entertainment		856,037	573,152	15,234
Director's fees		740,127	-	688,059
Repairs and maintenance		201,591	1,054,107	1,077,589
Advertising		120,294	276,891	317,869
Supplies	5	107,133	99,731	258,933
Transportation and travel		48,570	147,160	180,194
Communications		40,737	258,452	248,629
Other services		-	339,600	-
Meeting expenses		-	628,036	-
Miscellaneous		379,980	-	-
		P72,066,872	P34,187,278	P34,674,243

Share in common operating expenses pertains to noninterest-bearing advances from Parent Company for inter-hotel charges and shared corporate expenses.

Miscellaneous include recruitment expense, donations and employee association dues.

14. Financing Income (Charges) - net

This account consists of:

	<i>Note</i>	2024	2023	2022
Interest income	11, 18	4,362,336	3,063,281	6,626,267
Interest expense	20	(P3,355,949)	(P3,233,521)	(P3,004,064)
Bank charges		(2,091)	(2,887)	(2,571)
Other Income		124,524	-	-
		P1,128,820	(P173,127)	P3,619,634

15. Retirement Benefits Cost

The Company has a funded, noncontributory retirement plan (the Plan) covering substantially all of its regular employees with at least five years of continuous service. The benefits are based on a percentage of the employees' final monthly salary for every year of continuous service depending on the length of stay. Contributions and costs are determined in accordance with the actuarial studies made for the Plan.

The latest independent actuarial valuation of the Plan was as at December 31, 2024, which was prepared using the projected unit credit method. The Plan is administered by independent trustees (the Retirement Plan Trustee) with assets held consolidated from those of the Company.

The Plan is registered with the Bureau of Internal Revenue (BIR) as a tax-qualified plan under Republic Act (R.A.) No. 4917, As Amended, *Retirement Pay Law*.

The Plan exposes the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

The reconciliation of the present value of the DBO and the FVPA to the recognized liability presented as "Retirement Benefits Liability" in the separate statements of financial position is as follows:

2024	FVPA	DBO	Retirement Benefits Liability
At January 1	P3,412,720	(P9,342,420)	(P5,929,700)
Included in Profit or Loss			
Current service cost	-	(706,472)	(706,472)
Net interest income (cost)	206,128	(564,282)	(358,154)
	206,128	(1,270,754)	(1,064,626)
Included in OCI			
Remeasurement gains:			
▪ Actuarial gains (loss) arising from:			
• Financial assumptions	-	77,721	77,721
• Experience adjustments	-	428,087	428,087
▪ Return on plan assets excluding interest income	(100,065)	-	(100,065)
	(100,065)	505,808	405,743

Forward

2024	FVPA	DBO	Retirement Benefits Liability
Other			
Benefits paid	(P973,158)	P973,158	P -
Contributions paid	-	-	-
Transferred obligation	-	-	-
At December 31	P2,545,625	(P9,134,208)	(P6,588,583)

2023	FVPA	DBO	Retirement Benefits Liability
At January 1	P3,871,074	(P8,297,644)	(P4,426,570)
Included in Profit or Loss			
Current service cost	-	(804,391)	(804,391)
Net interest income (cost)	273,685	(632,462)	(358,777)
	273,685	(1,436,853)	(1,163,168)
Included in OCI			
Remeasurement gains:			
▪ Actuarial gains (loss) arising from:			
• Financial assumptions	-	(882,594)	(882,594)
• Experience adjustments	-	1,123,097	1,123,097
▪ Return on plan assets excluding interest income	(732,039)	-	(732,039)
	(732,039)	240,503	(491,536)
Other			
Benefits paid	(120,949)	120,949	-
Contributions paid	120,949	-	120,949
Transferred obligation	-	30,625	30,625
At December 31	P3,412,720	(P9,342,420)	(P5,929,700)

2022	FVPA	DBO	Retirement Benefits Liability
At January 1	P3,945,329	(P9,157,699)	(P5,212,370)
Included in Profit or Loss			
Current service cost	-	(896,670)	(896,670)
Net interest income (cost)	195,294	(453,306)	(258,012)
	195,294	(1,349,976)	(1,154,682)
Included in OCI			
Remeasurement gains:			
▪ Actuarial gains (loss) arising from:			
• Financial assumptions	-	2,918,554	2,918,554
• Experience adjustments	-	-	-
• Experience adjustments	-	(2,208,523)	(2,208,523)
▪ Return on plan assets excluding interest income	(269,549)	-	(269,549)
	(269,549)	710,031	440,482
Other			
Benefits paid from book reserves	-	1,500,000	1,500,000
At December 31	P3,871,074	(P8,297,644)	(P4,426,570)

Retirement benefits expense is included in "Personnel costs" account in the separate statements of profit or loss and other comprehensive income.

The personnel costs comprise of the following:

	2024	2023	2022
Salaries and wages	P17,964,512	P23,034,906	P19,926,204
Retirement benefits expense	1,064,626	1,163,168	1,154,682
Other employee benefits	3,534,392	827,824	730,194
	P22,563,530	P25,025,898	P21,811,080

The Company's plan assets consist of the following:

	2024	2023
Cash and cash equivalents	P1,007,527	P1,622,102
Debt instruments - government bonds	1,514,630	1,771,361
Others	105,292	19,257
	2,627,449	P3,412,720
Accrued trust fees payable	(81,824)	-
	P2,545,625	P3,412,720

The components of defined benefit cost recognized in other comprehensive income before deferred tax are as follows:

	2024	2023
Cumulative actuarial losses at the beginning of year	P83,014,299	P82,522,763
Remeasurement during the year		
Net actuarial gains (losses) due to changes in assumptions and experience adjustments	505,808	(240,503)
Return on plan assets	(100,065)	732,039
	405,743	491,536
Cumulative actuarial losses at end of year	P83,420,042	P83,014,299

Asset-liability Matching

The Retirement Plan Trustee has no specific matching strategy between the plan assets and the plan liabilities.

Funding Policy

The Company is not required to pre-fund the future defined benefits liability under the Plan before they become due. For this reason, the amount and timing of contributions to the Plan are at the Company's discretion. However, in the event a benefit claim arises and the Plan is insufficient to pay the claim, the shortfall will then be due and payable from the Company to the employee. Hence, there is no expected contribution to the Plan in 2024.

The December 31 actuarial valuation uses these principal actuarial assumptions at the reporting date:

	2024	2023
Discount rate	6.13%	6.04%
Future salary increases	3.00%	3.00%

Assumptions regarding the mortality and disability rates are based on the 2001 CSO Table - Generational (Scale AA, Society of Actuaries) and the Disability Study, Period 2, Benefit 5 (Society of Actuaries), respectively.

The weighted-average duration of the DBO is 7.96 years and 7.46 years as at December 31, 2024 and 2023, respectively.

Maturity analysis of the benefit payments over the period of 10 years as at December 31 follows:

	Carrying Amount	Contractual Cash Flows	Within 1 Year	Within 1 - 5 Years	Within 6 - 10 Years
2024	P9,134,208	P8,022,962	P324,150	P3,980,769	P3,718,043
2023	P9,373,044	P10,174,206	P374,690	P3,947,591	P5,851,925
2022	P8,297,644	P10,259,672	P519,348	P2,047,256	P7,693,068

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have increased (decreased) the DBO by the amounts shown below:

2024	+ 1%	- 1%
Discount rate	(P804,520)	P909,128
Expected rate of salary increases	938,522	(851,602)
2023	+ 1%	- 1%
Discount rate	(P858,568)	P975,548
Expected rate of salary increases	1,004,493	(905,517)
2022	+ 1%	- 1%
Discount rate	(P848,198)	P971,463
Expected rate of salary increases	1,010,183	(900,160)

16. Income Taxes

The components of the income tax expense are as follows:

	2024	2023	2022
Current tax expense	P698,427	P33,255	P35,425
Deferred tax benefit	(9,981,155)	(5,298,315)	(6,432,343)
	(P9,282,728)	P5,265,060	P6,396,918

The reconciliation of the income tax(benefit) expense computed at the statutory tax rate to the actual(benefit) expense shown in profit or loss is as follows:

	2024	2023	2022
Loss before income tax	(P87,782,327)	(P85,484,366)	(P80,593,350)
Statutory tax rate for income tax expense	25.00%	25.00%	25.00%
Income tax benefit	(21,945,582)	(21,371,092)	(20,148,338)
Additions to (reductions in) income tax due to the tax effects of:			
Unrecognized deferred tax asset on NOLCO and MCIT	12,516,534	15,827,062	14,518,564
Nondeductible expense	232,759	860,666	3,809
Interest income already subjected to final tax	(4,523)	(765,099)	(770,953)
Others	(97,916)	183,403	-
	(P9,298,728)	(P5,265,060)	(P6,396,918)

The movements for the deferred tax assets and deferred tax liabilities are as follows:

December 31, 2024	Balance January 1, 2024	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2024
Deferred tax liabilities:				
Right-of-use asset - net	P5,326,159	(P269,479)	P -	P5,056,680
Revaluation surplus on property and equipment	45,435,789	(5,075,552)	-	40,360,237
	50,761,948	(5,345,031)	-	45,416,917
Deferred tax assets:				
Retirement benefits liability	1,482,425	266,157	(101,436)	1,647,146
Lease liability	12,523,599	1,170,822	-	13,694,421
Unrealized foreign exchange loss	(3,801)	1,310	-	(2,491)
Allowance for uncollectible accounts	-	3,197,837	-	3,197,837
	14,002,222	4,636,126	(101,436)	18,536,911
	P36,759,726	(P9,981,155)	P101,436	P26,880,006
December 31, 2023	Balance January 1, 2023	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2023
Deferred tax liabilities:				
Right-of-use asset - net	P5,841,594	(P515,435)	P -	P5,326,159
Revaluation surplus on property and equipment	50,327,940	(4,892,151)	-	45,435,789
	56,169,534	(5,407,586)	-	50,761,948
Deferred tax assets:				
Retirement benefits liability	1,481,643	123,665	(122,884)	1,482,425
Lease liability	12,752,734	(229,135)	-	12,523,599
Unrealized foreign exchange loss	-	(3,801)	-	(3,801)
Accrued rent	-	-	-	-
	14,234,377	(109,271)	(122,884)	14,002,222
	P41,935,157	(P5,298,315)	P122,884	P36,759,726

December 31, 2022	Balance January 1, 2022	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2021
Deferred tax liabilities:				
Right-of-use asset - net	P6,357,029	(P515,435)	P -	P5,841,594
Revaluation surplus on property and equipment	55,220,090	(4,892,150)	-	50,327,940
	61,577,119	(5,407,585)	-	56,169,534
Deferred tax assets:				
Retirement benefits liability	1,303,093	288,671	(110,121)	1,481,643
Lease liability	12,001,718	751,016	-	12,752,734
Unrealized foreign exchange loss	14,928	(14,928)	-	-
	13,319,739	1,024,759	(110,121)	14,234,377
	P48,257,380	(P6,432,344)	P110,121	P41,935,157

Deferred tax assets in respect of possible future taxable benefit arising from NOLCO and MCIT are not recognized because management has assessed that the future taxable profits will not be available against which the Company can utilize the benefits thereon.

On March 26, 2021, the President of the Philippines approved the Corporate Recovery and Tax Incentives for Enterprises or the CREATE Act, with nine (9) provisions vetoed by the President. Below are the salient features of the CREATE Act that are relevant to the Company.

- a) Corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding P5.00 million and with total assets not exceeding P100.00 million. All other domestic corporations and resident foreign corporations will be subject to 25% income tax. Said reductions are effective July 1, 2020.
- b) MCIT rate is reduced from 2% to 1% effective July 1, 2020 to June 30, 2023.

Details of the Company's NOLCO are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2024	P51,616,868	P -	P -	P51,616,868	2027
2023	18,627,924	-	-	18,627,924	2026
2022	14,483,139	-	-	14,483,139	2025
2021	59,520,608	-	-	59,520,608	2026
	P144,248,539	P -	P -	P144,248,539	

Details of the Company's MCIT are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2024	P611,539	P -	P -	P611,539	2027
2023	33,255	-	-	33,255	2026
2021	35,425	-	-	35,425	2025
2020	33,387	-	(33,387)	-	2024
	P713,606	P -	(P33,387)	P680,219	

17. Loss Per Share

Loss per share (LPS) is computed by dividing the net (loss) income for the year by the weighted average number of outstanding shares of common stock during the year.

	2024	2023	2022
Net loss	(P73,275,518)	(P80,219,306)	(P74,196,432)
Weighted average number of outstanding shares of common stock (net of treasury stock)	344,747,520	344,747,520	344,747,520
LPS - basic/diluted	(0.21)	(0.23)	(0.22)

There are no potential dilutive potential common shares for the years ended December 31, 2024, 2023, and 2022.

18. Financial Instruments - Risk Management and Fair Values

Risk Management Structure

BOD

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

Risk Management Committee

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

Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash and cash equivalents, trade and other current receivables, note receivable, due from a related party, equity security – at FVOCI, other deposits (presented under "Other noncurrent assets"), trade and other current payables (excluding statutory payables), due to related parties, lease liability and retention payables. The main purpose of these financial instruments is to finance the Company's operations.

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

Credit Risk

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

The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. The Company grants advances to its related parties after the BOD reassesses the Company's strategies for managing credits and views that they remain appropriate for the Company's circumstances.

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

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

At the reporting date, other than the trade and other current receivables and due from a related party, there were no significant concentrations of credit risk.

The tables below show the credit quality of the Company's financial assets (amounts are in thousands):

	2024			
	At Amortized Cost			
	FVOCI	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P18,383	P267,936	P -	P -
Grade B	-	-	-	-
Grade C	-	-	-	-
Gross carrying amount	18,383	267,936	-	-
Loss allowance	-	(33,108)	-	-
Carrying amount	P18,383	P234,828	P -	P -

	2023			
	At Amortized Cost			
	FVOCI	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P19,943	P267,936	P -	P -
Grade B	-	-	-	-
Grade C	-	-	-	-
Gross carrying amount	19,943	267,936	-	-
Loss allowance	-	-	-	-
Carrying amount	P19,943	P267,936	P -	P -

	2022			
	At Amortized Cost			
	FVOCI	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P19,943	P376,262	P -	P -
Grade B	-	-	-	-
Grade C	-	22,462	-	-
Gross carrying amount	19,943	398,724	-	-
Loss allowance	-	22,462	-	-
Carrying amount	P19,943	P376,262	P -	P -

The credit grades used by the Company in evaluating the credit quality of its receivables to customers and other parties are the following:

Grade A financial assets pertain to financial assets that are neither past due nor impaired which have good collection status. These financial assets are those which have high probability of collection, as evidenced by counterparties having ability to satisfy their obligations.

Grade B financial assets are those past due but not impaired financial assets and with fair collection status. These financial assets include those for which collections are probable due to the reputation and the financial ability to pay of the counterparty but have been outstanding for a length of time.

Grade C financial assets are those which have continuous default collection issues. These financial assets have counterparties that are most likely not capable of honoring their financial obligations.

As at December 31, the Company's maximum exposure to credit risk, without considering the effects of collateral, credit enhancements and other credit risk mitigation techniques are as follows (in thousands):

	Note	2024	2023
Cash and cash equivalents*		P20,813	P20,419
Trade and other current receivables	4	55,447	65,120
Note receivable	11	112,950	107,023
Due from a related party	11	79,141	75,653
Equity security - at FVOCI	11	18,383	19,943
Other deposits	9	7,540	7,540
		294,274	295,698
Less allowance for impairment losses	4, 11	78,421	19,911
		P215,853	P275,787

*Excluding cash on hand

Cash and cash equivalents consist of:

	2024	2023
Cash on hand	P70,000	P50,000
Cash in banks	20,813,077	20,419,058
	P20,883,077	P20,469,058

Cash in banks earn interest based on prevailing deposit rates.

Related interest income recognized in profit or loss amounted to P0.01 million, P0.02 million, and P0.01 million in 2024, 2023, and 2022 respectively (see Note 15).

The aging analysis of the Company's financial assets are as follows (in thousands):

December 31, 2024	Total	Neither Past Due nor Impaired	Past Due but not Impaired					Past Due and Impaired
			< 30 Days	30 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days	
Cash and cash equivalents*	P20,813	P20,813	P -	P -	P -	P -	P -	P -
Trade and other current receivables	55,447	22,339	-	-	-	-	-	33,108
Note receivable	112,950	112,950	-	-	-	-	-	-
Due from a related party	79,141	79,141	-	-	-	-	-	-
Equity security - at FVOCI	18,382	18,383	-	-	-	-	-	-
Other deposits	7,540	7,540	-	-	-	-	-	-
Total	P294,273	P261,166	P -	P -	P -	P -	P -	P33,108

*Excluding cash on hand

December 31, 2023	Total	Neither Past Due nor Impaired	Past Due but not Impaired					Past Due and Impaired
			< 30 Days	30 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days	
Cash and cash equivalents*	P20,419	P20,419	P -	P -	P -	P -	P -	P -
Trade and other current receivables	65,119	45,208	-	-	-	-	-	19,911
Note receivable	107,023	107,023	-	-	-	-	-	-
Due from a related party	75,652	75,652	-	-	-	-	-	-
Equity security - at FVOCI	19,943	19,943	-	-	-	-	-	-
Other deposits	7,540	7,540	-	-	-	-	7,540	-
Total	P295,696	P275,285	P -	P -	P -	P -	P7,540	P19,911

*Excluding cash on hand

December 31, 2022	Total	Neither Past Due nor Impaired	Past Due but not Impaired					Past Due and Impaired
			< 30 Days	30 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days	
Cash and cash equivalents*	P142,424	P142,424	P -	P -	P -	P -	P -	P -
Trade and other current receivables	141,994	122,083	-	-	-	-	-	19,911
Note receivable	98,702	98,702	-	-	-	-	-	-
Due from a related party	7,931	5,380	-	-	-	-	-	-
Equity security - at FVOCI	19,943	19,943	-	-	-	-	-	-
Other deposits	7,673	99	-	-	-	-	7,574	-
Total	P418,667	P388,631	P -	P -	P -	P -	P7,574	19,911

*Excluding cash on hand

Information on the Company's receivables that are impaired as at December 31, 2024 and 2023 and the movements in the impairment losses are disclosed in Notes 4 and 11 to the separate financial statements.

The main considerations for impairment assessment include whether any payments are overdue or if there are any known difficulties in the cash flows of the counterparties. The Company assesses impairment in two ways: individual assessment and collective assessment.

The Company determines allowance for each significant receivable on an individual basis. Among the items that the Company considers in assessing impairment is the inability to collect from the counterparty based on the contractual terms of the receivables. Receivables included in the specific assessment are the accounts that have been endorsed to the legal department, non-moving accounts receivable, accounts of defaulted agents and corporate accounts.

For collective assessment, allowances are assessed for receivables that are not individually significant and for individually significant receivables where there is no objective evidence yet of individual impairment. Impairment losses are estimated by taking into consideration the age of the receivables, past collection experience and other factors that may affect collectability.

The total impairment losses on the financial assets recognized in the separate statements of profit or loss and other comprehensive income amounted to P13.20 million, nil, and nil in 2024, 2023, and 2022, respectively (see Notes 4 and 11), which were determined and measured through the Company's individual assessment procedures.

Liquidity Risk

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

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

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

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

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

The following table summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments (in thousands):

December 31, 2024	Note	Total Carrying Amount	Contractual Undiscounted Payments			
			Total	On Demand	Less than 1 Year	1 to 5 Years
Trade and other current payables*	10	P316,831	P316,831	P -	P316,831	P -
Due to related parties	11	536,035	536,035	536,035	-	-
Lease liability	20	54,778	54,778	-	-	54,778
Retention payables	10	88,488	88,488	-	-	88,488
		P996,132	P996,132	P536,035	P316,831	P143,266

*Excluding statutory payables

December 31, 2023	Note	Total Carrying Amount	Contractual Undiscounted Payments			
			Total	On Demand	Less than 1 Year	1 to 5 Years
Trade and other current payables*	10	P318,755	P318,755	P5,309	P313,446	P -
Due to related parties	11	508,967	508,967	508,967	-	-
Lease liability	20	50,094	50,094	-	-	50,094
Retention payables	10	88,381	88,381	-	-	88,381
		P966,197	966,197	P514,276	P313,446	P138,475

*Excluding statutory payables

December 31, 2022	Note	Total Carrying Amount	Contractual Undiscounted Payments			
			Total	On Demand	Less than 1 Year	1 to 5 Years
Trade and other current payables*	10	P384,160	P384,160	P6,398	P377,762	P -
Due to related parties	11	457,331	457,331	457,331	-	-
Lease liability	20	51,011	25,314	-	-	25,314
Retention payables	10	85,908	85,908	-	-	85,908
		P978,410	P952,713	P463,729	P377,762	P111,222

*Excluding statutory payables

Market Risk

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

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

Equity Price Risk

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

The Company is exposed to equity price risk because of its investment in shares of stock of WII which are listed on the PSE totaling to 86.71 million shares as at December 31, 2024 and 2023.

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

The sensitivity of the Company's equity to a reasonably possible change in equity price. These changes are considered to be reasonably possible based on past equity price performance of the Company's equity security - at FVOCI and macroeconomic forecast for 2024 and 2023. This analysis assumes an increase of 10% for 2024 and 2023 and a decrease of 10% for 2024 and 2023 of the equity price of the Company's equity security - at FVOCI. All other variables are held constant. There are no fair value change in other comprehensive income in 2024 and 2023.

Fair Value Measurement

The carrying amount of cash and cash equivalents, trade and other current receivables, note receivable, due from a related party, trade and other current payables (excluding statutory payables) and due to related parties approximate their fair values due to the short-term maturity of these instruments.

The discussion on the fair value of equity security - at FVOCI is disclosed in Note 11 to the separate financial statements.

The fair value lease liability is based on the discounted value of expected future cash flows using the Company's IBR, thus, the carrying amount approximates fair value.

The carrying value of other deposits and retention payables approximate its fair values because these are not subject to significant risk of changes in value.

The approximation of the fair values of the Company's financial assets and liabilities are based on Level 3, except for equity securities - at FVOCI which is based on Level 1 of the fair value hierarchy.

19. Capital Management

The primary objective of the Company's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company's overall strategy remains unchanged since prior financial year.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or process in 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, except for revaluation surplus on property and equipment, retirement benefits reserve and fair value reserve.

The Company is not subject to externally-imposed capital requirements.

20. Leases

a. *Operating Lease - Company as Lessee*

The Company has entered into an operating lease with ARI for use of the latter's land following the cancellation of finance lease between the two parties. This non-cancellable operating lease commenced on November 1, 2011 and has a term of 20 years with escalation rate of 5% per annum. From July 1, 2019 to December 31, 2024, the Company was granted a temporary suspension of lease payments by ARI due to the current nonoperating status of the Company's hotel.

Information about leases for which the Company is a lessee is presented below.

The right-of-use asset movement are as follows:

	2024	2023
Cost		
At January 1 and December 31	P30,701,359	P30,701,359
Accumulated Depreciation		
At January 1	9,396,720	7,334,981
Depreciation	2,405,258	2,061,739
Lease modification	(1,327,336)	-
At December 31	10,474,642	9,396,720
Carrying Amount	P20,226,717	P21,304,639

Set out below is the carrying amount of the lease liability and the movements during the period:

	2024	2023
At January 1	P50,094,396	P51,010,935
Accretion of interest	3,355,949	3,233,521
Lease modification	1,327,336	(4,150,060)
At December 31	P54,777,681	P50,094,396

	2024	2023
Maturity Analysis - Contractual Undiscounted Cash Flows		
One to five years	P27,909,112	P26,580,107
More than five years	55,509,373	36,535,540
Total undiscounted lease liability at December 31	P83,418,485	P63,115,647

Lease liability Included in the Separate Statements of Financial Position at December 31		
Non-current	P54,777,682	P50,094,396

Amounts Recognized in Profit or Loss

	2024	2023
2020 - Leases under PFRS 16		
Depreciation of right-of-use asset	P2,405,258	P2,061,739
Interest expense related to lease liability	3,404,733	3,233,521
Expenses relating to short-term leases	-	289,474

The interest expense associated with the lease liability amounted to P3.40 million and P3.23 million for the year ended December 31, 2024 and December 31, 2023.

Total lease payments made by the Company amounting to nil for both 2024 and 2023.

21. Significant Contingencies

a. Operating Leases Commitments - Company as Lessee

The Company has entered into an operating lease with ARI for use of the latter's land following the cancellation of finance lease between the two parties. This non-cancellable operating lease commenced on November 1, 2011 and has a term of 20 years with escalation rate of 5% per annum.

Future minimum lease payments as at December 31, 2024 and 2023 for the above contract are as follows:

	2024	2023
Between one and five years	P27,909,112	P26,580,107
More than five years	55,509,373	36,535,540
	P83,418,485	P63,115,647

b. Other Legal Cases

The Company also is a defendant in other legal and labor cases which are still pending resolution. Management and its legal counsel believe that the outcome of these cases will not have any material effect on the Company's financial position and results operations.

22. Summary of Material Accounting Policies

Adoption of New or Revised Standards, Amendments to Standards and Interpretations

The FSRSC approved the adoption of a number of new and amendments to standards effective for annual reporting periods beginning on January 1, 2024 as part of PFRS Accounting Standards. None of these are expected to have a material effect on the financial statements.

Standards Issued but Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2024. However, the Company has not early adopted the following new or amended standards in preparing these financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Company's financial statements.

Effective January 1, 2025

- *Lack of Exchangeability (Amendments to PAS 21, The Effects of Changes in Foreign Exchange Rates)*

The amendments clarify that a currency is exchangeable into another currency when a company is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, a company needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted. Comparative information is not restated and the effect of initially applying the amendments are adjusted to the opening balance of retained earnings, or to the cumulative amount of translation differences if the company uses a presentation currency other than its functional currency.

Effective January 1, 2026

- *Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9 Financial Instruments and PFRS 7 Financial Instruments: Disclosures).*

The amendments relate to the date of recognition and derecognition, classification of financial assets, contractually linked instruments and non-recourse features, and disclosures on investments in equity instruments.

Date of recognition and derecognition. The amendments clarified that:

- a financial asset or financial liability is recognized on the date on which the entity becomes party to the contractual provisions of the instrument unless the regular way exemption applies;
- a financial asset is derecognized on the date on which the contractual rights to cash flows expire or the asset is transferred; and
- a financial liability is derecognized on the settlement date, which is the date on which the liability is extinguished because the obligation specified in the contract is discharged or cancelled or expires or the liability otherwise qualifies for derecognition.

However, the amendments provide an exception for the derecognition of financial liabilities where an entity may choose to derecognize a financial liability that is settled using an electronic payment system before the settlement date if, and only if, the entity has initiated the payment instruction that resulted in:

- the entity having no practical ability to withdraw, stop or cancel the payment instruction;
- the entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

Entities may choose to apply the exception on a system-by-system basis.

Classification of financial assets. The amendments related to classification of financial assets introduces an additional test to assess whether the solely payments of principal and interest (SPPI) criterion is met for financial assets with contingent features that are not related directly to a change in basic lending risks or costs.

The amendments clarified that when a contingent feature gives rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs, the financial asset has contractual cash flows that are SPPI if, and only if, in all contractually possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

Additional disclosures are required for all financial assets and financial liabilities that have certain contingent features that are not related directly to a change in basic lending risks or costs and are not measured at fair value through profit or loss.

Contractually linked instruments and non-recourse features. The amendments clarify the key characteristics of contractually linked instruments (CLIs) and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test). For example, it clarifies that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets; that CLIs have non-recourse features, but not all financial assets with non-recourse features are CLIs; and that the underlying pool of instruments of CLIs may include financial assets outside the scope of IFRS 9.

Disclosures on investments in equity instruments. The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI). The entity discloses for each class of investment the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period. It also discloses any transfers of the cumulative gain or loss within equity during the reporting period related to investments derecognized during that reporting period.

The amendments apply for reporting periods beginning on or after January 1, 2026. Earlier application is permitted. Entities may choose to early-adopt the amendments for the recognition and derecognition of financial assets and financial liabilities separately from the other amendments.

Effective January 1, 2027

- *PFRS 18 Presentation and Disclosure in Financial Statements will replace PAS 1 Presentation of Financial Statements 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. PFRS 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.* PFRS 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 PFRS 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 PFRS Accounting Standards.

- *Greater disaggregation of information.* PFRS 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.

PFRS 18 also now require goodwill to be presented as a line item in the statement of financial position.

Consequential amendments to PAS 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.

PFRS 18 also amends PAS 33 *Earnings per Share* to permit companies to disclose additional amounts per share using as numerator a required income and expenses total or subtotal, a common subtotal listed in PFRS 18 or an MPM disclosed by the entity.

PFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. It applies retrospectively in accordance with PAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Specific reconciliations are required to be disclosed. Eligible entities including venture capital organizations, mutual funds and some insurers will be allowed to change their election for measuring investments in associates and joint ventures from equity method to fair value through profit or loss.

- *PFRS 19 Subsidiaries without Public Accountability: Disclosures* permits a subsidiary to apply the requirements of PFRS Accounting Standards with the reduced disclosure requirements of PFRS 19 in its consolidated, separate or individual financial statements provided that, at the reporting date:
 - it does not have public accountability, and.
 - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with PFRS Accounting Standards.

Eligible subsidiaries may apply the standard for reporting periods beginning on or after January 1, 2027. Earlier application is permitted.

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 separate statements of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates these classifications at each reporting date.

All regular way purchases and sales of financial assets are recognized on the trade date, i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Measurement at Initial Recognition

Financial instruments are recognized initially at fair value of the consideration given (in case of an asset) or received (in case of a liability). Except for financial instruments at FVTPL, the initial measurement of financial instruments includes transaction costs.

Financial Assets

On initial recognition, a financial asset is classified as measured at amortized cost, FVOCI or FVTPL, based on their contractual cash flow characteristics and the business model for managing the financial assets.

Debt Instruments

Financial Assets Measured at Amortized Cost

A financial asset that is a debt instrument, other than those that are designated at FVTPL, which meet both of the following conditions:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Included in this category are the Company cash and cash equivalents, trade and other current receivables, note receivable and due from a related party.

FVOCI

A financial asset that is a debt instrument measured at FVOCI shall meet both of the following conditions and is not designated as FVTPL:

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

There are no debt instruments at FVOCI as at December 31, 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 Company has equity securities - at FVOCI as financial assets measured at FVOCI.

Business Model Assessment

Business model pertains to the manner by which a portfolio of financial assets will be managed to generate cash flows such as by collecting contractual cash flows or by both collecting contractual cash flows and selling the financial assets, among others.

The Company makes an assessment of the objective of the business model for the financial assets because this best reflects the way the financial assets are managed. The information considered includes:

- the stated policies and objectives for the financial assets and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, earning dividend income, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash outflows through the sale of assets;
- the risks that affect the performance of the business model and how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales of financial assets in prior periods, the reason for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered for this purpose, consistent with the Company continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose financial performance is evaluated on a fair value basis are measured at FVTPL.

Cash and Cash Equivalents

Cash and cash equivalents include cash equivalents, cash on hand and in banks which are stated at face value. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of 3 months or less from dates of acquisition and are subject to an insignificant risk of changes in value.

Assessment whether Contractual Cash Flows are SPPI

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company claim to cash flows from specified assets (e.g. nonrecourse features).

Prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired for a discount or premium to its contractual face amount, a feature that permit or requires prepayment that an amount that substantially represents the contractual face amount plus accrued (but unpaid) contractual interest (which may include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent Measurement of Financial Assets

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Amounts recognized in OCI are not classified to profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Classification and Measurement of Financial Liabilities

Financial Liabilities

Financial liabilities are initially recognized at fair value. Transaction costs are deducted from the initial measurement of the Company financial liabilities except for debt instruments classified at FVTPL.

Financial liabilities are subsequently measured as follows:

- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in a business combination.

As at December 31, 2024 and 2023, other financial liabilities at amortized cost include trade and other current payables (excluding statutory payables), due to related parties and retention payables in the separate statements of financial position (see Notes 10, 11 and 18). There are no financial liabilities measured at FVTPL.

Other Financial Liabilities at Amortized Cost

Issued financial instruments or their components which are not classified as financial liabilities at FVTPL are classified as other financial liabilities at amortized cost, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder or lender, or to satisfy the obligation other than by the exchange of a fixed amount of cash. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Derecognition of Financial Instruments

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Company has transferred its right to receive cash flows from the asset and either has: (a) transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts recognized in separate statements of profit or loss and other comprehensive income.

Offsetting of Financial Instrument

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.

Determination and Measurement of Fair Value

The Company measures financial instruments at fair value at each separate 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 Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to market participant that would use the asset in its highest and best use.

The Company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the separate 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 separate statements of financial position on a recurring basis, the Company determines whether transfer have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of Financial Assets

Impairment of Financial Instruments

At the date of initial application of PFRS 9, the Company uses reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that a financial instrument was initially recognized and compared that to the credit risk at the date of initial application.

Lifetime ECLs result from all possible default events over the expected life of a financial instruments while 12-month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period of the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Movement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the EIR of the financial assets.

Credit-impaired Financial Assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. The financial asset is “credit impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as default or being more than the normal credit terms of the Company
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Inventories

Inventories are stated at the lower of cost and NRV. Cost comprises all cost of purchase and other direct costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method.

NRV represents the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. NRV of operating supplies and engineering and maintenance supplies is the estimated replacement cost.

Prepaid Expenses

Prepaid expenses represent expenses not yet incurred but are already paid. Prepaid expenses are initially recorded as assets and measured at the amount of cash paid. Subsequent to initial recognition, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepaid expenses are classified in the separate statements of financial position as current assets when the cost of goods or services related to the prepayment are expected to be incurred within one year or the Company’s normal operating cycle, whichever is longer. Otherwise, they are classified as noncurrent assets.

Investments in Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity if, and only if, the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the 3 elements of control.

The Company carries its investments in shares of stock of its subsidiaries under the cost method of accounting for investments. Under this method, investments are carried at cost less impairment losses. The investor recognizes income from the investment only to the extent that the investor receives distributions from accumulated profits of the investee arising after the date of the acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment.

Property and Equipment

Measurement at Recognition

Upon recognition, items of property and equipment are measured at cost which comprises the purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use. For land which is acquired as part of business combination, it is originally measured at deemed cost (fair value at the acquisition date). No depreciation is provided on land.

Measurement Subsequent to Recognition

Operating equipment is carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Hotel building and furniture, fixtures and equipment are carried at revalued amounts, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Fair values are determined through the appraisal of an independent firm of appraisers. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in the carrying amount resulting from a revaluation (revaluation increase) is recognized in OCI and accumulated in equity. However, the increase shall be recognized in profit or loss to the extent that the increase reverses a revaluation decrease of the same asset previously recognized in profit or loss.

Any decrease in the carrying amount resulting from a revaluation (revaluation decrease) is recognized in profit or loss. However, the decrease shall be recognized in OCI to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in OCI reduces the amount accumulated in equity.

Subsequent Costs

Subsequent costs that can be measured reliably are added to the carrying amount of the asset when it is probable that future economic benefits associated with the asset will flow to the Company. The costs of day-to-day servicing of an asset are recognized as an expense in the period in which they are incurred.

Depreciation

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Number of Years
Hotel building	15 - 50
Furniture, fixtures and equipment	3 - 5

The useful lives and depreciation method are reviewed at each reporting date to ensure that such useful lives and depreciation method are consistent with the expected pattern of economic benefits from those assets.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

Construction-in-progress is stated at cost. This includes cost of construction, equipment and other direct costs. Construction-in-progress is not depreciated until such time the relevant assets are completed and put into operational use.

When an asset is disposed of, or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal is recognized in profit or loss.

Impairment of Nonfinancial Assets

The carrying amount of the Company's property and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the impaired asset is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss, unless the asset is carried at revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset.

The recoverable amount is the greater of the asset's fair value less costs of disposal and value in use. Fair value less cost of disposal is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, less the costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset being evaluated. If an asset does not generate cash inflows that are largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized. Reversals of impairments are recognized in profit or loss, unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

After such reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Revenue Recognition

The following is a description of principal activities from which the Company generates its revenue. Revenue is disaggregated by major products/service lines as reflected in the separate statements of profit or loss and other comprehensive income.

Interest Income

Interest income is recognized on a time proportion basis on the principal outstanding and at the rate applicable.

Other Income

Other income is recognized at the point in time when the service has been rendered.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss upon utilization of the service or at the date they are incurred. Interest expense is recognized in profit or loss in the period in which they are incurred using the effective interest method.

Income Taxes

Income tax comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized in OCI or directly in equity, in which case they are recognized respectively therein.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

Current Tax

Current tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the end of each reporting period.

Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided, using the liability method, on all temporary differences at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic subsidiaries, associates and interest in joint ventures. With respect to investments in other subsidiaries, associates and interests in joint ventures, deferred tax liabilities are recognized except when the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred tax asset to be recovered. It is probable that sufficient future taxable profits will be available against which a deductible temporary difference can be utilized when there are sufficient taxable temporary difference relating to the same taxation authority and the same taxable entity which are expected to reverse in the same period as the expected reversal of the deductible temporary difference. In such circumstances, the deferred tax asset is recognized in the period in which the deductible temporary difference arises.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rate and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognized in OCI or directly in equity is recognized in the separate statements of other comprehensive income and separate 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 Company intends to settle its current income tax assets and liabilities on a net basis.

Foreign Currency Transactions and Translations

Transactions in foreign currencies are translated into PHP using the exchange rates prevailing at the dates of such transactions. Monetary assets and liabilities denominated in foreign currencies are translated to their PHP equivalents using the rates of exchange prevailing at the reporting date.

Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Employee Benefits

Short-term Employee Benefits

Short-term employee benefit obligations, such as those for salaries and wages, social security contributions, short-term compensated absences, bonuses and non-monetary benefits, among others, are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits Costs

The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of DBO is performed on a periodic basis by a qualified actuary using the PUCM. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI and presented under Retirement benefits reserves under equity. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the DBO at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Related Party Relationship

A related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its KMP, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in PFRS 16.

The Company as Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use asset - net that do not meet the definition of investment property and lease liability as a separate line item in the separate statements of financial position.

Short-term Leases

The Company has elected not to recognize right-of-use assets - net and lease liabilities for short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as *Lessor*

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies PFRS 15, *Revenue from Contracts with Customers*, to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in PFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of "Revenues" under "Others" account.

Capital Stock

Capital stock is classified as equity. Incremental costs directly attributable to the issuance of capital stock and share options are recognized as deduction from equity, net of any tax effects.

Preferred share capital is classified as equity if it is non-redeemable, or redeemable only at the option of the Parent Company, or if the dividend payments are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the BOD of the Parent Company.

Retained Earnings

Retained earnings include accumulated results of operations as reported in the separate statements of profit or loss and other comprehensive income less any dividends declared. Dividends are recorded in the period in which the dividends are approved by the BOD.

Treasury Stock

The Company's shares which are reacquired and held by the Company are deducted from equity and accounted for at weighted average cost. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

Provisions and Contingencies

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that a transfer of economic benefits will be required to settle the obligation.

Contingent liabilities are not recognized as liabilities, but are disclosed in the separate financial statements unless the possibility of an outflow of resources is remote. Contingent assets are not recognized but are disclosed in the separate financial statements when an inflow of economic benefits is probable.

Events After the Reporting Period

The Company identifies post-year-end events as events that occurred after the reporting date but before the date when the separate financial statements were authorized for issue. Any post-year-end events that provide additional information on conditions that existed at the end of a reporting period (adjusting events) are recognized in the separate financial statements. Events that are not adjusting events are disclosed in the notes to the separate financial statements when material.

23. 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 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 is the supplementary tax information required for the taxable year ended December 31, 2024:

A. Output VAT

Output VAT declared in 2024 amounted to nil due to the suspension of the hotel operations.

B. Input VAT Claimed

The reconciliation of the input VAT as at and for the year ended December 31, 2024 follows:

Input VAT	
Beginning of the year	P174,968,190
Current year's domestic purchases:	
Purchases of goods other than capital goods	159,417
Purchases of services	1,332,040
Balance at the end of the year	P176,459,647

C. Withholding Taxes

Details of withholding taxes are as follows:

Tax on compensation and benefits	P2,116,067
Expanded withholding taxes	354,884
	P2,470,951

D. All Other Taxes (Local and National)

***Other taxes paid during the year recognized under
"Taxes and licenses" account under Other costs and
expenses***

Real estate taxes	P11,038,519
Business permit fees	169,539
Annual registration fee	500
Documentary stamp	30
Others	14,490
	<hr/>
	P11,223,078

E. Tax Assessment

The Company has no open tax cases and assessments as at December 31, 2024.

Information on the landed cost of imports and amount of custom duties and tariff fees paid or accrued and the amount of excise taxes is not applicable since there are no transactions that the Hotel could be subjected to these taxes.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of **Acesite (Phils) Hotel Corporation.** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended **December 31, 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.

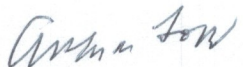
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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.

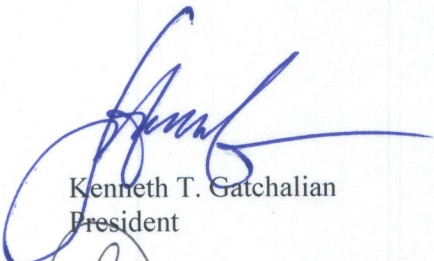
The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

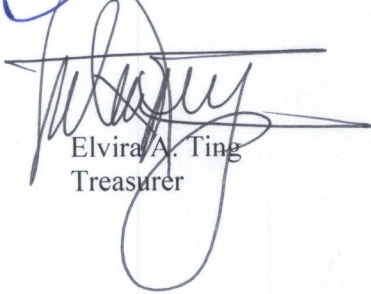
R.G. Manabat & Co., appointed by the stockholders, has audited the financial statements of the company in accordance with the Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed under oath by the following:


Arthur M. Lopez
Chairman of the Board


Evangeline E. Soliveres
Corporate Finance Director


Kenneth T. Gatchalian
President


Elvira A. Ting
Treasurer

Signed this 21th day of April 2025

STATEMENT OF MANAGEMENT’S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

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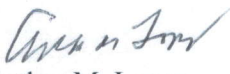
In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

The Board of Directors is responsible for overseeing the Company’s financial reporting process.

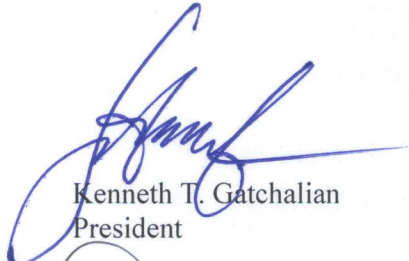
The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.


R.G. Manabat & Co., appointed by the stockholders, has audited the financial statements of the company in accordance with the Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed under oath by the following:


Arthur M. Lopez
Chairman of the Board


Evangelina E. Soliveres
Corporate Finance Director



Kenneth T. Gatchalian
President


Elvira A. Ting
Treasurer

Signed this ___th day of APR 21 2025

SUBSCRIBED AND SWORN TO BEFORE ME THIS APR 21 2025
IN THE CITY OF MANILA, PHILIPPINES

DOC. NO. 858
PAGE NO. 172
BOOK NO. 5
SERIES OF 2025


ATTY. GILBERTO B. PASHMANERO
Notary Public until December 31, 2025
Notarial Commission 2024-012
IBP# 368140; Pasig for yr. 2023
PTR# 2041418; Mla-1 2-2025
Roll # 25473; TIN 103-098-346
MCLE Exempt. No. VII-NP004483 til 4-14-2028

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

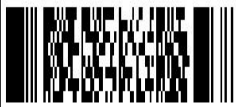
FILING REFERENCE NO.


TIN	: 002-856-627-000
Name	: ACESITE PHILS HOTEL CORPORATION
RDO	: 125
Form Type	: 1702
Reference No.	: 462500065364405
Amount Payable (Over Remittance)	: -22,119,987.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2024
Date Filed	: 04/15/2025
Tax Type	: IT


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Republic of the Philippines
Department of Finance
Bureau of Internal RevenueFor BIR
Use Only: BCS/
Item:

BIR Form No. 1702-RT January 2018(ENCS) Page 1		Annual Income Tax Return For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.		 1702-RT 01/18ENCS P1	
1 For <input checked="" type="radio"/> Calendar <input type="radio"/> Fiscal		3 Amended Return? <input type="radio"/> Yes <input checked="" type="radio"/> No		4 Short Period Return? <input type="radio"/> Yes <input checked="" type="radio"/> No	
2 Year Ended (MM/20YY) 12/2024				5 Alphanumeric Tax Code (ATC) IC055 Minimum Corporate Income Tax (MCIT) <input checked="" type="checkbox"/> IC010 DOMESTIC CORPORATION IN GENERAL <input checked="" type="checkbox"/>	
Part I - Background Information					
6 Taxpayer Identification Number (TIN) 002 - 856 - 627 - 000				7 RDO Code 125	
8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) ACESITE PHILS HOTEL CORPORATION					
9A Registered Address (Indicate complete registered address) UN AVE COR MA OROSA ST MANILA					
9B Zipcode 1000					
10 Date of Incorporation/Organization (MM/DD/YYYY)				10/10/1952	
11 Contact Number 5261212 loc2227				12 Email Address m.cate@waterfronthotels.net	
13 Method of Deductions <input checked="" type="radio"/> Itemized Deductions [Section 34 (A-J), NIRC] <input type="radio"/> Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]					
Part II - Total Tax Payable (Do NOT enter Centavos)					
14 Total Income Tax Due (Overpayment) (From Part IV Item 43)				611,539	
15 Less: Total Tax Credits/Payments (From Part IV Item 55)				22,731,526	
16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56)				(22,119,987)	
Add Penalties					
17 Surcharge				0	
18 Interest				0	
19 Compromise				0	
20 Total Penalties (Sum of Items 17 to 19)				0	
21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Item 16 and 20)				(22,119,987)	
If Overpayment, mark "X" one box only (Once the choice is made, the same is irrevocable) <input type="radio"/> To be refunded <input type="radio"/> To be issued a Tax Credit Certificate (TCC) <input checked="" type="radio"/> To be carried over as tax credit next year/quarter					
We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If Authorized Representative, attach authorization letter and indicate TIN)					
Signature over printed name of President/Principal Officer/Authorized Representative				Signature over printed name of Treasurer/Assistant Treasurer	
Title of Signatory		TIN	Title of Signatory		TIN
					4
Part III - Details of Payment					
Particulars	Drawee Bank/Agency	Number	Date (MM/DD/YYYY)	Amount	
23 Cash/Bank Debit Memo				0	
24 Check				0	
25 Tax Debit Memo				0	
26 Others (Specify Below)					0
Machine Validation/Revenue Official Receipts Details (if not filed with an Authorized Agent Bank)					Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)

BIR Form No. 1702-RT January 2018(ENCS) Page 2	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P2
Taxpayer Identification Number (TIN) 002 - 856 - 627 - 000		Registered Name ACESITE PHILS HOTEL CORPORATION
Part IV - Computation of Tax <i>(Do NOT enter Centavos)</i>		
27 Sales/Receipts/Revenues/Fees		0
28 Less: Sales Returns, Allowances and Discounts		0
29 Net Sales/Receipts/Revenues/Fees <i>(Item 27 Less Item 28)</i>		0
30 Less: Cost of Sales/Services		0
31 Gross Income from Operation <i>(Item 29 Less Item 30)</i>		0
32 Add: Other Taxable Income Not Subjected to Final Tax		30,576,927
33 Total Taxable Income <i>(Sum of Items 31 and 32)</i>		30,576,927
Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions <i>(From Part VI Schedule I Item 18)</i>	82,193,795	
35 Special Allowable Itemized Deductions <i>(From Part VI Schedule II Item 5)</i>	0	
36 NOLCO <i>(only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)</i>	0	
37 Total Deductions <i>(Sum of Items 34 to 36)</i>	82,193,795	
OR <i>[in case taxable under Sec 27(A) & 28(A)(1)]</i>		
38 Optional Standard Deduction <i>(40% of Item 33)</i>	0	
39 Net Taxable Income/(Loss) <i>(If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)</i>		(51,616,868)
40 Applicable Income Tax Rate		25%
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) <i>(Item 39 x Item 40)</i>		0
42 MCIT Due <i>(2% of Item 33)</i>		611,539
43 Tax Due <i>(Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)</i>		611,539
Less: Tax Credits/Payments <i>(attach proof)</i>		
44 Prior Year's Excess Credits Other Than MCIT		22,731,526
45 Income Tax Payment under MCIT from Previous Quarter/s		0
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s		0
47 Excess MCIT Applied this Current Taxable Year <i>(From Part VI Schedule IV Item 4)</i>		0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307		0
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter		0
50 Foreign Tax Credits, if applicable		0
51 Tax Paid in Return Previously Filed, if this is an Amended Return		0
52 Special Tax Credits <i>(To Part V Item 58)</i>		0
Other Credits/Payments <i>(Specify)</i>		
53		0
54		0
<input checked="" type="checkbox"/>		
55 Total Tax Credits/Payments <i>(Sum of Items 44 to 54) (To Part II Item 15)</i>		22,731,526
56 Net Tax Payable / (Overpayment) <i>(Item 43 Less Item 55) (To Part II Item 16)</i>		(22,119,987)
Part V - Tax Relief Availment		
57 Special Allowable Itemized Deductions <i>(Item 35 of Part IV x Applicable Income Tax Rate)</i>		0
58 Add: Special Tax Credits <i>(From Part IV Item 52)</i>		0
59 Total Tax Relief Availment <i>(Sum of Items 57 and 58)</i>		0

BIR Form No. 1702-RT January 2018(ENCS) Page 3	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P3
Taxpayer Identification Number (TIN) 002 - 856 - 627 - 000		Registered Name ACESITE PHILS HOTEL CORPORATION
Schedule I - Ordinary Allowable Itemized Deductions <i>(Attach additional sheet/s, if necessary)</i>		
1 Amortizations	0	
2 Bad Debts	0	
3 Charitable Contributions	0	
4 Depletion	0	
5 Depreciation	0	
6 Entertainment, Amusement and Recreation	0	
7 Fringe Benefits	0	
8 Interest	0	
9 Losses	0	
10 Pension Trust	0	
11 Rental	315,789	
12 Research and Development	0	
13 Salaries, Wages and Allowances	17,964,512	
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	960,002	
15 Taxes and Licenses	11,223,078	
16 Transportation and Travel	48,570	
17 Others (Deductions Subject to Withholding Tax and Other Expenses) <i>[Specify below; Add additional sheet(s), if necessary]</i>		
a Janitorial and Messengerial Services	0	
b Professional Fees	6,947,161	
c Security Services	9,424,986	
d OTHER PERSONNEL EXPENSE	2,574,390	
e ENERGY COST	2,402,194	
f REPAIRS AND MAINTENANCE	201,591	
g LAUNDRY, VALET AND OTHER HOTEL SERVICES	11,272,689	
h DATA PROCESSING	1,261,265	
i OTHERS	17,597,568	
▼		
i.1 DIRECTOR'S FEE	740,127	
i.2 ADVERTISING EXPENSE	120,294	
i.3 SUPPLIES	107,133	
i.4 COMMUNICATION	40,737	
i.5 HEAD OFFICE AND CORPORATE COST	10,249,469	
i.6 MISCELLANEOUS	343,137	
i.7 INSURANCE EXPENSE	5,996,671	
18 Total Ordinary Allowable Itemized Deductions <i>(Sum of Items 1 to 17i) (To Part IV Item 34)</i>		
82,193,795		
Schedule II - Special Allowable Itemized Deductions <i>(Attach additional sheet/s, if necessary)</i>		
Description	Legal Basis	Amount
1		0
2		0
3		0
4		0
▼		
5 Total Special Allowable Itemized Deductions <i>(Sum of Items 1 to 4) (To Part IV Item 35)</i>		0

BIR Form No. 1702-RT January 2018(ENCS) Page 4	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P4
Taxpayer Identification Number (TIN) 002 - 856 - 627 - 000		Registered Name ACESITE PHILS HOTEL CORPORATION

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)		
1 Gross Income (From Part IV Item 33)		30,576,927
2 Less: Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)		82,193,795
3 Net Operating Loss (Item 1 Less Item 2) (To Schedule IIIA, Item 7A)		(51,616,868)

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	51,616,868	0
5 2023	78,661,758	0
6 2022	14,483,139	0
7 2021	59,520,609	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	51,616,868
5 0	0	78,661,758
6 0	0	14,483,139
7 0	0	59,520,609
8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV, Item 36)	0	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)			
Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1	0	0	0
2	0	0	0
3	0	0	0

Continuation of Schedule IV (Item numbers continue from table above)

D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1 0	0	0	0
2 0	0	0	0
3 0	0	0	0
Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV Item 47)		0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)	
1 Net Income/(Loss) per books	(92,358,210)
Add: Non-deductible Expenses/Taxable Other Income	
2 REPRESENTATION AND ENTERTAINMENT	856,037
3 OTHERS	39,913,361
▼	
3.1 PENALTY	75,000
3.2 DEPRECIATION	22,156,714
3.3 RETIREMENT EXPENSE	1,064,626
3.4 INTEREST EXPENSE ON LEASE LIABILITIES	3,404,733
3.5 REALIZED FOREX GAIN	15,204
3.6 PROVISION FOR IMPAIRMENT	13,197,084
4 Total (Sum of Items 1 to 3)	(51,588,812)
Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5 INTEREST INCOME	18,093
6 UNREALIZED FOREX GAIN	9,963
▼	
B) Special Deductions	
7	0
8	0
▼	
9 Total (Sum of Items 5 to 8)	28,056
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)	(51,616,868)

Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

Company Details	
Name of Organization	ACESITE (PHILS.) HOTEL CORPORATION
Location of Headquarters	Manila City, Philippines
Location of Operations	Outlined in Item 2 of page 6 of this report
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Outlined in Item 13 found in page 21 of this report.
Business Model, including Primary Activities, Brands, Products, and Services	The Company operates the Waterfront Manila Hotel and Casino which is engaged in hotel operations and restaurant operations. Operations have temporarily ceased due to the renovation project of the property
Reporting Period	For the year ended December 31, 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
<p>Acesite Phils. Hotel Corporation has considered the significant economic, environmental, and social impacts. In the definition of the materiality, the Company has considered different factors such as key organizational values and policies, laws and regulations of the local government, and the recent issues in the economy.</p> <p>The SASB Materiality Map is referenced in the SEC Memorandum Circular No. 4, Series of 2009 on the Sustainability Reporting Guidelines for Publicly-Listed Companies.</p> <p>Per assessment, the Corporation identifies the following issues as most likely to affect the economic, environmental and social impacts of the Corporation:</p> <ol style="list-style-type: none">1. Environmental - Energy Management, Waste and Wastewater Management2. Social - Labor Practices, Product and/or Service Quality and Safety3. Economic - Supply Chain Management

¹ See [GRI 102-46](#) (2016) for more guidance.

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ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	-	PhP
Direct economic value distributed:		
a. Operating costs	97,032,596	PhP
b. Employee wages and benefits	22,563,530	PhP
c. Payments to suppliers, other operating costs		PhP
d. Dividends given to stockholders and interest payments to loan providers		PhP
e. Taxes given to government	-	PhP
f. Investments to community (e.g. donations, CSR)		PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The impact is seen during the temporary suspension of operations, where the business has generated zero revenue.	Employees, Suppliers, Customers	Mobilizes the renovations and rebuilding project in order to target the resumption of the operations. .
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The risks identified are various causes of delays in the renovation and rebuilding project.	Stockholders	The Company has teamed up a core group of engineers and architects In order to mitigate all the risks.

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Modernization of the designs and technology in the hospitality business.	The Company has taken the opportunity	The Company has taken the opportunity to upgrade the property through planning and implementing new and modern designs.

Climate-related risks and opportunities²

The Company has not put into place risk controls on the impact of climate-related issues on the company. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and complexity of operations of the Company.

Governance	Strategy	Risk Management	Metrics and Targets
N/A			
Recommended Disclosures			
N/A			

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach

² Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

There is significant decrease in the procurement of operational materials due to the temporary closure of the property.	Local Industry Suppliers	The Management has kept its relationship with its suppliers despite the reduction of the purchases.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	NIL	#
Number of incidents in which employees were dismissed or disciplined for corruption	NIL	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	NIL	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	N/A	GJ
Energy consumption (gasoline)	N/A	L
Energy consumption (LPG)	N/A	Kg
Energy consumption (diesel)	N/A	L
Energy consumption (electricity)	274,700	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	N/A	GJ
Energy reduction (LPG)	N/A	GJ
Energy reduction (diesel)	N/A	GJ
Energy reduction (electricity)	N/A	kWh
Energy reduction (gasoline)	N/A	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	N/A	Cubic meters
Water consumption	1,576	Cubic meters
Water recycled and reused	N/A	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Materials used by the organization

The Company g currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	N/A	kg/liters
• non-renewable	N/A	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	N/A	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

The company currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	
Habitats protected or restored	-	
IUCN ³ Red List species and national conservation list species with habitats in areas affected by operations	-	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

³ International Union for Conservation of Nature

Environmental impact management

The company currently does not have sufficient information to assess risks and opportunities under this category.

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	-	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	-	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	-	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Air pollutants

The Company currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
NO _x	-	kg
SO _x	-	kg
Persistent organic pollutants (POPs)	-	kg
Volatile organic compounds (VOCs)	-	kg
Hazardous air pollutants (HAPs)	-	kg
Particulate matter (PM)	-	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Solid and Hazardous Wastes

The Company currently does not have sufficient information to assess risks and opportunities under this category.

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated		kg
Reusable	-	kg
Recyclable	-	kg
Composted	-	kg
Incinerated	-	kg
Residuals/Landfilled	-	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	N/A	kg
Total weight of hazardous waste transported	N/A	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Effluents

The Company currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
Total volume of water discharges	-	Cubic meters
Percent of wastewater recycled	-	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Environmental compliance

The Company currently does not have sufficient information to assess risks and opportunities under this Category

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	-	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	-	#
No. of cases resolved through dispute resolution mechanism	-	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ⁴	17	#
a. Number of female employees	7	#
b. Number of male employees	7	#
Attrition rate ⁵	40%	rate
Ratio of lowest paid employee against minimum wage	00:02	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	63%	37%
PhilHealth	Y	63%	37%
Pag-ibig	Y	63%	37%
Parental leaves	Y	100%	0%
Vacation leaves	Y	63%	37%
Sick leaves	Y	63%	37%
Medical benefits (aside from PhilHealth))	Y	63%	37%
Housing assistance (aside from Pag-ibig)	N	0%	0%
Retirement fund (aside from SSS)	Y	100%	0%
Further education support	N	0%	0%
Company stock options	N	0%	0%
Telecommuting	N	0%	0%
Flexible-working Hours	N	63%	37%
(Others)	N	63%	37%

⁴ Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

⁵ Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Due to the temporary closure of business, the operation has downsized into skeletal workforce.	The Company has set its manning count on a minimum level.
What are the Risk/s Identified?	Management Approach
N/A	N/A
What are the Opportunity/ies Identified?	Management Approach
N/A	N/A

Employee Training and Development

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The improvement of the overall competence of the employees including the skills necessary for their jobs as well as improvement of their knowledge pertaining to the hotel and leisure industry.	There are external trainings being joined by the employees provided by the Company.
What are the Risk/s Identified?	Management Approach
Because of limited funding, not everyone could get external training.	Management exercises an echo training program wherein employees sent on outside trainings will be tasked to echo what they've learned from their trainings through mini-learning sessions with their peers.
What are the Opportunity/ies Identified?	Management Approach
Continuous and sustained trainings will ensure quality of work.	Each department are evaluated every period for the number of training hours that the department has undertaken.

Labor-Management Relations

N/A

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	N/A	%
Number of consultations conducted with employees concerning employee-related policies	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	
What are the Risk/s Identified?	Management Approach
N/A	
What are the Opportunity/ies Identified?	Management Approach
N/A	

Diversity and Equal Opportunity

The Company currently does not have an adequate number of employees from the vulnerable sector to make an assessment of impacts, risks and opportunities under this category.

Disclosure	Quantity	Units
% of female workers in the workforce	50%	%
% of male workers in the workforce	50%	%
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	47,576	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	2	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The impact lies in the overall safety of the employees when they are performing their tasks.	Management provides for policies that ensure that the workplace is a safe environment for its employees.
What are the Risk/s Identified?	Management Approach
Violations of the existing standard workplace conditions will result into penalties levied by the Department of Labour and Employment.	Each of the hotel properties have an established safety and security committee that ensures compliance with the standards set by the respective regulatory agencies.
What are the Opportunity/ies Identified?	Management Approach
To improve on the safety and security measures.	Regular evaluation of safety procedures including drills and trainings.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	
Child labor	Y	Policy on allowable age for hiring
Human Rights	Y	Policy on Anti Sexual Harassment

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
This directly impacts the welfare of the employees. The organization can provide safety nets to ensure that employees are protected.	The Employee Company Policy set in the Employee Handbook provides in detail what are the rights of the employees whilst employed by the organization.

What are the Risk/s Identified?	Management Approach
Possibility of aired grievances and lawsuits	Management provides for a process to ensure that rights of employees are protected.
What are the Opportunity/ies Identified?	Management Approach
If the policies are religiously followed, a harmonious work environment can be achieved.	Consultation with legal counsel is always done before performing any activities that will affect employee welfare.

Supply Chain Management

N/A

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	N	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	
What are the Risk/s Identified?	Management Approach
N/A	
What are the Opportunity/ies Identified?	Management Approach
N/A	

Relationship with Community

Significant Impacts on Local Communities

The Company currently does not have an adequate number of employees from the vulnerable sector to make an assessment of impacts, risks and opportunities under this category.

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for	Mitigating measures (if negative) or enhancement measures (if positive)

be business operations)				the community	
1. N/A					
2. N/A					
3. N/A					
4. N/A					

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____

Certificates	Quantity	Units
FPIC process is still undergoing	-	#
CP secured	-	#

What are the Risk/s Identified?	Management Approach
N/A	
What are the Opportunity/ies Identified?	Management Approach
N/A	

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction Revinate Reviews	N/A	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	
What are the Risk/s Identified?	Management Approach
N/A	
What are the Opportunity/ies Identified?	Management Approach
N/A	

Health and Safety

The Company currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*		#
No. of complaints addressed		#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	
What are the Risk/s Identified?	Management Approach
N/A	
What are the Opportunity/ies Identified?	Management Approach
N/A	

Marketing and labelling

The Company currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*		#
No. of complaints addressed		#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	
What are the Risk/s Identified?	Management Approach

N/A	
What are the Opportunity/ies Identified?	Management Approach
N/A	

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
This impacts the confidentiality of customer information.	Management follows a set of strict procedures that safeguards the information provided by customers.
What are the Risk/s Identified?	Management Approach
Risks that customer information might get leaked.	Management has provided both manual and technological safety nets to protect customer information from getting leaked.
What are the Opportunity/ies Identified?	Management Approach
N/A	

Data Security

The Company currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	-	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The proper implementation of the Data Privacy Act of 2012 has been put into measures.	The Company has assigned a Data Privacy Officer in order to ensure that data security measures are implemented.
What are the Risk/s Identified?	Management Approach
N/A	
What are the Opportunity/ies Identified?	Management Approach
N/A	

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Hotel and Leisure Food and Beverage Service	Contributes in the generation of more decent work and economic growth.	Opportunities to offer jobs to the vulnerable sector are scarce.	Management can assess procedures and existing policies to find more opportunities to provide for the vulnerable sector.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

STATEMENT OF MANAGEMENT’S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of **Acesite (Phils) Hotel Corporation.** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended **December 31, 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.

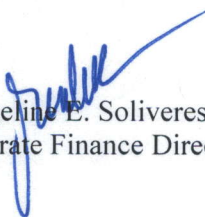
The Board of Directors is responsible for overseeing the Company’s financial reporting process.


The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

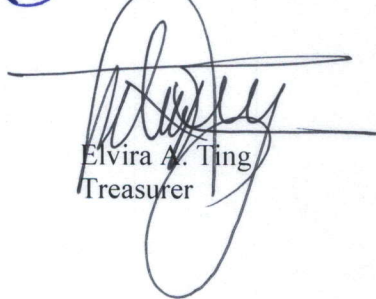
R.G. Manabat & Co., appointed by the stockholders, has audited the financial statements of the company in accordance with the Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed under oath by the following:


Arthur M. Lopez
Chairman of the Board


Evangelina E. Soliveres
Corporate Finance Director



Kenneth T. Gatchalian
President


Elvira A. Ting
Treasurer

Signed this __th day of APR 21 2025

SUBSCRIBED AND SWORN TO BEFORE ME THIS APR 21 2025
IN THE CITY OF MANILA, PHILIPPINES

DOC. NO. 840
PAGE NO. 12
BOOK NO. 5
SERIES OF 2025


ATTY. GILBERTO B. PASHMANERO
Notary Public until December 31, 2025
Notarial Commission 2024-012
IBP# 360140; Pasig for yr. 2025
PTR# 2041418; Mla-1-2-2025
Roll # 25475; TIN 103-098-346
MCLE Exempt. No. VIII-NP004483 'til 4-14-2028

**'MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF
ACESITE (PHILS.) HOTEL CORPORATION
(DOING BUSINESS UNDER THE NAME AND STYLE OF
WATERFRONT MANILA HOTEL AND CASINO)
HELD ON JULY 26, 2024 AT 10:00 A.M.
AT THE IPIL ROOM, 14TH FLOOR BAYVIEW PARK HOTEL
1118 ROXAS BOULEVARD, MANILA**

ATTENDANCE

Total Shares Present And Represented	236,447,496
Total Shares Issued And Outstanding	344,747,520
Percentage Shares and Represented	68.60%

PROCEEDINGS OF THE MEETING

I. CALL TO ORDER

Mr. Arthur M. Lopez, Chairman, called the annual stockholders' meeting of ACESITE (PHILS.) HOTEL CORPORATION (the "Corporation") to order and thereafter presided. The Chairman reminded and informed the stockholders that the proceedings of the meeting is recorded.

Thereafter, the Chairman acknowledged the presence of the following directors and officers of the Corporation, in person:

Mr. Sergio R. Ortiz-Luis, Jr.	Vice Chairman/Director
Mr. Kenneth T. Gatchalian	- President and Director
Ms. Elvira A. Ting	- Director and Treasurer
Ms. Dee Hua Gatchalian	- Director
Atty. Ruben D. Torres	- Director
Atty. Pablo M. Gancayco	- Director
Atty. Aristeo R. Cruz	- Independent Director
Mr. Noel M. Carino	- Independent Director
Atty. Arthur R. Ponsaran	- Corporate Secretary

II. ATTENDANCE AND QUORUM

Proceeding with the agenda, the Corporate Secretary, Atty. Ponsaran certified that in accordance with SEC Notice dated 22 February 2024, providing for an alternative mode of distributing notices of the annual meeting of stockholders, notice of this meeting and the Definitive Information Statement were published on the Company's website and PSE Edge on June 14, 2024 and July 04, 2024, respectively. The notice was also published in two (2) newspapers of general circulation, in print and digital

¹ This shall be subject for approval by the stockholders to the next annual stockholders' meeting to held for the year 2025.

format, in Business Mirror on July 04, 2024 and July 05, 2024 and Manila Bulletin on July 04, 2024 and July 05, 2024.

Atty. Ponsaran further certified that based on the record of attendance as of 10:00 A.M. July 26, 2024, there are represented in the meeting, in person or by proxy, stockholders owning Two Hundred Thirty Six Million Four Hundred Forty Seven Thousand Four Hundred Ninety Six (236,447,496) common shares, representing 68.60% of the total issued and outstanding capital stock of the Corporation, and that there is a quorum at the annual meeting. A list of the stockholders who attended the meeting is hereto attached as Annex "A" and made integral part hereof.

III. APPROVAL OF THE MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING

The Chairman informed the stockholders that the next item of the agenda is the approval of the minutes of the previous meeting of the stockholders held on October 10, 2023.

The minutes of the previous meeting of the stockholders held on October 10, 2023 was flashed on the screen. The Chairman then announced that the floor was open to comments/questions on the minutes. There were no comments/questions on, or objection to, the minutes of the meeting raised by the stockholders.

On motion duly made and seconded, the stockholders owning 68.60% of the total issued and outstanding capital stock of the Corporation present, either in person or by proxy, approved the minutes dated October 10, 2023. The voting results are as follows:

Total Shares of Approving Stockholders	236,447,496
Total Dissenting Stockholders	-0-
Total Abstaining Stockholders	-0-

IV. ANNUAL REPORT FOR THE YEAR 2023 AND AUDITED FINANCIAL STATEMENTS AND INFORMATION STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

The President, Mr. Gatchalian, presented the highlights of the Company's performance and result of operation for the year 2023, as reflected the Annual Report for the year 2023, the Audited Financial Statements and Information Statement for the period ended December 31, 2023. Copy of the President's report and slides of the financial highlights is hereto attached as Annex "B" and made integral part hereof.

The Chairman opened the floor to questions on the Annual Report and the Audited Financial Statements.

Atty. Ver Anthony Fortich, who introduced himself as proxy for Mr. Cyprian Pallasigui, noted that the General and Administrative expenses increased to P11.6 Million in the first quarter of 2024 as compared to only P10.71 million in the first quarter of 2023, which increase was attributed to the increase in some of its components, namely management fees, other taxes and licenses. However, Atty. Fortich claimed that

payment of management fees is not evident in the audited financial statement of 2023. He requested an explanation why the audited financial statement does not indicate that management fees are being paid out.

The Chairman said the Corporation needs more time to identify the exact entries and to gather other information on the management fees to determine whether it merits a separate line item in the financial statement. The matter will be taken up separately with Atty. Fortich.

On motion duly made and seconded, the stockholders owning 68.60% of the total issued and outstanding capital stock of the Corporation, present, either in person or by proxy, approved the Annual Report and the Audited Financial Statements for the year ended December 31, 2023. The voting results are as follows:

Total Shares of Approving Stockholders	236,447,496
Total Dissenting Stockholders	-0-
Total Abstaining Stockholders	-0-

V. RATIFICATION OF ACTS OF THE BOARD AND MANAGEMENT FOR THE YEAR 2021

The Chairman presented for approval and ratification of the stockholders all the acts of the Board and Management and the contracts and transactions entered into by the Corporation for the year ended December 31, 2023, as reflected in the Annual Report and the Audited Financial Statements.

There were no questions raised by the stockholders on the acts of the Board and Management and the contracts and transactions entered into by the Corporation for the year ended December 31, 2023.

On motion duly made and seconded, the stockholders owning 68.60% of the total issued and outstanding capital stock of the Corporation, present, either in person or by proxy, approved and ratified, all acts of the Board and Management for the year ended December 31, 2023, as well as contracts and transactions entered into by the Corporation for the same period, all as reflected in the Annual Report and the Financial Statements. The voting results are as follows:

Total Shares of Approving Stockholders	236,447,496
Total Dissenting Stockholders	-0-
Total Abstaining Stockholders	-0-

ELECTION OF THE BOARD OF DIRECTORS

Proceeding with the agenda, the Chairman opened the floor and entertained nominations for the Board of Directors of the Corporation to serve for the year 2024 - 2025. In accordance with the Articles of Incorporation, eleven (11) directors are to be elected, at least two (2) of whom shall be independent directors.

Based on the evaluation and recommendation of the Nomination Committee, the following were nominated as directors for term 2024-2025, to wit:

As independent directors:

Justice Renato C. Francisco
Mr. Noel M. Carino
Atty. Aristeo R. Cruz

As regular directors:

Ms. Elvira A. Ting
Mr. Kenneth T. Gatchalian
Atty. Pablo M. Gancayco
Atty. Lamberto B. Mercado, Jr.
Ms. Dee Hua Gatchalian
Mr. Arthur M. Lopez
Mr. Sergio R. Ortiz-Luis, Jr.
Atty. Ruben D. Torres

In view of the fact that there were only eleven (11) nominees for the eleven (11) seats as directors, the Chairman entertained a motion to declare the eleven (11) nominees to have been elected as directors, without need of a ballot.

On motion duly made and seconded, the stockholders owning 68.60% of the outstanding capital of the Corporation who were present, either in person or by proxy, approved the motion. The voting results are as follows:

Total Shares of Approving Stockholders	236,447,496
Total Dissenting Stockholders	-0-
Total Abstaining Stockholders	-0-

The Chairman then declared that the following nominees were elected as Regular Directors and Independent Directors of the Corporation without need of a ballot to serve for the term 2024-2025 as such until the next annual meeting, and until their successors shall have been elected and qualified, to wit:

As independent directors:

Justice Renato C. Francisco
Mr. Noel M. Carino
Atty. Aristeo R. Cruz

As regular directors:

Ms. Elvira A. Ting
Mr. Kenneth T. Gatchalian
Atty. Pablo M. Gancayco
Atty. Lamberto B. Mercado, Jr.
Ms. Dee Hua Gatchalian
Mr. Arthur M. Lopez
Mr. Sergio R. Ortiz-Luis, Jr.

Atty. Ruben D. Torres

VI. APPOINTMENT OF THE EXTERNAL AUDITORS

The Chairman informed the stockholders that the next item in the agenda was the designation of the Corporation's external auditor.

R.G. Manabat & Co., CPA's was the only nominee for the Corporation's external auditor. There were no objections raised by the stockholders against the nomination.

Upon nomination and on motion duly made and seconded, the stockholders owning 68.60% of the outstanding capital of the Corporation who were present, either in person or by proxy, appointed the accounting firm of R.G. Manabat & Co., CPA's as the Corporation's external auditor. The voting results are as follows:

Total Shares of Approving Stockholders	236,447,496
Total Dissenting Stockholders	-0-
Total Abstaining Stockholders	-0-

VII. APPOINTMENT OF EXTERNAL COUNSEL


The Chairman informed the stockholders that the next item in the agenda is the designation of the Corporation's external counsel. Corporate Counsels, Philippines Law Offices and Gancayco, Balasbas & Associates were the only nominees as the external counsels of the Corporation. There were no questionns or objections raised by the stockholders against the nomination.

Upon nomination and on motion duly made and seconded, the stockholders owning 68.60% of the outstanding capital of the Corporation who were present, either in person or by proxy, appointed Corporate Counsels Philippines Law Offices and Gancayco, Balasbas & Associates as the external counsels of the Corporation.

VIII. ADJOURNMENT

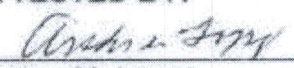
The Chairman asked if stockholders have other matters which they want to take up. There were no other matters that the stockholders wanted to take up.

There being no further business to transact, the meeting was, on motion duly made and seconded, adjourned.



Arthur R. Ponsaran
Corporate Secretary

ATTESTED BY:



Arthur M. Lopez
Chairman