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(Company's Full Name)

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

CHERRYL M. VIDAL

Contact Person

(02) 8706-7888

Company Telephone Number

1	2

Month

3	1

Day

SEC 20IS DEFINITIVE

FORM TYPE

Last Friday of September

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

419

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

WATERFRONT
PHILIPPINES

Dear Stockholder:

In accordance with the By-Laws Article II Section 1, please be informed that the Annual Meeting of the Stockholders (ASM) of **WATERFRONT PHILIPPINES, INCORPORATED.** (the "Corporation"), will be held on Wednesday, **September 30, 2026**, at 10:00 A.M. at No. 1 Waterfront Drive, Off Salinas Drive, Lahug, Cebu City, Philippines to pass upon the following matters:

1. Call to Order;
2. Certification of Notice and Quorum;
3. Approval of the Minutes of the previous Annual Stockholders' Meeting dated September 26, 2025;
4. Ratification of the Acts of the Board and Management for the year 2025;
5. President's Report to the Stockholders and Approval of the Annual Report and Audited Financial Statements for the year ended December 31, 2025;
6. Election of the Board of Directors to serve for the Term 2026-2027;
7. Authority to Amend the By-Laws Article II, Meetings of the Stockholders, Section 1, changing the schedule of the Annual Stockholder Meeting from LAST DAY OF SEPTEMBER OF EACH YEAR to LAST FRIDAY OF SEPTEMBER OF EACH YEAR
8. Appointment of External Auditor;
9. Appointment of External Counsels;
10. Other business/corporate matters; and
11. Adjournment.

As fixed by the Board of Directors, the record date for the purpose of determining the stockholders of record who are entitled to vote in said stockholders' meeting is **September 07, 2026**. The Stock and Transfer Book of the Corporation will be closed on **September 07,** to **September 30, 2026** at **9:50 A.M**.

If you are not attending, you may submit a PROXY instrument to the office of the Corporate Secretary or to the Stock Transfer Agent of this Corporation at the address stated below. Stockholders whose shareholdings are lodged with the Philippine Central Depository are reminded to secure a certification of their shareholdings from their respective stockbrokers. Corporate stockholders are requested to attach to the PROXY instrument, their respective Board Resolutions in support of their proxies. Deadline for submission of proxies is on or before 9:50 A.M on **September 30, 2026.** The proxy form is hereto attached as Annex "A

On the day of the meeting, you or your proxy are hereby required to bring this Notice and any form of identification with picture and signature (e.g. driver's license, SSS ID, company ID, etc.) to facilitate registration.

WATERFRONT
PHILIPPINES

For those stockholders who is unable to be physically present during the meeting may vote in absentia or send a representative with proxy. Stockholders voting in absentia shall be considered present for purposes of determining quorum. Stockholders who wish to vote in absentia shall likewise register online at this link – https://us06web.zoom.us/launch/jc/88961687042, Meeting ID: 889 6168 7042, Passcode: 110174, on or before September 25, 2026. Subject to registration and validation procedures, stockholders who registered to vote in absentia may cast their votes to the link herein provided or via chat box.

A video and audio recording of the meeting will be taken in accordance with the requirements of the Securities and Exchange Commission. Electronic copies of the Information Statement, Management Report, SEC Form 17A and other pertinent documents are available on the: (a) on the Company's website; and (b) the PSE Edge.

Stockholders may submit written nominations for directors to the Corporate Secretary by mail or email at the addresses mentioned below not later than September 15, 2026. All nominations shall be in writing duly signed by the nominating stockholders or their duly authorized (in writing) representatives, with the written acceptance of the nominee. The nomination form is attached herewith as Annex "B". A copy of a valid government-issued identification card with photo of the nominee shall likewise be enclosed. All nominees for Directors and Independent Directors shall possess the qualifications and none of the disqualifications prescribed by law and the Corporation's policies. If a nominee for Independent Director, the nominee shall likewise submit a duly accomplished Certificate of Qualification in the form prescribed by the Securities and Exchange Commission in its Memorandum Circular No. 5, Series of 2017 dated March 7, 2017.

WE ARE NOT SOLICITING YOUR PROXY.

Pasig City, Philippines, August 19, 2026

ARTHUR R. PONSARAN
Corporate Secretary
Office address:
Unit 3104, 31st Floor Antel Global Corporate Center
#3 Dona Julia Vargas Avenue
Ortigas Center, Barangay San Antonio, Pasig City
Philippines, 1600

WATERFRONT PHILIPPINES INCORPORATED
Principal Office Address
No. 1 Waterfront Drive
Off Salinas Drive, Lahug
Cebu City, Philippines
Email address: https://www.waterfronthotels.com.ph/investor_relations/

STOCK TRANSFER SERVICE, INC.
6784, Unit D 34th Floor Rufino Pacific Tower
Ayala Avenue, Makati City, 1200 Metro Manila
Phone: (02) 8403 2410/ 8403-2412
Email address: mccapoy@stocktransfer.com.ph

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [ ] Preliminary Information Statement

   [X] Definitive Information Statement

2. Name of Registrant as specified in its charter **WATERFRONT PHILIPPINES, INCORPORATED**

3. **CEBU, PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **AS094-8678**

5. BIR Tax Identification Code **D80-003-978-254-NV**

6. **NO. 1 WATERFRONT DRIVE, OFF SALINAS DRIVE, LAHUG, CEBU CITY** **6000**
   Address of principal office Postal Code

7. Registrant's telephone number, including area code **(032) 232 6888**

8. **September 30, 2026, 10:00AM at No.1 Waterfront Drive, Off Salinas Drive Lahug, Cebu City 6000**
   Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders **September 09, 2026**

10. ***In case of Proxy Solicitations:***

Name of Person Filing the Statement/Solicitor: Not Applicable

Address and Telephone No.: Not Applicable

11. 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),

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
COMMON SHARES - P1.00 par value	**2,498,991,753**

12. Are any or all of registrant's securities listed in a Stock Exchange?

    Yes __X__ No _____

    If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
    The Philippine Stock Exchange - Common Shares

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

Date, Time and Place of Meeting:	**September 30, 2026** **10:00 A.M.** **No.1 Waterfront Drive, Off Salinas Drive** **Lahug, Cebu City 6000**
Complete Registrant's Mailing Address (Principal Office):	**No.1 Waterfront Drive, Off Salinas Drive** **Lahug, Cebu City 6000**
The approximate date on which the Information Statement are first be sent & given to the security holders shall be on:	**September 09, 2026**

Item 2. **Dissenters' Right of Appraisal**

The shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of the shares in the manner provider under Section 80 of the Revised Corporation Code of the Philippines:

- In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders 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.
- 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 Corporation Code;
- In case of merger or consolidation: and
- In the case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

Under Section 81 of the Revised Corporation Code, instances wherein the stockholder has voted against a proposed corporate action, the statutory procedures required to be followed by dissenting security holders to perfect such rights are, as follows:

a) The dissenting stockholder shall make a written demand to the corporation for the payment of the fair 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 a 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.

b) If, within (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 (3) disinterested persons, one of whom shall be

named by the stockholder, another by the corporation, and the third by the (2) thus chosen. Then findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within (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 are no matters or proposed corporate actions to be taken up during the annual stockholders' meeting which may give rise to a possible exercise of security holders of their appraisal rights under Title X of the Corporation of the Philippines.

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

1. Other than election to office and other matters stated herein, no director or officer has any substantial interest in any matter to be acted upon during the Annual Meeting of stockholders on September 30, 2026.

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**

(a) The number of shares outstanding and entitled to vote in the stockholder's meeting is **2,498,991,753** shared. The record date for purposes of determining stockholders entitled to vote is September 7, 2026. Stockholders are entitled to cumulative voting in the election of directors, as provided by the Revised Corporation Code.

Under Section 23 of Revised Corporation Code, stockholders entitled to vote shall have the right to vote the number of shares standing in their own names in the stock books of the corporation at the time fixed in the bylaws are silent, at the time of the election. The said stockholder may:

a) vote such number of shares for as many persons there are directors to be elected.
b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or
c) distribute them on the same principle among as many candidates as may be seen fit: Provided, That the total number of votes cast shall not exceed the number of shares owned by the stockholders as shown in the books of the corporation multiplied by the whole number of directors to be elected: Provided, however, that no delinquent stock shall be voted. Unless otherwise provided in the articles of incorporation or in the bylaws, members of nonstock corporations may cast as many votes as there are trustees to be elected but may not cast more than one (1) vote for one (1) candidate. Nominees for directors or trustees receiving the highest number of votes shall be declared elected.

Security Ownership of Certain Record and Beneficial Owners and Management. There is no change in control of the registrant since the beginning of the last 2025 calendar year.

Security Ownership of Certain Record and Beneficial Owners:
(As of August 31, 2026)

The following persons are known to the Company to be directly or indirectly the record or beneficial owner of more than 5% of any class of the Company's voting securities:

Title of Class	Name & Address of the Record Owner & Relationship with issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares held	% of Class
Common	PCD Nominee Corp. 37th Floor Tower I, The Enterprise Center 6766 Ayala Ave., Paseo de Roxas, Makati City *PCD Nominee is not related to WPI	Various Client	Filipino	1,135,455,725	45.44%
Common	The Wellex Group, Inc. 35th Floor One Corporate Center, Dona Julia Vargas Ave. cor Merlaco Ave., Ortigas Center, Pasig City * TWGI is the holding company and major stockholder of WPI	The Wellex Group, Inc. * Represented by Ms. Elvira A. Ting, President and nominee of the said company. Director & Officers are William Gatchalian (Chairman), Dee Hua T. Gatchalian (Assistant Corporate Secretary), and Richard L. Ricardo (Corporate Secretary).	Filipino	1,128,466,800	45.16%

Security Ownership of Management
(As of August 31, 2026)

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Class
Common	Arthur M. Lopez	1 direct	Filipino	0.000
Common	Elvira A. Ting	10,000,009 direct	Filipino	0.400
Common	Aristeo R. Cruz	1,000 direct	Filipino	0.000
Common	Arthur R. Ponsaran	110 direct	Filipino	0.000
Common	Dee Hua T. Gatchalian	350,000 direct	Filipino	0.014
Common	Sergio R. Ortiz-Luis Jr.	110 direct	Filipino	0.000
Common	Ruben D. Torres	1,000 direct	Filipino	0.000
Common	Renato C. Francisco	100 direct	Filipino	0.000
Common	Josaias T. Dela Cruz	100 indirect	Filipino	0.000
Common	Lamberto B. Mercado Jr.	100 direct	Filipino	0.000
	Total Beneficial Ownership	10,352,530		0.414

- There is no voting trust holder of 5% or more.
- There are no persons holding a certain class of stocks under a voting trust or similar agreement.
- There are also no arrangements that may result in a change in control of the registrant.
- There are no significant changes to the control in the group for the year 2025.

Item 5. **Directors and Executive Officers**

Nominees for Election as Members of the Board of Directors:
(Final as Pre-screened by Nomination Committee)

Name	Position	Age	Citizenship
Sergio R. Ortiz-Luis, Jr	Chairman of the Board	83	Filipino
Elvira A. Ting	Treasurer/Director	66	Filipino
Ruben D. Torres	Director	85	Filipino
Lamberto B. Mercado Jr.	Director	62	Filipino
Arthur M. Lopez	Director	80	Filipino
Hanniel T. Ngo	President/Director	43	Filipino
Aristeo R. Cruz	Independent Director	60	Filipino
Renato C. Francisco	Independent Director	78	Filipino
Josaias T. Dela Cruz	Independent Director	65	Filipino

The Company discloses that Ms. Dee Hua T. Gatchalian was initially nominated as the Company's nominee for Director for the year 2026. Subsequently, the Company changed its nominee and nominated Mr. Hanniel T. Ngo for election as Director for 2026.

The change in nominee has been duly reflected in the notarized certification submitted by the Company.

Independent Directors possess all the qualifications and none of the disqualifications to serve as such as provided for in Section 38 of the Securities Regulation Code and its implementing Rules and Regulations.

The Nominations Committee conducts the nomination process and pre-screens the qualifications of candidates for Independent Directors prior to the stockholders' meeting, in accordance with SRC Rule 38-Requirements on Nomination and Election of Independent Directors. All nominees for election to the Board of Directors satisfy the mandatory requirements specified therein. The Independent Directors have certified that they possess all the qualifications and none of the disqualifications provided under the SRC.

Their tenure as Independent Directors does not exceed the maximum aggregate term of nine (9) years prescribed under applicable laws, rules, and regulations.

The Members of the Nomination Committee are the following:

Chairman	-	Dee Hua T. Gatchalian
Member	-	Sergio R. Ortiz-Luis, Jr
Member	-	Elvira A. Ting

There is no relationship between the members of the Nomination Committee and the proposed executive officers and independent directors, except for Ms. Elvira A. Ting, Ms. Dee Hua T. Gatchalian, and Mr. Hanniel T. Ngo. Ms. Ting and Ms. Gatchalian are sisters, while Ms. Ting and Ms. Gatchalian are the aunts of Mr. Ngo.

Directors and Executive Officers:

a) There are 9 seats in the Board of Directors. The term of office of each member is one year.
b) The current members of the Board of Directors are as follows:

Office	Name	Age	Citizenship	Position in Other Companies
Chairman of the Board	Sergio R. Ortiz-Luis, Jr.	83	Filipino	A Director Waterfront Philippines, Inc., President & CEO – Philippine Exporters Confederation, Inc. (PHILEXPORT); Honorary Chairman – Philippine Chamber of Commerce & Industry, Employers Confederation of the Philippines, Integrated Concepts and Solutions, Inc., Vice-Chairman of Alliance

				Global, Inc.; Director – International Chamber of Commerce of the Philippines, Manila Exposition Complex, Inc., Lasaltech Academy, BA Securities, Rural Bank of Baguio, GS1.; Gov't Affiliations: Vice-Chairman – Export Development Council; Civic Organizations: Chairman - Rotary Club of Green Meadows, Director – PILAK Foundation, Universal Access Center for Trade Others: Honorary Consul General – Consulate of Romania in the Philippines.
Director/Vice Chairman	Arthur M. Lopez	80	Filipino	Owner and Principal Consultant of AML Hotel Consultancy, Management and Technical Services Consultant of Federal Land and owner of Grand Hyatt Projects and Marco Polo Cebu; Director-Philippine Estates Corp., Chairman- Acesite Phils. Hotel Corp, Hotel Management Consultant of the B Hotel Manila, Bellevue Bohol Resort in Panglao, B Hotel Quezon City, Bellevue Baguio (opening in 2018) and Bloomberry Casino Hotels & Resorts; Regional Director of Asia Pacific Top Management International Resources Corp.; Hotel Management Consultant of Double Dragon properties Corporation. President of Legoli Holdings Inc and Arleff Holdings Inc. and President of Phil. Hotel Federation Inc.
Director/Treasurer	Dee Hua T. Gatchalian	78	Filipino	Director- Philippine Estates Corporation, Acesite (Philippines) Hotel Corporation; EVP- Finance and Admin The Wellex Group, Inc., & Plastic City Corporation. Chairperson of Jesus Our Life Ministries, Inc.
Director	Lamberto B. Mercado Jr.	62	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 Philippines, Incorporated, Wellex Industries, Inc., Forum Pacific, Inc., Metro Alliance Holdings & Equities Corp. and Acesite (Phils.) Hotel Corporation.
Independent Director	Aristeo R. Cruz	60	Filipino	Independent Director Waterfront Philippines, Inc., Independent Director-The Wellex Group,Inc., Independent Director-Forum Pacific, Inc., Director of Acesite Phils Hotel Corp. Meycauayan College, Inc – Vice Chairman of the board and President; Cruz Altares & Associates Law Office (formerly Cruz, Castro & Altares Law-Founding and Managing Partner,Liberty Bank (A Rural Bank), Inc.-Vice President, Idealand Realty & Dev't Corp.-President and Chief Operating Officer (COO) Philstar Innovation Realty Corp.- Director & Corp Secretary, Statosphere Realty & Dev't Corp. President and Chief Operating Officer (COO), Metro Alliance Holdings & Equities Corp.-Director, Metro Alliance Logistics Solution Inc. – Director.
Director	Ruben D. Torres	85	Filipino	Director Waterfront Philippines, Inc., President – BPO Workers Association of the Phils.; Senior Partner – Torres Caparas Torres Law Offices; Secretary General Katipunan ng Manggagawa at Magsasaka ng Pilipinas; Chairman/CEO – Service Exporters Risk Management & Consultancy Co., Towers Corporation and Optimus Medical Care and Trading Corporation.
Director and President	Elvira A. Ting	66	Filipino	President & CEO – Philippine Estates Corporation; Director Wellex Industries, Inc., Forum Pacific, Inc., Orient Pacific Corporation, Crisanta Realty and Development Corporation, Recovery Development Corporation, The Wellex Group, Inc., Plastic City Industrial Corporation.

Independent Director	Josaias T. Dela Cruz	65	Filipino	Presently functioning as a Treasurer/Vice President for Investor Relations and Financial Planning in Wegen Distributed Energy Philippines Holding Corporation. A sole proprietor of JTDC Spinmeister Laundry Service that is operating under a Quicklean Laundry service franchise. A former National Director of World Vision Development Foundation, Inc. who was responsible in managing the largest international NGO in the Philippines. Also served various executive positions under The Wellex Group of Companies as its former Chief Executive Officer, VP – Credit Cycle, and Compliance Officer.
Independent Director	Renato C. Francisco	78	Filipino	A veteran legal professional, Justice Renato C. Francisco has been serving as an Associate Justice for the Court of Appeals from May 31, 2012 – August 20, 2018. An Ateneo De Manila University graduate for his Bachelor of Laws, Justice Francisco has served in the judiciary as a Presiding/ Executive Judge for the Regional Trial Court – Branch 19 of Malolos, Bulacan. Prior to that, he has also been the Assistant City Prosecutor for Makati City from 1992 to 1996. His extensive knowledge about the judiciary and legislations was further improved by the training programs that he has been a part of including The Harvard Negotiation Intensive, The Seminar Workshop on Substantive Law and Jurisprudence on Intellectual Property for Court of Appeals Justices.
Corporate Secretary	Arthur R. Ponsaran	83	Filipino	Director and/or Corporate Secretary of client corporations, including listed companies, as well as non-profit institutions. As of July 2025, he serves as Director of Forum Pacific Inc., Philippine Estates corporation, Health Carousel Philippines, Inc, MCCI Corporation, Bancom Alumni, Inc., Bancom II Consultants, Inc., Corporate Secretary of Waterfront Philippines Inc., Philsteel Holdings Corporation, Steel Corporation of the Philippines and Producers Savings Bank Corporation.

The nominees are all incumbent directors, except for Mr. Hanniel T. Ngo, who has been newly nominated as a director. The independent directors, Atty. Renato C. Francisco and Atty. Aristeo R. Cruz have been independent directors since 2019, and 2021 respectively.

Key Officers

Name	Office	Age	Citizenship
Cherryl M. Vidal	Corporate Finance Director	44	Filipino
Maria Socorro R. Cotelo	Corporate Planning Director	51	Filipino
Lanelle Cristina M. Barba	Corporate Peers Resources and Development Director	47	Filipino
Arthur R. Ponsaran	Corporate Secretary	83	Filipino
Amando J. Ponsaran Jr.	Assistant Corporate Secretary	56	Filipino
Hanniel T. Ngo	Chief Operating Officer	43	Filipino
Richard L. Ricardo	Investor Relations/Corporate Affairs	63	Filipino
Jerraemie Nikka C. Patulot	Compliance Officer	38	Filipino
Edissa Mari A. Medino	Chief Audit Executive	32	Filipino

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

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

He has degrees of Bachelor of Arts and Bachelor of Science in Business Administration from De La Salle University; PhD Humanities from Central Luzon State University, and PhD Business Technology from Eulogio "Amang" Rodriguez Institute of Science and Technology. He is the President and CEO of Philippine Exporters Confederation, Inc. An Honorary Chairman of Philippine Chamber of Commerce & Industry, Employers Confederation of the Philippines as well as Integrated Concepts & Solutions, Inc. He is the Vice Chairman of Alliance Global, Inc., Export Development Council. He is a Director of Manila Exposition Complex, Inc., Lasaltech Academy, Philippine Estate Corporation, BA Securities, Rural Bank of Baguio, PILAK Foundation, and Universal Access Center for Trade and Philippine International Training Corporation. He is a Council Adviser Member of Philippine Foundation, Inc., a Founding Director of International Chamber of Commerce of the Philippines and GS1. He is also a member of the Board of Advisers of Southville International School and Colleges. He is a commissioner of Patrol 117, a Financing Champion of the National Competitiveness Council and a Private Sector Representative of Bamboo Council. He is also a Chairman of Rotary Club of Green Meadows Foundation and also a Chairman of Council of Advisers Eastern Police District. He is the Past President of Rotary Club of Green Meadows Quezon City RI District 3780, a Board of Advisers Member of Council of Advisers Philippine National Police, a senator of Philippine Jaycee Senate, Captain of Philippine Coastguard Auxiliary and a member of the League of Corporate Foundation. He is the Honorary Consul General of Consulate of Romania in the Philippines, a Treasurer of Consular Corps of the Philippines and an Honorary Adviser of International Association of Education for World Peace. Some awards that he received were International Peace Award for Economic Development in 2005, Most Outstanding Citizen of Nueva Ecija in the Field of Business in 2005 also, Most Outstanding Pasigueno in 2006, Ulirang Ama also in 2006 and Presidential Merit Award Medal in 2007. He became an Independent Director of Waterfront Philippines, Inc. since August 2006-2020. In 2014, he attended Exporter's Partner in Gearing the Country for the AEC Markets of the World 2, Technology Innovation and Entrepreneurship as Competitive Strategies PHILAAS 63rd Annual Convention and lastly, Bringing the Buy Pinoy Campaign to the Next Level.

Arthur M. Lopez	**Director/Vice Chairman**

Hotel management consultant specializing in general hotel management consultancy services, marketing, hotel design development/technical services, gaming, hotel feasibility study, pre and post hotel opening management services, asset management/owner's representative, food and beverage concept and service, mergers and acquisitions, travel and tours, theme parks and third-party management and branding. The Owner and Principal Consultant of AML Hotel Consultants. Hotel Management and Development Consultant

– Double Dragon Properties Corporation (PSE listed) - Hotel of Asia Inc. – Jin Jiang Ortigas, Jin Jiang Inn Makati, Injap Tower Iloilo, Hotel 101 Manila (500 rooms), Hotel 101 Fort project (600 rooms, under construction); Hotel 101 Bohol (250 rooms, under construction); Hotel Management and Development Consultant – Bellevue Bohol Resort, The Bellevue Hotel Manila, The B Hotel Manila, B Hotel Quezon City; Bellevue Baguio (under construction) opening in 2018; Bellevue Bohol Resort extension (140 rooms) opening 2019. Hotel Management and Development Consultant – Wydham Garden (Wellworth Properties and Development Corporation) Quezon City (200 rooms) opening in 2020 and in a resort hotel in Mactan, Cebu City (300 rooms) opening in 2021. The Chairman – Philippine Estates Corporation (PSE listed) and Acesite Philippines Hotel Corporation, owner of Manila Pavilion Hotel (PSE listed). Director – Waterfront Hotels and Casinos (PSE listed) – Waterfront Cebu City Hotel & Casino, Manila Pavilion Hotel & Casino, Waterfront Airport Hotel & Casino and Waterfront Insular Hotel Davao. President – Philippine Hotel Owners Association, Inc. (PHOAI) – the largest group of hotel owners and
developers in the Philippines. Holds a Bachelor of Science degree in Commerce, major in Management, and a master's degree in business administration (MBA), both from the University of Santo Tomas in the Philippines. He completed a Tourism Management course at the East-West Center, University of Hawaii, Honolulu, Hawaii and Cornell University, Ithaca, New York, USA. Mr. Lopez became an Independent Director of Waterfront Philippines, Inc. since August 2011-2020.

Lamberto B. Mercado, Jr.,	**Director**

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

Hanniel T. Ngo	**Chief Operating Officer**

Mr. Ngo is a licensed architect and corporate leader with extensive experience in construction, hospitality, mining, and real estate. Licensed since 2009, he currently serves as COO of Waterfront Philippines, and President of several hotel and casino corporations including Waterfront Cebu City, Mactan, and Davao Insular. He is also the President of Altai Philippines Mining Corp and Clean Patrol Cleaning Services, Inc; the Authorized Managing Officer of the Philippine Contractors Accreditation Board; and the Construction Occupational Safety and Health Officer of 1Sheperd Corporation. He serves as Corporate Secretary of Orient Pacifica Corporation and Assistant Corporate Secretary of Pacific Rehouse Corporation. He is also the Director of Pacific Wide Holdings, Inc, Wellex Industries, Inc. and Metro Alliance Holdings & Equities Corp.; Vice President of Crisanta Realty Development Corporation; and Chairman and President of Forum Holdings Corporation. He also heads Triton Construction & Development Corp., among other business ventures, reflecting his broad leadership experience across various industries. His career began in property management and architectural design, including work in Singapore, before rising to senior executive roles in the Philippines. A cum laude graduate of Architecture from the University of Santo Tomas, Mr. Ngo is active in professional associations, having served as President of the UAP QC Commonwealth Chapter. Known for strategic vision, operational excellence, and mentoring future leaders, he combines technical expertise with corporate governance and risk management credentials.

Renato C. Francisco	**Director**

A veteran legal professional, Justice Renato C. Francisco has been serving as an Associate Justice for the Court of Appeals from May 31, 2012 – August 20, 2018. An Ateneo De Manila University graduate for his Bachelor of Laws, Justice Francisco has served in the judiciary as a Presiding/Executive Judge for the Regional Trial Court – Branch 19 of Malolos, Bulacan. Prior to that, he has also the Assistant City Prosecutor for Makati City from 1992 to 1996. His extensive knowledge about the judiciary and legislations was further improved by the training programs that he has been a part of including The Harvard Negotiation Intensive, The Seminar-Workshop on Substantive Law and Jurisprudence on Intellectual Property for Court of Appeals Justices. Mr. Francisco became an Independent Director of Waterfront Philippines, Inc. since August 2014-present.

Ruben D. Torres	**Director**

Mr. Ruben Torres graduated in the University of the Philippines with a degree of Bachelor of Arts (Political Science) after which, he finished the degree of Bachelor of Laws at the same university. Presently he is also the President of BPO Workers Association of the Philippines and Senior Partner of Torres Caparas Torres Law Office. He is also the Secretary General of Katipunan ng Manggagawa at Magsasaka ng Pilipinas. He is associated with the Integrated Bar of the Philippines and Philippine Academy of Professional Arbitrators. His former positions include being a Member of the House of Representatives of the 2nd District of Zambales, Executive Secretary of the Office of the President in Malacañang, Secretary of the Department of Labor and Employment. Mr. Torres became an Independent Director of Waterfront Philippines, Inc. since August 2006-2020.

Elvira A. Ting	**Director and President**

Ms. Elvira A. Ting earned her bachelor's degree in business administration major in Management from the Philippine School of Business Administration. She has been the Director of Waterfront Philippines, Inc., since October 2000-present. She is also the President/Director of Philippine Estates Corp., a director Wellex Industries, Inc., The Wellex Group, Inc., and Forum Pacific, Inc. She is also a Director/CFO of Acesite Phils. Inc.from2004-present.

Arthur R. Ponsaran	**Corporate Secretary**

Arthur R. Ponsaran, Corporate Secretary of the Company, is a CPA-Lawyer with over 30 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 BSBA degree from the University of the East and LLB from the University of the Philippines. He completed the 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 2025, he serves as Director of Forum Pacific Inc., Philippine Estates corporation, Health Carousel Philippines, Inc, MCCI Corporation, Bancom Alumni, Inc., Bancom II Consultants, Inc., Corporate Secretary of Waterfront Philippines Inc., Philsteel Holdings Corporation, Steel Corporation of the Philippines and Producers Savings Bank Corporation.

Amando J. Ponsaran Jr.	**Assistant Corporate Secretary**

Mr. Ponsaran, Assistant Corporate Secretary, is the Senior Manager for Corporate Services Group of Corporate Consel Philippines Law Offices, he is one of the pioneer of the Firm who has more than twenty (20) years' experience in company registration and allied services. He handles various incorporations, registrations and setting-up up of domestic and foreign companies including license to do business as Branch, Representative, Regional Operating Head Quarter (ROHQ) and Regional Headquarter (RHQ) Office. Aside from primary registrations, his expertise also covers secondary registrations or in securing secondary licences for banks, financial institutions, insurance broker/agent, recruitment, registration of securities and permit to sell securities and including registration of investments with the Bangko Sentral ng Pilipinas, registration with the Philippine Economic Zone Authority (PEZA) and Board of Investment (BOI).

His stint in handling the registration works has emerged to a full blown corporate practice such as corporate restructuring, re-organization, merger, consolidation and acquisition; and his recent involvements was the upgrading of one of the largest Rural Bank to Thrift Bank and its consolidation to another thrift bank. He was also involved in the Registration of Securities and Listing through Initial Public Offering (IPO), Follow-on Offering (FOO) and additional listing of various companies such as food manufacturing, financing, holding, hotels and manufacturing of chemical products with the Philippine Stock Exchange. He also involved in the registration of Bond with the Philippine Dealing System.

Mr. Ponsaran is an expert in corporate due diligence, legal audit, corporate clean-up and corporate housekeeping. He is also familiar with registration of trademarks/tradenames, copyright and a background for patent with Intellectual Property Office (IPO) and in securing/obtaining a Special Working Permit/Visa from the Department of Labor and Employment (DOLE) and Bureau of Immigration. He has a lot of experience involving tax transactions with the Bureau of Internal Revenue such as tax exempt transaction and secures tax rulings, certificate authorizing registration for shares and property transfers, settlement of estate and other tax related works; and including registration work with Registry of Deeds. Mr. Ponsaran is a graduate of the University of San Agustin- Major in Finance/Marketing and Bachelors of Laws in Arellano Law School and in Philippine Christian University thereafter.

As of to date, he serves as a Corporate Secretary of Philippine Estate Corporation, Forum Pacific Inc., Wellex Industries Inc., Health Carousel Philippines Inc., Trans Realty Co., Inc., Consumer Products Distributions Services Inc., Pavilion Enterprises Corp., Pavilion Leisure and Entertainment Corp. and

Assistant Corporate Secretary of Acesite (Phils) Hotel Corporation, Acesite Realty Inc., (Formerly: Cima Realty Phils., Inc), and other corporations. Serves as an Independent Director of Perla Compania De Seguros Inc.

Aristeo R. Cruz	**Director**

Atty. Cruz graduated from De La Salle University with a bachelor's in commerce major in accounting on 1986. He was also a graduate of Bachelor of Laws from New Era University in 2005 as Cum Laude, Outstanding Student Awardee, and Class valedictorian. He is a certified Public Accountant and a member of the Philippine Bar. He is the Founding and Managing Partner of Cruz Altares & Associates Law Office. He is the President and Chief operating Officer of Idealand Realty and Development Corp. since 2009 and Statosphere Realty and Development Corp. since 2011. He is the President of Waterstreet Realty Corp.since 2012, Director of Metro Alliance Holdings and Equities Corp. since 2015, Director and Corporate Secretary of Philstar Innovation Realty Corp. since 2011 and Justino Emilia Realty and Management & Development Corp since 2018, and Vice President of Liberty bank since 2018. He is the President of Jose and Luz Locsin Foundation since 2012. He is the Vice Chairman and Director of Dean of Meycauayan College, Inc. since 2011 and 2007, respectively. Mr. Cruz became an Independent Director of Waterfront Philippines, Inc. since July 2021-present

Josaias T. Dela Cruz	**Director**

A holder of a Master's degree in Organizational Development in Ateneo de Manila University and is the Manager of My Messiah Publishing House, former Psychology faculty of Miriam College and Educational Programs Manager in Asian Institute of Management. Currently serving as Treasurer and Vice President for Investor Relations and Financial Planning at Wegen Distributed Energy Philippines Holding Corporation. Also, the sole proprietor of JTDC Spinmeister Laundry Service, operating under the Quicklean Laundry service franchise. Formerly a National Director at World Vision Development Foundation, Inc., where I managed operations for the largest international NGO in the Philippines. Previously held several executive roles within The Wellex Group of Companies, including Chief Executive Officer, Vice President for Credit Cycle, and Compliance Officer.

Executives

Cherryl M. Vidal	**Corporate Finance Director**

Ms. Vidal joined Waterfront Hotels & Casinos on April 16, 2026, as Corporate Finance Director. A Certified Public Accountant (CPA) and Certified Management Accountant (CMA), she earned her Bachelor's degree in Accountancy from St. Michael's College of Laguna – Biñan. With more than two decades of progressive leadership in finance and accounting, she has built a distinguished career through senior roles such as Global Accounting Manager at C2H, INC dba PharosIQ, Country General Accounting & Reporting Manager and Compliance Lead at Arcadis Philippines, Casino Finance Accounting Manager at Tiger Resort, Leisure and Entertainment, Inc. (Okada Manila), and earlier positions with Clariden Holdings Inc., Ayala Property Management Corporation, and AMDATEX. Her professional journey reflects a proven track record in financial stewardship and corporate governance, underscoring her expertise and commitment to excellence in the industry.

Maria Socorro R. Cotelo	**Corporate Planning Director**

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

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

Ms. Barba, joined Waterfront on June 2006–April 2008 as Employee/Labor Relations Officer in Waterfront Pavilion Hotel and Casino, and was appointed as Peers Resources' and Development Director of the same property on April 30, 2008. Currently, she is the Corporate Peers' Resources and Development Director of Waterfront Hotels and Casinos. She earned her bachelor's degree in Elementary Education at the University of Santo Tomas. Prior joining Waterfront, she is the HR Officer of Asia Select Inc. and Research Analyst under Employee Relations and Benefits Division of Metrobank. She was sent to various trainings and seminars and in 2009, she was sent to Nanyang University, Singapore to attend the PDP 2009 Building the Human Capital Base: Essential HR Practices for Managers in 2011 to Bangkok, Thailand for HR Audit training. 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.

Richard L. Ricardo	Investor Relations Officer / Vice President for Corporate Affairs

Richard L. Ricardo Investor Relations/Corporate Affairs

Mr. Ricardo is the Investor Relations /Corporate Affairs of Waterfront Philippines, Incorporated. President of Acesite (Phils.) Hotel Corporation since 2004 and is concurrently the Vice-President for Strategic Initiatives of The Wellex Group, Inc. He is a graduate of the Ateneo de Manila University with degrees in both 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 in AEA Development Corporation, an investment house, and has also served in the government under both the Office of the Prime Minister and the Ministry of Finance. He is a licensed real estate broker and is concurrently a director of Philippine Estates Corporation, Wellex Industries, Inc., Forum Pacific, Inc. and is the treasurer of Metro Alliance Holdings and Equities Corporation.

Jerraemie Nikka C. Patulot	Compliance Officer

Atty. Patulot is a legal professional currently serving as the Group Compliance Officer Waterfront Philippines, Inc. and its affiliate network. In this capacity, she oversees regulatory standards for a publicly listed hospitality group, specifically managing Securities and Exchange Commission (SEC), and Philippine Stock Exchange (PSE) requirements. Her current practice is built upon a diverse professional history, including her recent role as Legal Counsel for Electronic Transfer & Advance Processing Inc., where she focused on fintech regulations and AMLC compliance. Her extensive career also includes serving as a Legal Officer for TV5 Network Inc., an Associate Lawyer for Semirara Mining and Power Corporation, and an Attorney III for the Department of Environment and Natural Resources. Furthermore, she has contributed to the legal academic community as a Special Lecturer in Law at Arellano University, teaching subjects such as Obligations and Contracts and the Data Privacy Act.

Her professional expertise is supported by an exceptional academic background from top-tier institutions. She earned her Juris Doctor from De La Salle University Manila in 2016. Prior to her legal studies, she attended St. Scholastica's College Manila, where she graduated Cum Laude with two (2) degrees: a Bachelor of Arts in Mass Communication and a Bachelor of Science in Commerce, majoring in Entrepreneurship and Franchise Management. This multi-disciplinary foundation, combined with her experience in corporate governance and environmental law, allows her to navigate complex regulatory landscapes with both technical precision and strategic insight.

Edissa Mari A. Medino	Chief Audit Executive

Ms. Medino is the Corporate Internal Audit Manager of Waterfront Hotel & Casinos. She is a Certified Public Accountant by profession. Together with the three internal auditor staff, she is responsible for auditing the Group's four properties, ensuring that goals and objectives are carried out efficiently and effectively. She is directly reporting to the CEO of the Group. She started her career in 2014 at SGV & Co. as a Tax Associate and was later promoted to Senior Tax Associate. She worked with the audit firm for four years before transferring to a private entity (Ecossential Foods and Corporation) as a Senior Tax and Compliance Officer. After a year, she joined the Bureau of Internal Revenue as a Revenue Officer.

There are no employees of the Company who is not an Executive Officer but expected to make significant contribution to the business of the Company.

None of the above directors and officers is connected with any government agencies and instrumentalities except for Atty. Lamberto B. Mercado Jr. and Mr. 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. Mr. 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 Relationship

Ms. Elvira A. Ting is a sister of Ms. Dee Hua T. Gatchalian, while Hanniel T. Ngo is a nephew of both Ms. Elvira A. Ting and Ms. Dee Hua T. Gatchalian. Aside from these relationship, no family relationship up to the fourth degree of consanguinity or affinity exists among the directors and executives.

Involvement in Certain Legal Proceedings

None of the directors and officers/nominees were involved in any bankruptcy proceedings. Neither have they been convicted by final judgment in any criminal proceedings, or been subjected to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities or commodities or banking activities, nor found in an action by any court or administrative bodies to have violated a securities and 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.

Certain Relationship and Related Transactions

	Relationship to the Issuer	Nature of Advances	Amount of Advances
The Wellex Group, Inc. (TWGI)	Ultimate Parent	Secured; Interest-bearing; due in five years subject to renewal	2025 – P 1,951,564,000 2024 – P 1,053,846,000
Pacific Rehouse Corporation (PRC)	Stockholder	Secured; Interest-bearing; not impaired; due in one year subject to renewal	2025 – P 627,177,000 2024 – P 616,526,000
Philippine Estate (PHES)	Stockholder	Unsecured; not interest-bearing; due on demand	2025 – P - 2024 – P -
Crisanta Realty	Stockholder	Unsecured; not interest-bearing; due in 5 years	2025 – P 719,802,000 2024 – P 558,941,000

See Note 8 on Consolidated FS 2025

Attendance Report of the Board of Directors

	Name of Director	Number of Meetings Held	Number of Meetings Attended	%
1	Sergio R. Ortiz-Luis, Jr.	7	7	100%
2	Elvira A. Ting	7	7	100%
3	Arthur M. Lopez	7	7	100%
4	Dee Hua T. Gatchalian	7	7	100%
5	Aristeo R. Cruz	7	7	100%
6	Josaias T. Dela Cruz	7	7	100%
7	Ruben D. Torres	7	7	100%
8	Lamberto B. Mercado, Jr.	7	7	100%
9	Renato C. Francisco	7	7	100%

Term of Office

The Directors of WPI are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified. Officers are appointed or elected annually by the Board of Directors at its first meeting following the Annual Meeting of Stockholders, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected, appointed or shall have been qualified.

Directors disclosures on self-dealing and related party transactions

There are no directors who have direct business transactions or dealings with the Company. A director must abstain from participating in a meeting when related-party transactions, self-dealings, or any transactions in which he/she has a material interest are being discussed, to ensure that he/she has no influence over the outcome of the deliberations.

Item 6. **Compensation of Directors and Executive Officers**

None of the Directors receive compensation for serving as Directors of the Company.

The aggregate paid to the highly compensated executive officers (estimated)

Aggregate Compensation paid to highly compensated executive officer	Principal Position	Year	Salary (Estimated in Php)	Bonus	Other Annual Compensation
Cherryl M. Vidal	Corporate Finance Director				
Maria Socorro R. Cotelo	Corporate Planning Director				
Lanelle Cristina M. Barba	Corporate Peers' Resources and Development Director				
Aggregated for above Named Officers		**Q1-Q2 2026**	**PhP 4.50M**	**None**	**None**
		2025	**PhP 21.64M**	**None**	**None**
		2024	**PhP 21.23M**	**None**	**None**
		2023	**PhP 20.61M**	**None**	**None**

None of the executive officers receive bonuses and other annual compensation

Compensation Plan of Directors

The members of the Board of Director are elected for a term of one year. Director per diem is at a rate of PhP 9,000.00 (net of 10% EWT) 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 2025 and 31 December 2024.

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

There is no employment contract and termination of employees and change-in-control arrangement with directors and executive officers.

Warrants and Options Outstanding

There are no warrants and options outstanding held by Waterfront Philippines, Incorporated's CEO, executive officers and all officers and directors as a group.

Item 7. **Independent Public Accountants**

The external auditor of Waterfront Philippines, Inc. (WPI) for the most recently completed calendar year ended December 2025 was KPMG R.G. Manabat and Co., previously KPMG Manabat Sanagustin and Co., under the supervision of Ms. Diana Rose A. De Mesa , Partner in-charge, who served as the engagement partner for the year 2025.

For the current year, KPMG R.G. Manabat and Co. is being recommended by the board of directors for the approval of stockholders for this coming year. The Partner-in-Charge for the current year will be elected during the Annual Stockholders'Meeting.

The company is in compliance with SRC Rule 68, Paragraph 3(b)(iv).

There were no changes in or disagreements with the accountants or with the current accounting firm relating to accounting and financial disclosure.

Representatives of the said firm are expected to be present at the stockholders' meeting, and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Audit Committee

The members of the Audit Committee, composed of at least three (3) directors, at least one (1) of whom shall be an independent director, are elected by the board during the first board meeting following the annual stockholders meeting. Each member of the Audit Committee shall have an adequate understanding, at least, or competence at most, of the company's financial management systems and environment. The Audit Committee shall have the functions, powers and authorities as may be prescribed by the Board, or as provided in the Corporation's Manual of Corporate Governance, and as may be prescribed by applicable law and regulations.

Duties and Responsibilities of the Audit Committee

Review all financial reports against compliance with both the internal financial management policy and pertinent accounting standards, including regulatory requirements. Review management policy on financial management, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, crisis management. Review audit plans, scope and frequency of the external audit to the extent advisable, interface with the internal and external auditors. Develop a plan to elevate to international standards the accounting and auditing processes, practices and methodologies, including: a realistic timetable within which the accounting system of the Corporation will be compliant with International Accounting Standards (IAS); an accountability statement that will specifically identify officers and /or personnel directly responsible for the accomplishment of such task;

Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the Company through a step-by-step procedures and policies handbook that will be used by the entire organization.

The Board constituted the following committees:

Audit Committee

Chairman	-	Aristeo R. Cruz	Independent Director
Member	-	Renato C. Francisco	Independent Director
Member	-	Dee Hua T. Gatchalian	

Audit and Audit-Related Fees

	FOR THE CALENDAR YEAR ENDED DECEMBER 31,	
Calendar Year	2025	2024
Aggregate Fees Billed for the external audit of the Company's financial statements	5,207,500	4,787,500

The Company has complied with the requirements of the Rotation of External Auditors as outlined in SRC Rule No.68, Paragraph 3(b)(iv)

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 P5.21 million and P4.79 million for 2025 and 2024, respectively.

2. There are no other assurance and related services rendered by the external auditor for the years 2025 and 2024.

b. Tax Advisory Fees

1. There are no Tax Advisory Fees for 2025 and 2024.

c. All Other Fees

1. No other fees were charged.

d. Audit Committee Procedures

1. 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**

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

The Company has no immediate plan regarding any bonus, profit sharing, pension/retirement plan granting of extension of any option, warrant or right to purchase any securities.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. **Authorization or Issuance of Securities Other than for Exchange**

Waterfront Philippines, Incorporated. has no plans yet to increase its authorized capital stock.

Item 10. **Modification or Exchange of Securities**

Waterfront Philippines, Incorporated. has no plans to modify any of each authorized and issued securities or to
exchange them to another class.

ADDITIONAL REQUIREMENTS AS TO CERTAIN ISSUES AND ISSUER

As of December 31, 2025 the company has a net worth of P16.607 billion and is not planning to issue unsecured bonds for 2026.

Properties

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

As flagship of the Wellex Group's hotel and gaming interests, WPI has subsidiaries such as Waterfront Cebu City Casino Hotel, Inc. (WCCCHI) in Cebu City, Waterfront Mactan Casino Hotel, Inc. (WMCHI) in Mactan, Cebu and Davao Insular Hotel Company, Inc. (DIHCI) in Davao City, Grand Ilocandia Resort and Development, Inc. (GIRDI) (Collectively, as the Waterfront Hotels), among others. These properties are significant investments for WPI. In 2003, WPI acquired common shares of ACESITE (Phils.) Hotel Corporation, under the business name Waterfront Manila Hotel and Casino, which is now part of the Waterfront group of hotels.

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

Waterfront Cebu City Casino Hotel, Inc. ("WCCCHI") Land Lease:

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

Waterfront Mactan Casino Hotel, Inc. "WMCHI" Land Lease:

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

Davao Insular Hotel Company, Inc. ("DIHCI") Wholly Owned:

Location	Lanang, Davao City	
Size	Approximately 12.29 hectares but with foreshore area of 4.3 hectares	
	Title	**Area (In sq. Meters)**
	TCT 0-255*	2,997
	0-256*	304
	0-257*	113
	0-258*	50
	0-259*	404
	T-10250*	43,881
	T-10250*	47,320
	T-10251*	2,091
	T-102510*	2,043
	T-10252*	1,133
	T-10252*	300
	T-10252*	300
	T-10252*	1,580
	T-10254*	500
	T-10254*	400
	T-10303-A*	304
	T-30874*	223
	T-10264*	18,959

SSS Loan

On October 28, 1999, the Parent Company obtained a five-year term loan from SSS amounting to P375.00 million originally due on October 29, 2004. The SSS loan bears interest at the prevailing market rate plus 3.00% or 14.50% per annum, whichever is higher. Interest is repriced annually and is payable semi-annually. Initial interest payments are due 180 days from the date of the release of the proceeds of the loan. The repayment of the principal shall be based on eight semi-annual payments, after a 1-year grace period.

The SSS loan was availed to finance the completion of the facilities of WCCCHI. It was secured by a first mortgage over parcels of land owned by WII, a related party and by the assignment of 200.00 million common shares of the Parent Company owned by TWGI. The common shares assigned were placed in escrow in the possession of an independent custodian mutually agreed upon by both parties.

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

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

The remaining balance of the SSS loan is secured by the shares of stock of the Parent Company owned by TWGI and shares of stock of WII totaling 235.00 million and 80.00 million shares, respectively.

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

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

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

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

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

On September 12, 2005, the RTC of Quezon City issued its fourth order approving SSS's property bond in the total amount of P452.80 million. Accordingly, the RTC ordered the corresponding

issuance of the writ of preliminary attachment. On November 3, 2005, the Parent Company submitted a Petition for Certiorari before the Court of Appeals (CA) seeking the nullification of the orders of the RTC of Quezon City dated June 18, 2004, January 10, 2005, July 18, 2005 and September 12, 2005.

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

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

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

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

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

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

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

On January 22, 2016, SSS appealed with the CA assailing the RTC of Quezon City decision in favor of the Parent Company, et al. SSS filed its Appellant's Brief and the Parent Company filed a Motion for Extension of Time to file Appellee's Brief until May 16, 2016.
On May 16, 2016, the Parent Company filed its Appellee's Brief with the CA, furnishing the RTC of Quezon City and the Office of the Solicitor General with copies. SSS was given a period to reply but it did not file any.

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

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

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

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

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

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

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

- The Parent Company to pay SSS P375.00 million subject to 12.00% legal interest from October 28, 1999 to June 30, 2013, and 6.00% legal interest from July 1, 2013 until full payment; and

- SSS to return to the Parent Company the amount of P35.83 million, subject to a legal interest of 12.00% from the dates that the individual payments were remitted until June 30, 2013, and 6.00% legal interest from July 1, 2013 until full payment.

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

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

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

The Parent Company is hereby ordered to:

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

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

On April 17, 2023, the Company filed a Manifestation with Motion to Approve Proposed Set-off and Schedule Reconveyance with the RTC of Quezon City to comply with the orders set out in the SC decision.

On August 17, 2023, Branch 76 of the RTC of Quezon City issued an Order approving the legal compensation between SSS and the WPI, ordering WPI to pay P258,117,749.89 to SSS, which is the balance of the amount due to SSS after set-off of the amounts due to WPI, and further ordering the return of real estate properties and shares of stock by SSS to defendants WPI and WIN.

On September 20, 2023, SSS filed a Motion for Reconsideration with RTC of Quezon City asking that August 17, 2023 Order to be set aside. The Motion for Reconsideration was denied by the RTC on January 12, 2024.

On May 27, 2024, WPI, WIN, and TWGI tendered Manager's Checks totaling P258.12 million to SSS. On July 16, 2024, SSS filed its Manifestation of Conditional Acceptance, acknowledging receipt of the tendered amount as partial and initial payment only, subject to the outcome of the pending case before the Court of Appeals (CA G.R. SP No. 183716). As a result, the principal balance of the SSS loan was reduced to P116.88 million

WPI, WIN and TWGI then filed a Motion to Direct the Register of Deeds of Quezon City to cancel TCT Nos. N-281261 and N-281262 and to reinstate TC Nos. N-153395 and N-153396 to which the Court granted in its Order dated August 6, 2024.

Subsequently, SSS filed its Urgent Omnibus Motion for Reconsideration of the August 6, 2024 and for Inhibition of Hon. Pambid. The said Motion was denied by the Court on October 3, 2024.

On December 3, 2024, SSS filed a Petition for Certiorari (with Application for Temporary Restraining Order and/or Preliminary Injunction) against Hon. Pambid, WPI, TWGI and WIN before the CA, docketed as CA G.R. SP No.187166.

This is awaiting the order of the Court of Appeals to file comment on the Petition for Certiorari as at December 31, 2025.

Interest expense - net incurred from the SSS loan is recognized in the consolidated statements of profit or loss and other comprehensive income amounted to nil,
P10.65 million and P20.35 million in 2025, 2024 and 2023, respectively.

Further, in relation to the SC decision declaring the SSS loan as null and void, the Parent Company reclassified the outstanding balance of the loan and the related accrued interest amounting to P116.80 million and P785.36 million, respectively, as "Provision" as at December 31, 2025 and 2024. The management considered the requirements under PAS 37 as basis for the reclassification.

BIR Assessment

2006 BIR Tax Assessment

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

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

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

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

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

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

2019 BIR Tax Assessment

On June 8, 2021, the Parent Company received a Letter of Authority SN: eLA201500023533 LOA-080-2021-0000113 dated May 31, 2021 from the BIR for the taxable year 2019.

On January 26, 2023 the Parent received Notice of Discrepancy dated January 25, 2023. On February 24, 2023, the Parent Company sent a letter to BIR contesting the said assessment.

On May 23, 2023, an Amended Notice of Discrepancy dated May 15, 2023 was received by the parent with changes on the assessment. On June 20, 2023, the Parent submitted a reply with justification and explanation on itemized assessment.

On July 26, 2023, the parent received a Preliminary Assessment Notice dated July 24, 2023. On August 9, 2023, a reply dated August 9,2023 was sent to BIR still contesting the said assessment.

On August 31, 2023, a Formal Letter of Demand dated August 16, 2023 was received by the Parent. On October 2, 2023, the Parent Company sent a protest letter to BIR contesting the portion of the said assessment. Settlement on Documentary Stamp Tax, Registration Fee, Expanded Withholding Taxes and Withholding tax on Compensation amounting to P3.3 million was made on October 12, 2023.

On March 6, 2024, the Parent Company sent a protest letter, which was accepted by the BIR requesting for reinvestigation and verification, which includes deficiencies in income tax amounting to P22.0 million and VAT amounting to P21.3 million. A partial settlement for Income Tax amounting to P5.0 million was made on March 26, 2024, followed by a final payment of P5.08 million on May 27, 2024. On the same day, a Waiver of the Defense of Prescription for Value Added Tax was executed and accepted by the Regional Director of Revenue Region No. 13 on June 25, 2024. Lastly, a settlement of miscellaneous fees amounting to 59,000 was made on July 1, 2024.

Item 11. **Financial and Other Information**

Audited Financial Statements as of 31 December 2025, Management's Discussion and Analysis and Market Price of Shares and other data related to the Corporation's financial information are attached hereto. The schedules required under Part IV(c) of Rule 68 are included in the Annual Report.

Management Discussion and Analysis
Financial Statements
Changes In and Disagreements with Accounts on Accounting and Financial Disclosure
No Disagreements.

Item 12. **Mergers, Consolidations, Acquisitions and Similar Matters**

Waterfront Philippines, Incorporated. 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**

Acesite (Phils.) Hotel Corporation, a subsidiary of the Company, acquired 100% interest in CIMAR (now known as Acesite Realty, Inc.) in October 2011. In July 2011, the Company and CIMAR executed a Memorandum of Agreement (MOA), which effectively settle all pending cases and controversies between the two parties. In fulfillment of all the terms and conditions of the MOA, CIMAR's stockholders, including all their nominees, agreed to assign, sell, transfer and convey all existing shares of stocks of CIMAR to the Company.

Item 14. **Restatement of Accounts**

The Consolidated Financial Statements of Waterfront Philippines, Incorporated. has been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The Group restated the comparative financial statements as at December 31, 2023 (earliest period) and presented a Statement of Financial Position as at January 01, 2024 due to the impact of the following:

1) It was determined that a payment made by TWGI, ultimate parent company, amounting to P258.12 million on behalf of the Parent Company which was tendered to SSS in 2024, must be recognized in the financial statements of the Parent Company.

2) Accrual of Interest from the original loan with SSS which the Group has erroneously omitted in 2024 and 2023 amounting to P10.65 million and P42.83 million, respectively.

   The restatements resulted to deferred tax effect amount ing to P2.67 million and P5.09 million in 2024 and 2023, respectively

3) Erroneous recording of taxes and licenses relating to the documentary stamp taxes paid for advances made in 2024 amounting to P3.81 million.

4) Erroneous separate presentation of the retirement benefits assets and liabilities in the consolidated financial position which should be presented net in accordance with PAS 19 (Revised), Employee Benefits.

5) Erroneous presentation of changes in items with the consolidated statements of cash flows pertaining to the following:

   Reclassification of short-term investments from operating to investing activities to properly reflect nature of transactions;

   Interest paid under operating activities was adjusted to accurately reflect actual interest payments made;

   Cash inflows from proceeds from the sale of property and equipment and collection of insurance claims on property damages increased by P301.55 million and P30.40 million. Concurrently, cash outflow for additions to property and equipment were increased to correct recording of capital expenditures;

   Adjustments were made to noncash items and working capital changes, including increase depreciation, adjustments to receivables, accounts payable and accrued expenses.

D. OTHER MATTERS

Item 15. **Action with Respect to Reports**

1. Annual report for the year ended December 31, 2025 will be presented to the stockholders for approval.

2. Minutes of the 2025 Annual Stockholders' Meeting will also be presented to the security holder for approval.

3. Interim Report as of June 30, 2026 will be presented to the security holder for information regarding the actual situation of the business.

Item 16. **Matters Not Required to be Submitted**

Not Applicable.

Item 17. **Amendment of Charter, Bylaws or Other Documents**

On August 10, 2026, the Board of Directors approved the Amendment of the By-laws by amending Article II, Section 1 of the By-laws, as follows:

FROM:

ARTICLE II
MEETINGS OF SHAREHOLDER

Section 1. Regular Meetings – The regular meetings of shareholders. for the purpose of electing Directors and for the transaction of such business as may properly come before the meeting, shall be held at the principal office on the **last day of September** of each year. if falling on a legal holiday. then on the day following. The Board of Directors may provide, however. that the regular meeting shall be held at such other date and time as shall be specified the notice of the meeting.

TO:

ARTICLE II
MEETINGS OF SHAREHOLDER

Section 1. Regular Meetings – The regular meetings of shareholders. for the purpose of electing Directors and for the transaction of such business as may properly come before the meeting, shall be held at the principal office in the **LAST FRIDAY of SEPTEMBER** of each year. if falling on a legal holiday. then on the day following. The Board of Directors may provide, however. that the regular meeting shall be held at such other date and time as shall be specified the notice of the meeting.

The proposed amendment of the By-laws is to fix the specific date of the Annual Stockholder's Meeting in compliance with good corporate governance and to align the meeting with those of the Company's wholly owned subsidiaries and affiliates.

Item 18. **Other Proposed Action**

For the coming Stockholders meeting on September 30, 2026 at 10:00 a.m. these are the following proposed action to be taken:

a. Approval of Minutes of the previous stockholders meeting.

b. Presentation and approval of the Annual Report

c. Ratification of the acts of the Board of Directors and Management including the ratification of the loan obtained by the Corporation from Philippine bank of Communication.

d. Election of the board of directors for the ensuing term:

- Ms. Elvira A. Ting
- Mr. Hanniel T. Ngo
- Mr. Aristeo R. Cruz
- Mr. Arthur M. Lopez
- Mr. Sergio R. Ortiz-Luis, Jr.
- Mr. Ruben D. Torres
- Mr. Renato C. Francisco
- Mr. Lamberto B. Mercado Jr.
- Mr. Josaias T. Dela Cruz

e. Authority to Amend the By-Laws Article II, Meetings of the Stockholders, Section 1, changing the schedule of the Annual Stockholder Meeting from LAST DAY OF SEPTEMBER OF EACH YEAR to LAST FRIDAY OF SEPTEMBER OF EACH YEAR.

f. Appointment of External Auditors

The board will recommend KPMG R.G. Manabat & Co., previously KPMG R.G. Manabat and Co., as the Corporate External Auditor for the year 2026.

g. Appointment of External Counsel

For the year 2026, the Board will recommend Corporate Counsels, Philippines as the Legal Counsel of the Company.

Other than the above-mentioned proposed actions there are no other matters that the Board of Directors intend to present or has reason to believe others will present at the meeting.

Item 19. **Voting Procedures**

Other than the above-mentioned proposed actions there are no other matters that the Board of Directors intend to present or have reason to believe others will present at the meeting.

At every meeting of the stockholders of the corporation, each share of stock entitles its owner to one vote, provided, however, that in the case of election of directors, every stockholder entitled to vote shall be entitled to cumulate his shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many nominees as he shall see fit, provided that the entire number of votes cast by him shall not exceed the number of shares owned by him multiplied by the entire number of directors to be elected.

Every stockholder entitled to vote at any meeting of the stockholders may vote in person or by proxy, provided that the proxy shall have been appointed in writing by the stockholder himself or by his duly authorized attorney-in-fact. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. The instrument authorizing a proxy to act must be in the hands of the Secretary not later than forty-eight (48) hours before the time for the meeting axe (Article II, Sec. 7 of the By-Laws). For the Annual Stockholders Meeting 2024, voting shall be by Proxy or by Voting in Absentia via the provided Online Voting System.

It is being noted that all items on the agenda shall be voted for by the majority of the stockholders.

MANAGEMENT REPORT

In 2025, the Group has been continuously and resiliently getting back on track by opening its rooms and facilities and gaining functions for special events. More opportunities were identified by creating new products, adding more services and breaking into new markets. The Group still took advantage of technology to cater to the demands of the market online.

Taking consideration of the growing and competitive market, Waterfront Group has continued to take the lead by accommodating with utmost service both local and international guests in all walks of life, may they visit on individual basis or in groups from online bookings, walk-ins, government or corporate clients.

Strategies

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

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

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

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

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

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

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

Our greatest software is our People.

Management's Discussion and Analysis or Plan of Operation

A. FULL FISCAL YEARS

Below are the results of operations of the Parent Company and its subsidiaries, for the years ended December 31, 2025 and 2024 together with its financial conditions as of the same period.

RESULTS OF OPERATIONS (Amounts in Php)

	2025	2024
Revenues	2,033,688,638	1,951,540,132
Less: Costs and Expenses	1,698,897,982	1,435,026,056
Gross Income	**334,790,656**	**516,514,076**
Other Expenses	(463,443,165)	1,228,075,752
Net Income Before Income Tax	**(128,652,509)**	**1,744,589,828**
Income Tax Expense (Benefit)	(22,887,530)	151,703,603
NET INCOME	**(105,764,979)**	**1,592,886,225**
Earnings per Share	**(0.02)**	**0.34**

FINANCIAL CONDITION (Amounts in Php)

	2025	2024
ASSETS		
Current Assets	2,703,747,062	4,561,995,119
Noncurrent Assets	21,886,847,945	17,854,335,198
Total Assets	**24,590,595,007**	**22,416,330,317**
LIABILITIES		
Current Liabilities	1,640,643,532	1,685,472,901
Non-current Liabilities	6,342,868,417	6,047,720,156
Total Liabilities	**7,983,511,950**	**7,733,193,057**
EQUITY		
Minority Interest	2,883,581,166	2,342,731,788
Total Stockholders' Equity	**13,723,501,891**	**12,340,405,472**
Total Liabilities & S/H Equity	**24,590,595,007**	**24,590,595,007**

Calendar Year -ended

December 31, 2025, as compared with Calendar Year ended December 31, 2024

RESULTS OF OPERATIONS

Revenues and Earnings per share	*- Total revenues for the year ended Dec. 31, 2025 were higher than the previous year. In actual performance, revenues from hotel & other subsidiaries for the year 2025 is at P2.033B compared to 2024's P1.95B, increasing by 6.20%.* *Earnings per share for 2025, (P0.02) and P0.34 for 2024. There are no potentially dilutive shares as of December 31, 2025.*
Cost and expenses	*- Cost and expenses of 2025 is at P1.698B compared to last year's P1.43B*

FINANCIAL CONDITION

Cash and cash equivalents	*- This account decreased by P33.81M which is 8.60% lower from last year.*
Receivables	*- Decreased by 30.57% from P1.582B in 2024 to P1.098B in 2025.*
Notes Receivable	*- Decreased for the year by P133M or an decrease of 48.95%.*
Inventories	*- Inventories increased by 2.70% from last year.*
Due from related parties-current portion	*- The account decreased to P994.99M, an amount 55% lower from last year.*
Prepaid expenses and other current assets	*- A increase of P78.861M from last year's P69.487M. Prepaid expenses are defined as payment for services and/or benefits yet to be performed or received; it also includes prepaid taxes and insurance.*
Property plant & equipment	*- There was a 20.25% increase from last year's P11.675B to this year's P14.038B. In compliance with PAS 27, property and equipment (except operating and transportation equipment) were carried at revalued amounts effective 2009.*

Other noncurrent assets	*- There is an decrease of P21.455M on this account compared to last year's P901.695M.*
Current Liabilities	*- The account consisted of trade payable, income tax payable, accruals and due to related parties. The account increased by 2.17% from last year; P1.317B in 2024 to P1.345B in 2025.*
Loans Payable	*- Current portion of the loan decreased by P55M.*
Other noncurrent liabilities	*- The account resulted in an increased from P72.526M last year to P54.161M this year. This refers to concessionaire, other deposits and deferred income.*

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

RESULTS OF OPERATIONS

Revenues and Earnings per share	*- Total revenues in 2024 were higher compared to 2023. Revenues generated from hotel operations and other subsidiaries amounted to P1.952 billion in 2024, up from P1.804 billion in 2023, reflecting an increase of 8.20%.* *Earnings per share (EPS) for 2024 amounted to P0.34, compared to P0.021 in 2023. As of December 31, 2024, there were no potentially dilutive shares.*
Cost and expenses	*- Total costs and expenses in 2024 increased to P1.435 billion from P1.144 billion in 2023.*

FINANCIAL CONDITION

Cash and cash equivalents	*- In 2024, this account decline by P82.592 million, representing a 17.35% decrease compared with 2023.*
Receivables	*- Receivables increased by 75.12%, rising from P903.67 million in 2023 to P1.582 billion in 2024.*
Notes Receivable	*- Notes receivable increased by P4.149 million in 2024, equivalent to a 1.55% increase compared with 2023.*
Inventories	*- Inventories increased by 25.26% in 2024 compared to the year 2023.*
Due from related parties-current portion	*- In 2024, this account decreased to P2.211 billion, representing a 24.71% decline from 2023. This balance consists of interest-bearing advances to TWGI, PRC, and Crisanta Realty.*
Prepaid expenses and other current assets	*- This account declined by P178.969 million in 2024, from P248.457 million in 2023. Prepaid expenses represent payments for services or benefits to be received in future periods, including prepaid taxes and insurance.*
Property plant & equipment	*- Property, plant, and equipment decreased slightly by 0.26%, from P11.706 billion in 2023 to P11.675 billion in 2024. In compliance with PAS 27, property and equipment (except operating and transportation equipment) were carried at revalued amounts effective 2009.*
Other noncurrent assets	*- Other noncurrent assets increased by P173.039 million in 2024 compared to the P728.656 million balance in 2023.*
Current Liabilities	*- The account consisted of trade payable, income tax payable, accruals and due to related parties. The account increased by 4.00% from P1.226 billion in 2023 to P1.317 billion in 2024.*
Loans Payable	*- The current portion of loans payable decreased by P44.00 million in 2024.*
Other noncurrent liabilities	*- Other current liabilities increased from P63.48 million in 2023 to P72.526 million in 2024. This account mainly*

	comprises concessionaire deposits, other deposits, and deferred income.

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

RESULTS OF OPERATIONS

Revenues and Earnings per share	*- Total revenues in 2023 were higher compared to 2022. Revenues generated from hotel operations and other subsidiaries amounted to P1.804 billion in 2023, up from P1.486 billion in 2022, reflecting an increase of 21.34%.* *Earnings per share (EPS) for 2023 amounted to P0.028, compared to P0.033 in 2022. As of December 31, 2023, there were no potentially dilutive shares.*
Cost and expenses	*- Total costs and expenses in 2023 increased to P1.144 billion from P993.38 million in 2022.*

FINANCIAL CONDITION

Cash and cash equivalents	*- In 2023, this account declined by P107.94 million, representing a 18.49% decrease compared with 2022.*
Receivables	*- Receivables increased by 3.41%, rising from P873.87 million in 2022 to P903.67 million in 2023.*
Notes Receivable	*- Notes receivable increased by P20.17 million in 2023, equivalent to a 8.15% increase compared with 2022.*
Inventories	*- Inventories increased by 14.27% in 2023 compared to the year 2022.*
Due from related parties-current portion	*- In 2023, this account decreased to P2.936 billion, representing a 31.09% decline from 2022. This balance consists of interest-bearing advances to TWGI, PRC, and Crisanta Realty.*
Prepaid expenses and other current assets	*- This account increased by P0.06 million in 2023, from P248.40 million in 2022. Prepaid expenses represent payments for services or benefits to be received in future periods, including prepaid taxes and insurance.*
Property plant & equipment	*- Property, plant, and equipment increased by 6.41%, from P11.706 billion in 2022 to P11.706 billion in 2023. In compliance with PAS 27, property and equipment (except operating and transportation equipment) were carried at revalued amounts effective 2009.*
Other noncurrent assets	*- Other noncurrent assets decreased by P3.10 million in 2023 compared to the P731.76 million balance in 2022.*
Current Liabilities	*- The account consisted of trade payable, income tax payable, accruals and due to related parties. The account decreased by 27.52% from P1.747 billion in 2022 to P1.266 billion in 2023.*
Loans Payable	*- The current portion of loans payable decreased by P255 million in 2023.*
Other current liabilities	*- Other current liabilities increased from P32.95 million in 2022 to P63.49 million in 2023. This account mainly comprises concessionaire deposits, other deposits, and deferred income.*

Key Performance Indicators

The following are the major financial ratios of the Company for the years ended December 31, 2025, 2024 and 2023.

Financial Ratios	Formula	December 31, 2025	December 31, 2024	December 31, 2023
Liquidity Analysis Ratios:				
Current Ratio	Current Assets / Current Liabilities	1.648	2.707	1.802
Quick Ratio	(Current Assets - Inventory - Prepayments)/ Current Liabilities	1.580	2.647	0.889
Solvency Ratio	Total Assets/ Total Liabilities	3.080	2.899	0.295
Debt Ratio	Total Debt / Total Assets	0.325	0.345	0.343
Debt-to-Equity Ratio	Total Debt / Total Stockholders' Equity	0.582	0.627	0.621
Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	(0.561)	5.441	5.176
Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	1.792	1.816	1.810
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service/ Sales	16.46%	26.47%	26.7%
Net Profit Margin	Net Profit / Sales	(5.20%)	81.62%	82.23%
Return on Assets	Net Income before Tax/ Total Assets	(0.52%)	7.78%	7.32%
Return on Equity	Net Income before Tax / Total Stockholders' Equity	(0.94%)	14.14%	12.96%
Price / Earnings Ratio	Price Per Share / Earnings Per Common Share	(18.915)	1.325	1.074

The Company's current ratio decreased from 2.707 in 2024 to 1.648 in 2025, indicating a decrease in the Company's current assets relative to its current liabilities. Similarly, the quick ratio declined from 2.647 in 2024 to 1.580 in 2025. Despite the decrease, the Company maintained current and quick ratios above 1.00, indicating that its current assets and readily realizable assets remained sufficient to cover its current liabilities as of December 31, 2025

The Company's solvency ratio improved from 2.899 in 2024 to 3.080 in 2025, indicating an improvement in the Company's overall ability to cover its total liabilities through its total assets. The debt ratio also decreased from 0.345 in 2024 to 0.325 in 2025, indicating a reduction in the proportion of the Company's assets financed through debt.

Consistent with the decrease in the debt ratio, the debt-to-equity ratio improved from 0.627 in 2024 to 0.582 in 2025, indicating a lower level of debt relative to stockholders' equity. The asset-to-equity ratio likewise decreased slightly from 1.816 in 2024 to 1.792 in 2025.

However, the Company's interest coverage ratio declined significantly from 5.441 in 2024 to (0.561) in 2025. This decline was primarily attributable to the Company's lower earnings before interest and taxes (EBIT) in 2025. The negative ratio indicates that the Company's operating earnings were insufficient to cover its interest charges during the year.

The Company's profitability declined in 2025 compared with the previous years. Gross profit margin decreased from 26.47% in 2024 to 16.46% in 2025, indicating lower gross profitability relative to sales.

The Company's net profit margin decreased from 81.62% in 2024 to (5.20%) in 2025, reflecting a net loss for the year. Similarly, return on assets decreased from 7.78% in 2024 to (0.52%), while return on equity decreased from 14.14% to (0.94%). These changes indicate that the Company generated a negative return on both its assets and stockholders' equity in 2025, compared with positive returns in the preceding years.

The Company's price-to-earnings ratio was (18.915) in 2025, compared with 1.325 in 2024 and 1.074 in 2023. The negative ratio in 2025 reflects the Company's negative earnings during the year.

Overall, while the Company's liquidity and leverage indicators remained relatively stable and its debt-related ratios improved in 2025, its profitability and interest coverage declined significantly compared with the preceding years. Management continues to monitor the Company's financial performance and liquidity position and remains focused on improving operating results and maintaining prudent financial management.

Key Variable and Other Qualitative and Quantitative Factors:

a. Any known Trends, Events or Uncertainties

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

Omnibus Security and Loan Agreement Covenants

As of December 31, 2025, the Group's debt service coverage ratio had met the agreed threshold.

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

c. The group is not subject to externally imposed capital requirements.

Financial Risk and Capital Management Objectives and Policies

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

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

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables.

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

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

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

The credit grades used by the Group in evaluating the credit quality of its receivables to customers and other parties are the following:

Grade A financial assets pertain to financial assets that are neither past due nor impaired which have good collection status. These financial assets are those which have a high probability of collection, as evidenced by counterparties having the ability to satisfy their obligations.

Grade B financial assets are those past due but not impaired financial assets and with fair collection status. These financial assets include those for which collections are probable due to the reputation and the financial ability to pay of the counterparty but have been outstanding for a length of time.

Grade C financial assets are those which have continuous default collection issues. These financial assets have counterparties that are most likely not capable of honoring their financial obligations

The credit quality of the Group's financial assets that are neither past due nor impaired is considered to be of good quality and expected to be collectible without incurring any credit losses.

Information on the Group's receivables and due from related parties that are impaired as of December 31, 2025 and 2024 and the movement of the allowance used to record the impairment losses are disclosed in Notes 5 and 8 to the consolidated financial statements.

Liquidity Risk

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

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

Ultimate responsibility for liquidity risk management rests with the BOD, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. For the Group's short-term funding, the Group's policy is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

Market Risk

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

The Group is primarily exposed to the financial risk of changes in equity prices of its equity securities - at FVOCI.

Interest Rate Risk

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

The Group's financial instrument that is primarily exposed to interest risk is the interest-bearing funds made available by the Parent Company to WCCCHI to finance the construction of the Cebu

City Hotel Project. Such funds were substantially sourced from a P375.00 million loan from SSS, as well as the stock rights offering of the Parent Company. Since 2006, the Parent Company charged WCCCHI on the related interests and penalties on the contention that the latter benefited from the proceeds of the SSS loan. Starting 2017, WCCCHI was not anymore charged with the interest on SSS loan because the Parent Company has assessed if it has already fulfilled its obligations related to its use of proceeds from such loan.

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

Equity Price Risk

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

The Group is exposed to equity price risk because of its investment in shares of stock of WII which are listed on the PSE totaling to 86.71 million shares as at December 31, 2025 and 2024 (see Note 8f). The Group has also investment in shares of stock of WMPD amounting to P50.00 million representing 5% of the total capital stock of WMPD (see Note 8f).

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

Fair Value of Financial Assets and Liabilities

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

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

The fair value of listed investment was determined using the closing market price of the investment listed on the PSE as of December 31, 2025 and 2024.

Risk Management Structure
Board of Directors

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

Risk Management Committee

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

Capital Management

The primary objective of the Group's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios in order to

support its business and maximize shareholder value. Capital is defined as the invested money or invested purchasing power, the net assets or equity of the entity. The Group's overall strategy remains unchanged from 2025 and 2024.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. For purposes of the Group's capital management, capital includes all equity items that are presented in the consolidated statement of changes in equity, except for revaluation surplus on property and equipment, retirement benefits reserve, foreign currency translation adjustment and fair value reserve.

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

B. INTERIM PERIODS

Below are the results of operations of the Parent Company and its subsidiaries, for the quarter ending June 30, 2026 and 2025 together with its financial conditions as of the same period.

RESULTS OF OPERATIONS

	June 2026	June 2025
Revenues	450,820,489	499,552,966
Less: Costs and Expenses	329,714,699	310,997,288
Net Income Before Fixed Financial and Other Charges	**121,105,790**	**188,555,678**
Less: Fixed Financial and Other Charges (Dep'n and Amort'n, and Interest)	63,340,126	149,109,416
Income before Income Tax	**57,765,664**	**39,446,262**
Income Tax Expense	5,638,495	11,677,489
Income (Loss) before Share in Minority Interest	58,872,519	19,267,318
Share of Minority Interest	(6,745,350)	8,501,454
Net Income	**52,127,168**	**27,768,773**
Earnings Per share	**0.024**	**0.008**

Quarter ended June 30, 2026 compared to Quarter Ended June 30, 2025.

Income Statement

Hotels and other subsidiaries' gross revenue for the 2nd quarter of 2026 was P48.7 million lower than last year, mainly because of fewer tourist arrivals and cancelled events from corporate and government agencies. These were driven by higher airfares linked to the Middle East energy crisis. Consolidated costs and expenses went up by 3%, mostly due to the recent fuel price hike, which added to operating expenses.

Seasonality or Cyclicality of Interim Operations

2ND QUARTER

The Group opened its facilities and functions for special events and accommodated local guests through online bookings and walk-ins, government and corporate clients that include airline, telecommunication and utility companies. For Food and Beverage, the Group has reimagined the outlet menus boosting promotions for clients to get to taste our sumptuous dishes right at the outlets. Presentation of top five performance indicators for third quarter is shown as follows.

	30-June-26	30-June-25
Occupancy Percentage	52.97%	72.94%
Average Room Rates	3,530.78	3,422.06
Food Covers	121,097	158,354
Average Food Checks	526.49	504.52
Average Food Costs	37.44%	36%

Occupancy Percentage

The occupancy percentage is 52.97%. Occupancy percentage is computed by dividing the total number of rooms sold over the total number of rooms available for sale.

Average Room Rate

Average room rate is Php 3,530.78. Average room rate is computed by dividing the net rooms revenue over the total number of rooms sold.

Food Covers

Food covers are 121,097. Food covers pertain to the number of guests that availed of the restaurant's services.

Average Food Check

The average food check or average consumption per guest is Php 555.59. Average Food Check is derived by dividing the total food and beverage revenue by total food covers.

Average Food Cost

The average food cost is 37.44%. Average Food Cost is computed by dividing the cost of sales food by revenue plus allowance.

FINANCIAL CONDITION

Cash and cash equivalents – This account decreased by P24.49M which is 7% lower from June last year.

Receivables – has decreased by 63% from P3.84B in June 2025 to P1.42B in June 2026.

Notes Receivable – Increased by 79% or P97.81M from June 2025.

Inventories – Inventories decreased by 1% from June last year.

Due from related parties-current portion – Has decreased by P2.55B from June of last year. This represents interest bearing advances to TWGI, PRC and Crisanta Realty.

Prepaid expenses and other current assets – – A decrease of P532.76M from June last year have been noted, primarily due to account reclassifications. Prepaid expenses refer to payments made for services and/or benefits yet to be performed or received; it also includes prepaid taxes and insurance.

Property plant & equipment – There was a 50% increase from June last year. In compliance with PAS 27, property and equipment (except operating and transportation equipment) were carried at revalued amounts effective 2009.

Other noncurrent assets – There is a slightly decrease of 0.43% from June last year.

Current Liabilities – The account consisted of trade payable, income tax payable, accruals and loans payable. The account decreased by 30% from last year.

Loans Payable – current portion of the loan for June 2026 is at P241M compared to last year of P670M.

Noncurrent liabilities – The account resulted in a decreased of 10% from June of previous year.

Key Variable and Other Qualitative and Quantitative Factors:

a. Any known Trends, Events or Uncertainties

The Group has assessed that it will still have a continued operation after the previous year's challenges. The full impact on the Group will depend on the duration of this unique crisis and how it severely impacts the economy going forward, with a range of potential outcomes too large to provide a meaningful quantification at this point. The subsequent impact of this outbreak especially on the Group's estimates of provision on financial instruments and recoverability of nonfinancial assets will be determined, quantified and recognized in the Group's financial statements when these become estimable.

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

Omnibus Security and Loan Agreement Covenants

As of June 30, 2026, the Group's debt service coverage ratio had met the agreed threshold.

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

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

Financial Risk and Capital Management Objectives and Policies

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

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

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables.

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

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

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

The credit grades used by the Group in evaluating the credit quality of its receivables to customers and other parties are the following:

Grade A financial assets pertain to financial assets that are neither past due nor impaired which have good collection status. These financial assets are those which have high probability of collection, as evidenced by counterparties having ability to satisfy their obligations.

Grade B financial assets are those past due but not impaired financial assets and with fair collection status. These financial assets include those for which collections are probable due to the reputation and the financial ability to pay off the counterparty but have been outstanding for a length of time.

Grade C financial assets are those which have continuous default collection issues. These financial assets have counterparties that are most likely not capable of honoring their financial obligations

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

Information on the Group’s receivables and due from related parties that are impaired as of December 31, 2025 and 2024 and the movement of the allowance used to record the impairment losses are disclosed in Notes 5 and 8 to the consolidated financial statements.

Liquidity Risk

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

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

Ultimate responsibility for liquidity risk management rests with the BOD, which has established an appropriate liquidity risk management framework for the management of the Group’s short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. For the Group’s short-term funding, the Group’s policy is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

Market Risk

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

The Group is primarily exposed to the financial risk of changes in equity prices of its equity securities - at FVOCI.

Interest Rate Risk

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

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

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

Equity Price Risk

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

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

Fair Value of Financial Assets and Liabilities

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

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

Risk Management Structure

Board of Directors

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

Risk Management Committee

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

Capital Management

The primary objective of the Group's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. Capital is defined as the invested money or invested purchasing power, the net assets or equity of the entity. The Group's overall strategy remains unchanged from 2026 and 2025.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. For purposes of the Group's capital management, capital includes all equity items that are presented in the consolidated statement of changes in equity, except for revaluation surplus on property and equipment, retirement benefits reserve, foreign currency translation adjustment and fair value reserve.

The Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the omnibus and security loan agreement. Breaches in meeting the financial covenants would permit the bank to immediately call the loans.

OPERATIONAL AND FINANCIAL INFORMATION

Market for Registrant's Common Equity and Related Stockholder Matters

1. Market Information

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

	2026		2025		2024	
	High	Low	High	Low	High	Low
1st Quarter	0.4500	0.4250	0.4100	0.4050	0.4100	0.4000
2nd Quarter	0.5000	0.4900	0.4500	0.4300	0.4000	0.3900
3rd Quarter			0.4700	0.4300	0.3750	0.3650
4th Quarter			0.4200	0.4100	0.4300	0.3700

The last trading price was Php 0.4000 on August 27, 2026.

2. Holders

The number of stockholders of record as of August 31, 2026 on the Register of Shareholders was 419 but the company is not able to identify the actual number of beneficial owners who are registered under the name of the member companies of the Philippine Stock Exchange (PSE). Common shares outstanding as of August 31, 2026 were 2,498,991,753. There have been no sales for the last three years of unregistered securities or exempt securities, including recent issuance of securities constituting an exempt transaction.

Title of Class	Top 20 Stockholders as of August 31, 2026	Citizenship	No. of Shares held	% of Class
Common	PCD Nominee Corp. (Filipino)	Filipino	1,135,455,725	45.44%
Common	The Wellex Group, Inc.	Filipino	1,128,466,800	45.16%
Common	PCD Nominee Corp. (Non-Filipino)	Non-Filipino	45,467,049	01.82%
Common	Kenneth T. Gatchalian	Filipno	30,000,100	01.20%
Common	Rexlon T. Gatchalian	Filipino	30,000,000	01.20%
Common	Weslie T. Gatchalian	Filipino	30,000,000	01.20%
Common	Forum Holdings Corporation	Filipino	20,626,000	00.83%
Common	Primary Structures Corporation	Filipino	16,212,500	00.65%
Common	Rexlon T. Gatchalian	Filipino	14,740,000	00.59%
Common	Metro Alliance Holdings & Equities, Inc.	Filipino	14,370,000	00.58%
Common	Elvira A. Ting	Filipino	10,000,009	00.40%
Common	Catalina Roxas Melendres	Filipino	6,246,000	00.25%
Common	Manuel H. Osmena &/OR Manuel L. Osmena II	Filipino	1,400,000	00.06%
Common	Rolando M. Lim	Filipino	1,142,500	00.05%
Common	Felipe A. Cruz, Jr.	Filipino	1,100,000	00.04%
Common	Maria Concepcion Cruz	Filipino	876,000	00.04%
Common	Freyssinet Philippines, Inc.	Filipino	770,000	00.03%
Common	Benson Coyuco	Filipino	605,000	00.02%
Common	Lucena B. Enriquez	Filipino	552,000	00.02%

Common	Emily Lim	Filipino	500,000	00.02%

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

3. Dividends

The company has decided not to declare dividends since the year 2000 to prioritize funding capital projects, including facility renovations, and expansion plans. Additionally, standard clauses in our loan agreements restrict dividend payments to maintain financial stability and ensure compliance with debt obligations.

Corporate Governance

The Board of Directors and Management of the corporation hereby commit themselves to the principles and best practices contained in the Revised Manual on Corporate Governance and acknowledge that the same may guide the attainment of their corporate goals.

This Manual shall institutionalize the principles of good corporate governance in the entire organization. The Directors and Management, employees and shareholders believe that corporate governance is a necessary component in the realization of the Company's goals and effective governance and will therefore undertake every effort necessary to create awareness within the organization.

An evaluation system is being set in place in relation to the provisions of the Manual on Corporate Governance to measure the level of compliance by the Directors and top management.

There has been no deviation from the company's Manual of Corporate Governance.

The Company believes that its existing corporate governance practices are adequate to address its current needs. Nevertheless, the Company intends to conduct a review of its Manual on Corporate Governance to ensure that its provisions remain relevant, responsive to the Company's evolving needs, and aligned with applicable laws, rules, regulations, and prevailing corporate governance best practices.

The Company revised its Corporate Governance Manual in accordance with SEC Memorandum Circular No. 6 Series of 2009.

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**

Not Applicable.

Item 5. **Interest of Certain Persons in Matters to be Acted Upon**

Not Applicable.

THE COMPANY'S ANNUAL REPORT ON SEC FORM 17 A WILL BE PROVIDED WITHOUT CHARGE UPON WRITTEN REQUEST OF ANY SHAREHOLDERS OF RECORD ENTITLE TO NOTICE OF AND VOTE OF AT THE MEETING, AT THE DISCRETION OF THE MANAGEMENT, A CHARGE MAY BE MADE FOR EXHIBITS, PROVIDED SUCH CHARGE IS LIMITED TO REASONABLE EXPENSES INCURRED BY THE REGISTRANT IN FURNISHING SUCH EXHIBITS.

Such written request may be directed to our Corporate Secretary, Atty. Arthur R. Ponsaran, with Office Address at unit 3104 31st floor Antel Global Corporate Center # 03 Doña Julia Vargas, Ortigas Center Pasig City.

PART III.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true and correct. This report is signed in the City of CITY OF MANILA on SEP 08 2026

By:

.....

(Signature)

ARTHUR B. PONSARAN / CORPORATE SECRETARY

.....

(Printed Name / Title)

SUBSCRIBED AND SWORN TO BEFORE ME THIS____DAY OF SEP 08 2026 AT CITY OF MANILA, PHILIPPINES

ATTY. GERSON B. GAMAS
Notary Public for the City of Manila
Notarial Commission No. 2025-156 Valid Until Dec. 31, 2026
2nd Floor, Citadel Bldg., Railroad Drive, Brgy. 653, District V,
Port Area, 1018, Manila, Metro Manila
Roll No. 72250
IBP No. 572978; 12-26-2025 until 12-31-26
PTR No. 0367847; 01-05-2026; until 12-31-26 City of Manila
MCLE Compliance No. VIII-0010142, Valid Until April 14, 2028

DOC. NO 207
PAGE NO 41
BOOK NO LI
SERIES OF 2026

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 Waterfront Philippines Incorporated 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
Acesite (Phils) Hotel Corporation	Independent Director	2019-present
Forum Pacific Inc	Independent Director	October 2020 – present
Philippine Estates Corporation	Independent Director	October2020 - present
Wellex Industries Inc	Independent Director	2021 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Waterfront Philippines Incorporated. 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 Waterfront Philippines Incorporated 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 Waterfront Philippines Incorporated of any changes in the abovementioned information within five days from its occurrence.

Done, this _____ day of CITY OF MANILA AUG 0 3 2026, at _____.

RENATO C. FRANCISCO
Affiant

SUBSCRIBED AND SWORN to before me this _____ day of AUG 0 3 2026 at CITY OF MANILA, affiant personally appeared before me and exhibited to me his Tax Identification Number 138-641-391-000.

Doc. No. 21;
Page No. 6;
Book No. XLIII;
Series of 2026

ATTY. GERSON B. GAMAS
Notary Public for the City of Manila
Notarial Commission No. 2025-156 Valid Until Dec. 31, 2026
2nd Floor, Citadel Bldg., Railroad Drive, Brgy. 653, District V,
Port Area, 1018, Manila, Metro Manila
Roll No. 72250
IBP No. 572978; 12-26-2025 until 12-31-26
PTR No. 0367847; 01-05-2026; until 12-31-26 City of Manila
MCLE Compliance No. VIII-0010142, Valid Until April 14, 2028

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 **WATERFRONT PHILIPPINES INCORPORATED** and have been its Lead Independent Director since July 2021.

2. I am affiliated with the following companies or organizations:

COMPANY	POSITION	PERIOD OF SERVICE
Meycauayan College, Inc	President / Director	September 2025 – 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
Idealand Realty & Development Corp	President and Chief Operating Officer (COO)	November 2009 – present
Philstar Innovation Realty Corp	Director and Corp Secretary	October 2011 – present
Statosphere Realty & Development Corp	President and Chief Operating Officer (COO)	October 2011 – present
Jose & Luz Locsin Foundation	President	November 2012 – present
Justino Emelia Realty and Management & Dev't Corp	Corporate Secretary	March 2008 – present
Waterstreet Realty Corp	President	June 2012 - present
Metro Alliance Holdings & Equities Corp	Director	September 2015 – present
Acesite Phils Hotel Corp	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 **Waterfront Philippines Incorporated**, 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 **Waterfront Philippines Incorporated** 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 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.

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 Waterfront Philippines Incorporated. of any changes in the abovementioned information within five days from its occurrence.

Done, this AUG 03 2026 day, at CITY OF MANILA

ARISTEO R. CRUZ
Affiant

SUBSCRIBED AND SWORN to before me this AUG 03 2026 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. 28;
Page No. 6;
Book No. XLIII;
Series of 2026

ATTY. GERSON B. GAMAS
Notary Public for the City of Manila
Notarial Commission No. 2025-156 Valid Until Dec. 31, 2026
2nd Floor, Citadel Bldg., Railroad Drive, Brgy. 653, District V,
Port Area, 1018, Manila, Metro Manila
Roll No. 72250
IBP No. 572978; 12-26-2025 until 12-31-26
PTR No. 0367847; 01-05-2026; until 12-31-26 City of Manila
MCLE Compliance No. VIII-0010142, Valid Until April 14, 2028

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JOSAIAS T. DELA CRUZ**, Filipino, of legal age and a resident of 304 Hogan Street, Capitol Hils, Quezon City after having been duly sworn to in accordance with law do hereby declare that;

1. I am an Independent Director of **WATERFRONT PHILIPPINES INCORPORATED,** since September 2025;

2. I am affiliated with the following companies or organizations:

Company	Position	Period of Service
JTDC Spinmeister Laundry Service	Sole Proprietor	2016 – present
Philippine Estates Corporation	Independent Director	2021 – present
Forum Pacific, Inc.	Independent Director	2021 – present
Metro Alliance Holdings & Equities Corp.	Independent Director	2024 – present

3. I possess all the qualification and none of the disqualifications to serve as an Independent Director of **Waterfront Philippines Incorporated**, 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 **Waterfront Philippines Incorporated** 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 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.

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 Waterfront Philippines Incorporated. of any changes in the abovementioned information within five days from its occurrence.

Done, this _____ day AUG 0 3 2026, at CITY OF MANILA.

JOSAIAS T. DELA CRUZ
Affiant

SUBSCRIBED AND SWORN to before me this _____ day of _____ at _____, affiant personally appeared before me and exhibited to me his Community Tax Certificate No. 123-365-209 issued at Bureau of Internal Revenue.

AUG 0 3 2026 CITY OF MANILA

Doc. No. 30;
Page No. 6;
Book No. XVII;
Series of 2026

ATTY. GERSON B. GAMAS
Notary Public for the City of Manila
Notarial Commission No. 2025-156 Valid Until Dec. 31, 2026
2nd Floor, Citadel Bldg., Railroad Drive, Brgy. 653, District V,
Port Area, 1018, Manila, Metro Manila
Roll No. 72250
IBP No. 572978; 12-26-2025 until 12-31-26
PTR No. 0367847; 01-05-2026; until 12-31-26 City of Manila
MCLE Compliance No. VIII-0010142, Valid Until April 14, 2028

REPUBLIC OF THE PHILIPPINES)
Pasig City) **S.S.**

CERTIFICATION

I, **ARTHUR R. PONSARAN,** of legal age, Filipino and with office address at 3104 Antel Global Corporation, Julia Vargas Ortigas, Pasig City after having been duly sworn to in accordance with law, do hereby depose and state that:

1. I am the duly elected Corporate Secretary of **WATERFRONT PHILIPPINES, INCORPORATED. (**the "**Corporation**"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines and with office address at No. 1 Salinas Drive Lahug, Cebu City;

2. I have caused the preparation of the attached Definitive Information Statement for the year 2026;

3. I hereby certify that all the information contained in the said report is true, correct, and accurate in all material respects; and

4. I further attest that except for change of nominee director from DEE HUA T. GATCHALIAN to HANNIEL T. NGO, no changes or revisions have been made to the Information Statement previously submitted, except for those changes arising directly from the findings, comments, or guidelines of the Markets and Securities Regulation Department (MSRD) upon its review of the Preliminary Information Statement (PIS).

IN WITNESS WHEREOF, we have hereunto set our hands this 07 SEP 2026 day of _____, at Pasig City, Philippines.

ARTHUR R. PONSARAN
Corporate Secretary
TIN – 127-640-176

SUBSCRIBED AND SWORN TO BEFORE ME this day 07 SEP 2026 affiant exhibiting to me her competent evidence of identity TIN – 127-640-176 issued by the Bureau of Internal Revenue.

Doc No. 472
Book No. 96
Page No. I
Series of 2026

Notary Public

ATTY. CHRISTINE P. VALENZUELA
Notary Public for the City of Pasig and the
Municipality of Pateros, Metro Manila
Appointment No. 253 (2025-2026)
Roll of Attorneys No. 90566
IBP O.R. No. 575907; 29-December-2025; RSM
PTR No. 4018706; 09-January-2026; Pasig City
MCLE Compliance No. VIII-0008214 valid until 14-Apr-2028

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 12th day of May 2026 in Bicutan, Parañaque City

MIGUEL E. UMALI
President and CEO / Vice-Chairman

KM. 15 EAST SERVICE ROAD, BICUTAN, PARAÑAQUE CITY, METRO MANILA, PHILIPPINES * ZIP CODE 1700
FAX O.P 846-0591; DIRECT LINE : 846-0209 : TRUNK LINE : 846-3045

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 12th day of May 2026 in Bicutan, Parañaque City

MIGUEL E. UMALI
President and CEO / Vice-Chairman

Stock Transfer Service Inc.
WATERFRONT PHILIPPINES, INCORPORATED
List of Top 100 Stockholders
As of 08/31/2026

Rank	Name	Holdings	Percentage
1	PCD NOMINEE CORP. (FILIPINO)	1,135,455,725	45.44%
2	THE WELLEX GROUP, INC.	1,128,466,800	45.16%
3	PCD NOMINEE CORP. (NON-FILIPINO)	45,467,049	01.82%
4	KENNETH T. GATCHALIAN	30,000,100	01.20%
5	REXLON T. GATCHALIAN	30,000,000	01.20%
6	WESLIE T. GATCHALIAN	30,000,000	01.20%
7	FORUM HOLDINGS CORPORATION	20,626,000	00.83%
8	PRIMARY STRUCTURES CORPORATION	16,212,500	00.65%
9	REXLON GATCHALIAN	14,740,000	00.59%
10	METRO ALLIANCE HOLDINGS & EQUITIES, INC.	14,370,000	00.58%
11	ELVIRA A. TING	10,000,009	00.40%
12	CATALINA ROXAS MELENDRES	6,246,000	00.25%
13	MANUEL H. OSMENA &/OR MANUEL L. OSMENA II	1,400,000	00.06%
14	ROLANDO M. LIM	1,142,500	00.05%
15	FELIPE A CRUZ, JR.	1,100,000	00.04%
16	MARIA CONCEPCION CRUZ	876,000	00.04%
17	FREYSSINET PHILIPPINES, INC.	770,000	00.03%
18	BENSON COYUCO	605,000	00.02%
19	LUCENA B. ENRIQUEZ	552,000	00.02%
20	EMILY LIM	500,000	00.02%
21	DEE HUA T. GATCHALIAN	350,000	00.01%
22	ARTHUR H. OSMENA &/OR JANE Y. OSMENA	330,000	00.01%
23	JOSE YAP &/OR CONCHITA YAP	330,000	00.01%
24	MARVIN J. GIROUARD	330,000	00.01%
25	DAVID LAO OSMENA	314,600	00.01%
26	ANA L. GO	300,000	00.01%

WATERFRONT PHILIPPINES, INCORPORATED
List of Top 100 Stockholders
As of 08/31/2026

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

WATERFRONT PHILIPPINES, INCORPORATED
List of Top 100 Stockholders
As of 08/31/2026

Rank	Name	Holdings	Percentage
53	CHESA HOLDINGS, INC.	100,000	00.00%
54	PACIFIC REHOUSE CORPORATION	100,000	00.00%
55	PACIFIC IMAGES, INC.	100,000	00.00%
56	CARRIE LIM	100,000	00.00%
57	ALVIN TAN UNJO	88,000	00.00%
58	TERESITA GO &/OR SATURNINA GO	87,000	00.00%
59	GEORGE U. YOUNG, JR	82,500	00.00%
60	ROLANDO D. DE LEON	66,000	00.00%
61	LIPPO SECURITIES, INC.	56,500	00.00%
62	L.M. GARCIA & ASS., INC. A/C# 160	55,000	00.00%
63	MA. TERESA P. CRUZ	55,000	00.00%
64	PRIMITIVO C. CAL	55,000	00.00%
65	LEONG JEE VAN	55,000	00.00%
66	KIRBY YU LIM	55,000	00.00%
67	LIM TAY	55,000	00.00%
68	FRUTO M. TEODORICO, JR	55,000	00.00%
69	RENATO C. GENDRANO &/OR GENDRANO BERNADETTE	55,000	00.00%
70	LYDIA J. SY	55,000	00.00%
71	EDILBERTO &/OR ROSITA TANYU &/OR WELLINGTON HO VELASCO	55,000	00.00%
72	NEIL JOHN A. YU	50,000	00.00%
73	ROBERTO L. UY	50,000	00.00%
74	UY TIAK ENG	50,000	00.00%
75	SANDRA E. PASCUAL	50,000	00.00%
76	FRANCISCO C. SAN DIEGO	50,000	00.00%
77	VICKY L. CHAN	50,000	00.00%
78	EBC SECURITIES CORPORATION	48,400	00.00%

WATERFRONT PHILIPPINES, INCORPORATED
List of Top 100 Stockholders
As of 08/31/2026

Rank	Name	Holdings	Percentage
79	OCBC SECURITIES PHILS., INC.	40,000	00.00%
80	EAST ASIA OIL & MINING COMPANY, INC.	40,000	00.00%
81	MANILYNN L. OSMENA	39,600	00.00%
82	MEGHANN GAIL L. OSMENA	39,600	00.00%
83	MANUEL L. OSMENA, II	39,600	00.00%
84	GLADYS MAY L. OSMENA	39,600	00.00%
85	STEVE WOODWARD	39,600	00.00%
86	ROBERT KLING	39,600	00.00%
87	JAY JACOBS	39,600	00.00%
88	ADRIAN LONG	39,600	00.00%
89	LUZ YAMANE	38,500	00.00%
90	LILY S. HO	36,300	00.00%
91	ABACUS SECURITIES CORPORATION	35,200	00.00%
92	LILIAN HONG	34,000	00.00%
93	INTERNATIONAL POLYMER CORPORATION	33,000	00.00%
94	SEAFRONT RESOURCES CORP.	33,000	00.00%
95	ARTURO GUANZON	33,000	00.00%
96	LEONCIO TIU	33,000	00.00%
97	RAMONCITO ARCEO	30,000	00.00%
98	RODOLFO B. LEDESMA	30,000	00.00%
99	TAN LIN LAY	30,000	00.00%
100	YVETTE LEE	27,500	00.00%

Total Top 100 Shareholders :	2,497,012,282	99.92%
Total Issued Shares	2,498,991,753	

WATERFRONT PHILIPPINES, INCORPORATED
List of Top 20 Stockholders
As of 08/31/2026

Rank	Name	Holdings	Percentage
1	PCD NOMINEE CORP. (FILIPINO)	1,135,455,725	45.44%
2	THE WELLEX GROUP, INC.	1,128,466,800	45.16%
3	PCD NOMINEE CORP. (NON-FILIPINO)	45,467,049	01.82%
4	KENNETH T. GATCHALIAN	30,000,100	01.20%
5	REXLON T. GATCHALIAN	30,000,000	01.20%
6	WESLIE T. GATCHALIAN	30,000,000	01.20%
7	FORUM HOLDINGS CORPORATION	20,626,000	00.83%
8	PRIMARY STRUCTURES CORPORATION	16,212,500	00.65%
9	REXLON GATCHALIAN	14,740,000	00.59%
10	METRO ALLIANCE HOLDINGS & EQUITIES, INC.	14,370,000	00.58%
11	ELVIRA A. TING	10,000,009	00.40%
12	CATALINA ROXAS MELENDRES	6,246,000	00.25%
13	MANUEL H. OSMENA &/OR MANUEL L. OSMENA II	1,400,000	00.06%
14	ROLANDO M. LIM	1,142,500	00.05%
15	FELIPE A CRUZ, JR.	1,100,000	00.04%
16	MARIA CONCEPCION CRUZ	876,000	00.04%
17	FREYSSINET PHILIPPINES, INC.	770,000	00.03%
18	BENSON COYUCO	605,000	00.02%
19	LUCENA B. ENRIQUEZ	552,000	00.02%
20	EMILY LIM	500,000	00.02%
	Total Top 20 Shareholders :	2,488,529,683	99.58%
	Total Issued Shares	2,498,991,753	

Outlook

FW: Quarterly Report

From Waterfront Philippines Inc. <wpi@waterfronthotels.net>
Date Mon 6/29/2026 9:17 AM
To Aiza Pasayloon <a.pasayloon@waterfronthotels.net>; Rhea Hinampas <r.hinampas@waterfronthotels.net>; Irish Chara Lawas <i.lawas@waterfronthotels.net>; Jerraemie Nikka Patulot <j.patulot@waterfronthotels.net>; Judith Riann Fernandez <jt.fernandez@waterfronthotels.net>; Cherryl Vidal <c.vidal@waterfronthotels.net>

From: Philippine Stock Exchange <no-reply@pse.com.ph>
Sent: Monday, June 29, 2026 9:17:28 AM (UTC+08:00) Taipei
To: ajponsaran@ccplaw.com.ph; Rhea Hinampas; sigmahanon@yahoo.com; Waterfront Philippines Inc.; disclosure@pse.com.ph
Subject: Quarterly Report

Dear Sir/Madam:

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

Company Name: Waterfront Philippines, Incorporated
Reference Number: 0023713-2026
Date and Time: Monday, June 29, 2026 09:17 AM
Template Name: Quarterly Report
Report Number: CR04738-2026

Best Regards,
PSE EDGE

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The Philippine Stock Exchange, Inc., 6th to 10th Floors, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City, Philippines 1634

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

The following document has been received:

Receiving: DONNA ENCARNADO
Receipt Date and Time: June 29, 2026 08:00:00 AM

Company Information

SEC Registration No.: AS94008678
Company Name: WATERFRONT PHILIPPINES INC.
Industry Classification: J66940
Company Type: Stock Corporation

Document Information

Document ID: OST106292026811685401
Document Type: QUARTERLY_REPORT
Document Code: SEC_Form_17-Q
Period Covered: March 31, 2026
Submission Type: Original Filing
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

A	S	0	9	4	-	8	6	7	8

SEC Registration Number

WATERFRONT PHILIPPINES, INCORPORATED

(Company's Full Name)

NO. 1 WATERFRONT DRIVE
OFF SALINAS DRIVE LAHUG
CEBU CITY

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

CHERRYL M. VIDAL	(02) 8706-7888
Contact Person	Company Telephone Number

1	2	3	1	1	7	-	Q	1	During the month of September
Month	*Day*			FORM TYPE					*Month* *Day* Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.		Amended Articles Number/Section	

	Total Amount of Borrowings	
421		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number	LCU
Document I.D.	Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

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, 2026**

2. SEC Registration No. **AS094-8678**

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

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

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

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of issuer's principal office
   NO. 1 WATERFRONT DRIVE, OFF SALINAS DRIVE, LAHUG, CEBU CITY
   Postal Code **6000**

8. Issuer's telephone number, including area code **032-232-6888**

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

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

Title of each Class	Number of share of common stock outstanding and amount of debt outstanding
COMMON SHARES	**2,498,991,753**

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [**X**] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
    THE PHILIPPINE STOCK EXCHANGE/ COMMON SHARES

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code 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 the registrant was required to file such reports)
    Yes [**X**] No [ ]

    (b) Has been subject to such filing requirements for the past ninety (90) days.
    Yes [**X**] No [ ]

WATERFRONT PHILIPPINES, INCORPORATED
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, 2026**
Currency (indicate units, if applicable): **PESO**

BALANCE SHEET		
	Period Ended	**Calendar Year Ended**
	March 31, 2026 (Unaudited)	**December 31, 2025 (Audited)**
Current Assets	2,855,195,749	2,703,747,062
Total Assets	23,986,330,683	24,590,595,007
Current Liabilities	1,764,155,007	1,640,643,532
Total Liabilities	7,232,814,852	7,983,511,950
Retained Earnings	2,930,792,744	3,535,033,826
Stockholders' Equity	16,753,515,831	16,607,083,057
Stockholders' Equity- Parent	15,067,879,605	13,723,501,891
Book Value Per Share	6.030	5.492

INCOME STATEMENT				
	Current Year Jan to Mar	**Previous Year** Jan to Mar	**Current Year-To-Date**	**Previous Year-To-Date**
Operating Revenue	476,645,042	444,135,987	476,645,042	441,135,987
Other Income	9,841,635	98,702,709	9,841,635	98,702,709
Gross Revenue	486,486,677	542,838,696	486,486,677	542,838,696
Operating Expense	343,059,372	331,805,535	343,059,372	331,805,535
Other Expense	69,428,619	112,278,989	69,428,619	112,278,989
Gross Expense	412,487,991	444,084,524	412,487,991	444,084,524
Net Income/ (Loss) Before Tax	73,998,687	98,754,172	73,998,687	98,754,172
Income Tax Expense	-	-	-	-
Net Income/ (Loss) After Tax	73,998,687	98,754,172	73,998,687	98,754,172
-Net Income Attributable to Parent Equity Holder	80,709,286	105,273,779	80,709,286	105,273,779
Earnings/(Loss) Per Share (Basic)	0.032	0.042	0.032	0.042

Financial Ratios

	Formula	Current Year March 31, 2026	Previous Year December 31, 2025
Liquidity Analysis Ratios			
Current Ratio or Working Capital Ratio	Current Assets/Current Liabilities	1.618	1.648
Quick Ratio	(Current Assets - Inventory - Prepayments)/ Current Liabilities	1.532	1.580
Solvency Ratio	Total Assets / Total Liabilities	3.316	3.080
Financial Leverage Ratios			
Debt Ratio	Total Debt / Total Assets	0.302	0.325
Debt-to-Equity Ratio	Total Debt / Total Stockholders' Equity	0.480	0.582
Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	1.693	-0.561
Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	1.592	1.792
Profitability Ratios			
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of service/ Sales	29.48%	16.46%
Net Profit Margin	Net Profit / Sales	15.21%	-5.20%
Return on Assets	Net Income / Total Assets	0.31%	-0.52%
Return on Equity	Net Income / Total Stockholders' Equity	0.49%	-0.94%
Price / Earnings Ratio	Price Per Share / Earnings Per Common Share	13.933	-18.915
Book Value	Total Common Stockholder's Equity-Parent/No. of Common Shares	6.030	5.492

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

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

PART II—OTHER INFORMATION

1. List of Top Stockholders

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: **Waterfront Philippines, Incorporated**
Issuer:

Signature and Title AMANDO J. PONSARAN, JR.
Assistant Corporate Secretary

Date _____

Signature and Title JERRAEMIE NIKKA PATULOT
Compliance Officer

Date _____

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Organization and Status of the Business

Corporate Information

Waterfront Philippines, Incorporated (the Parent Company) was incorporated in the Philippines, registered with the Philippine Securities and Exchange Commission (SEC) in September 23, 1994, and is listed on the Philippine Stock Exchange (PSE stock symbol: WPI). The Parent Company is 45%-owned by The Wellex Group, Inc. (TWGI), an entity similarly registered and domiciled in the Philippines. The Parent Company holds equity interests in hotels and resorts, a fitness gym, entities engaged in the international marketing and promotion of casinos, manufacturing of pastries, and hotel management and operations.

The following subsidiaries (together with the Parent Company collectively referred to as the Group) were incorporated in the Philippines, except for Waterfront Promotion Ltd. (WPL) and Club Waterfront International Limited (CWIL), which were registered in the Cayman Islands:

	Percentage of Ownership	
	Direct	Indirect
Hotels and Resorts		
Waterfront Cebu City Casino Hotel, Incorporated (WCCCHI)	100	-
Waterfront Mactan Casino Hotel, Incorporated (WMCHI)	100	-
Waterfront Iloilo Hotel Inc. (WIHI)	100	
Waterfront Puerto Princesa Hotel, Inc. (WPPHI)	100	
Davao Insular Hotel Company, Inc. (DIHCI)	98	-
Acesite (Phils.) Hotel Corporation (APHC)	56	-
Grand Ilocandia Resort and Development, Inc. (GIRDI)	54	-
Real Estate		
Acesite Realty, Inc.	-	56
Fitness Gym		
Waterfront Wellness Group, Inc. (WWGI)	100	-
International Marketing and Promotion of Casinos		
Waterfront Promotion Limited (WPL)	100	-
Mayo Bonanza, Inc. (MBI)	100	-
Club Waterfront International Limited (CWIL) - through direct ownership in WPL	-	100
Waterfront Horizon Corporation (WHC) – previously known as Waterfront Entertainment Corporation (WEC)	100	-
Pastries Manufacturing		
Waterfront Food Concepts Inc. (WFC)	100	-
Hotel Management and Operation		
Waterfront Hotel Management Corp. (WHMC)	100	-

Pavillion Enterprises Corp. (through direct ownership in APHC)	56
Pavillion Leisure and Entertainment Corp. (through direct ownership in APHC)	56
Investment Holding Company	
Waterfront Cebu Ventures, Inc. (WCVI)	100

- ***Waterfront Cebu City Casino Hotel, Incorporated***

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

- *Waterfront Convention Center - (WCC)*

Waterfront Convention Center previously known as Cebu International Convention Center is a six-storey building, especially-designed to adapt to any event size and purpose, has been in operation since January 5, 1998. Major amenities of the center include ten (11) function rooms and two (2) Grand Ballrooms with a seating capacity of 4,000.

- *Entertainment Block*

The Entertainment block is a six-storey building and is comprised of eleven (9) Food and Beverage entertainment outlets, a public and international gaming area that includes the *"Casino Filipino",* and 62 hotel rooms and suites

- *Hotel Tower Block*

The Hotel Tower block is a 22-storey and it consists of a podium, containing the lobby, a food and beverage outlet, a reception, a shopping arcade, three (3) press function rooms, and a high-rise block of 498 hotel rooms and suites.

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

Waterfront Cebu City Hotel & Casino has elegantly designed and well-appointed guest rooms and suites. The 18th Floor is the Waterfront Ambassador Lounge with a two floor Lounge exclusive for Ambassador Floor guests. Waterfront Ambassador Lounge's guests enjoy butler service, complimentary business services and a business boardroom fit for a group of up to 8 people, equipped with a built-in LCD projector, a roll-up screen, PA and

recording system, a local area network (LAN) and a poly communication system. The 2nd floor lounge is outfitted with 3 computer stations, where guests can avail of complimentary WIFI access, flat-screen television entertainment, an array of lifestyle and business magazines as well as newspapers and board games.

The Hotel features a convention center, once recognized as the largest in the Visayas and Mindanao, designed to accommodate a wide range of events. It is equipped with 10 function rooms, 2 executive boardrooms, and 2 Grand Ballrooms, each with a seating capacity of 4,000. Over the years, it has hosted numerous national and regional events, conventions, and conferences.

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

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

Merienda Buffet

The Waterfront Hotels Group's Merienda Buffet is a delightful celebration of Filipino comfort food and regional favorites, served daily at our flagship properties in Cebu, Mactan, and Davao. From savory street food classics and traditional kakanin to hearty local specialties and indulgent desserts, each spread offers a nostalgic yet elevated merienda experience. The Waterfront Airport Hotel & Casino's merienda buffet was recognized as the Sunstar Best of Cebu – Best Merienda Buffet in 2023. Conveniently located just across the airport, it is the perfect stop for travelers and locals alike seeking an authentic and satisfying taste of Cebuano hospitality.

Wine Dispenser

Guests can now take a sip of Lobby Lounge's extensive selection of wine. The wine dispenser is an innovative addition to the wining and dining experience at the Hotel. It serves the purpose of allowing guests to select from among an array of bottles, through

tasting by the glass. This concept intends to give guests an opportunity to sample different wines in small amounts before deciding to order a full glass or bottle. Guests may test wines from the dispenser in three different amounts. This way, guests can choose the perfect wine fit for their palate. To enjoy the wine dispenser service, guests must avail of the Wine Card which comes in prepaid or postpaid.

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

Waterfront Mactan was incorporated on September 23, 1994, to manage and operate the Waterfront Airport Hotel & Casino Mactan (WAHC). Ideally situated directly across Mactan-Cebu International Airport, the hotel occupies approximately 3.3 hectares and serves as one of the most strategically located airport hotels in the country. The hotel features 166 well-appointed rooms and suites, 6 food-and-beverage and entertainment outlets. Waterfront Airport also houses one of the largest casinos in the Philippines - making Cebu the only city in Southeast Asia offering casino facilities conveniently accessible to transiting passengers.

Over the years, the hotel has continuously enhanced its guest experience through improvements such as in-room connectivity and business-friendly amenities, and the adoption of fully integrated hotel systems to strengthen operational efficiency, elevate guest service, and uphold overall profitability. Future expansion plans for guest rooms and convention facilities will be built, aligning with market demand and growth opportunities. The hotel's location provides unmatched convenience: just steps from the international and domestic airport, three minutes from the Mactan Industrial Zone, fifteen minutes from Mactan's premier beach destination, and thirty minutes from Cebu City's commercial and financial districts. In 2016, the property further improved guest access by expanding the Annex parking area.

Today, Waterfront Airport Hotel & Casino Mactan remains an essential gateway to Cebu-offering seamless travel convenience, world-class hospitality, and a unique blend of business, leisure and entertainment all in one destination.

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

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

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

In 2015, the property re-opened its 48 square meter gym to continuously serve its guests and to ensure guests satisfaction. Discover the rich cultural heritage of Davao which stems from the different groups and tribes that populated the area throughout its history and be astonished by artworks in the hotel lobby where it showcases pieces of artifacts featuring the various object d'art from the different tribes and historical.

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

The principal property of the Company is a 22-storey building previously known as the Manila Pavilion Hotel, *now Waterfront Manila Hotel and Casino* 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 these was Alcuaz, which can accommodate 250-300 guests. The hotel had approximately 2,200 sq. meters of meeting/banquet/conference facilities, and houses several restaurants, such as Seasons Café (coffee shop), the El Rey (bar & lounge) and the Patisserie (bakeshop and deli items). Other guest services and facilities included a chapel, swimming pool, gym, business center and a valet-service basement car park. Concessionaires and tenants included a beauty salon, a foot spa, photography services, transportation services, travel agency, flower shop and boutiques. In addition, Casino Filipino – Pavilion, owned and operated by PAGCOR, occupied part of the first, second, third, fourth and fifth floors (a total of 12,696.17 sq. m.) of the building.

On March 18, 2018, a fire broke out in the property that damaged the podium and main hotel that resulted in 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 to its inventories and hotel property. 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. As at December 31, 2025 and 2024, insurance claims receivable amounted to nil.

While Php 1.5 billion in insurance proceeds were initially utilized to commence rebuilding, the updated completion budget has risen to Php 3.6 billion due to higher construction costs, structural reforms, and re-layout requirements. A phased reopening was initially planned, with the casino, one restaurant, and 150 rooms targeted for 2026, and banquet areas plus 350 more rooms by 2027. However, weak tourism arrivals, the decline of the Chinese gaming market, competition from online gaming, and volatile operating costs have led management to recommend pausing construction until industry conditions improve. The earliest restart is projected for mid-2028 with appropriated retained earnings for reconstruction and an annual maintenance budget set aside to preserve the hotel's superstructure.

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

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

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

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

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

- ***Waterfront Horizon Corporation***

Waterfront Horizon Corporation (Waterfront Horizon) is a subsidiary of the Waterfront group, established to support both hospitality operations and future expansion initiatives. It manages the country's first fully integrated hotel reservations and booking system under a local hotel chain through its comprehensive Central Reservations Office (CRO), providing 24/7 reservation services and seamless access to all Waterfront properties for domestic and international clients. Beyond supporting the internal portfolio, the company is also established as a strategic platform capable of servicing hotels outside the group. With its scalable systems, trained reservations staff, and tech-enabled infrastructure, the company is positioned to provide outsourced reservation management solutions to independent hotels and partner properties in the future. This expansion capability allows the company to operate not only as an internal support, but also as a standalone hospitality service provider with the potential to grow with its market reach.

In addition to its core reservations expertise, WHC is also positioned to engage in tourism estate development and management. This added capability allows the company to support broader hospitality and tourism projects, enhancing opportunities for growth within and outside the group. Through its combined strength in guest service, operational efficiency, and development support, WHC plays a pivotal role in driving the Waterfront group's strategic growth and expanding its presence in the Philippine hospitality and tourism landscape.

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

Waterfront Food Concept, Inc. (WFC) is a subsidiary of Waterfront Philippines Inc. established to engage in the operation of restaurants, cafes, fast-food outlets, and other food service establishments. While the company is structured and authorized to manage full food and beverage operations, its current focus is on serving the group's industrial bakery and commissary. WFC specializes in producing high-quality bakery, pastry, and dessert products, supplying Waterfront hotels in Cebu as well as various external establishments.

This operational foundation positions WFC to expand into broader food service management in the future, in line with its primary mandate. Through its commitment to quality production and service readiness, WFC supports the group's culinary requirements while maintaining the capability to operate full restaurant and food outlet concepts as the business grows.

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

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

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

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

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

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

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

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

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

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

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

The Company is a wholly owned subsidiary of Waterfront Philippines, Incorporated (WPI or the Parent Company).

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

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

The Company is a wholly owned subsidiary of Waterfront Philippines, Incorporated (WPI or the Parent Company).

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

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

The Company is a wholly-owned subsidiary of Waterfront Philippines, Incorporated (WPI or the Parent Company). As at December 31, 2025, the Company has not yet started its commercial operations.

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

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company, as well as those of its subsidiaries enumerated in Note 1 to the consolidated financial statements.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if and only if, the Group 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 Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control, namely, 1. Power over the investee, 2. Exposure or rights, to variable returns, and 3. ability to use its power over the investee to affect the amount of the investor's return.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company and are included in the consolidated financial statements from the date when control commences until the date when control ceases.

The accounting policies of subsidiaries are being aligned with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating results are reviewed regularly by the Group's BOD, the chief operating decision maker of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's BOD include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and income tax assets and liabilities. Segment capital expenditure is the total cost incurred during the year to acquire property and equipment.

The Group's businesses are operated and organized according to the nature of business provided, with each segment representing a strategic business unit, namely, the hotel operations, marketing operations and corporate and other operations segments. The Group's only reportable geographical segment is the Philippines.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Income is measured at the fair value of the consideration received, net of trade discounts, rebates, and other sales taxes or duties. The following specific criteria must also be met before revenue is recognized:

Rooms

Room revenue is recognized based on actual occupancy.

Food and Beverage

Food and beverage revenue are recognized when orders are served and billed.

Rent and Related income

Rent and related income on leased areas of the Group's properties is accounted for on a straight-line basis over the term of the lease, except for cancellable leases which are recognized at amount collected or collectible based on the contract provision.

Other Revenues

Other revenues are recognized upon execution of service or when earned.

Interest Income

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

1. Cash and Cash Equivalents

Cash in banks earn interest at the respective bank deposit rates. Short-term placements earn interest at annual average rate of 0.05% to 5.50% in 2025 with average maturities ranging from 30 to 90 days.

2. Receivables

This account consists of:

	March 2026	December 2025
Trade	158,195,278	629,995,078
Others	651,902,697	566,974,483
Total Receivables	**810,097,975**	**1,196,969,561**
Less allowance for doubtful accounts	180,863,989	98,312,745
Total	**990,961,964**	**1,098,656,816**

3. Inventories

This account consists of:

	March 2026	December 2025
Food and Beverage	18,536,412	18,488,490
Operating Supplies	10,557,998	10,915,830
Others	4,348,676	2,691,386
Total	**33,443,086**	**32,095,706**

4. Related Party Transactions

These represents interest bearing advances from TWGI, Pacific Rehouse Corporation (PRC), and Crisanta Realty Development Corporation. The advances granted to TWGI and PRC were substantially used to finance the acquisition or development of real properties for the Company. These advances are due in five (5) years, subject to renewal. The advances to TWGI charge interest at 4% per annum in 2026 and 2025, while the advances to PRC charge interest at 2% per annum in 2026 and 2025. The advances to CRDC bear interest at 2.55% per annum in 2026 and 2025.

Advances to Philippine Estate Corporation (PHES), Forum Holdings Corporation (FHC), Plastic City Industrial Corporation (PCIC), East Asia Oil & Mining Company, Inc. (East Asia) and Pacific Wide Realty Development Corp. (PWRDC) are noninterest-bearing, collateral-free and with no fixed term of repayment.

5. Accounts Payable and Accrued Expenses

This account consists of:

	March 2026	December 2025
Trade	527,255,188	543,797,524
Accrued Expenses	154,824,679	161,692,617
Others	446,454,726	316,076,299
Total	**1,128,534,593**	**1,021,566,440**

6. Loans Payable

This account consists of:

SSS Loan

On October 28, 1999, the Parent Company obtained a five-year term loan from SSS amounting to P375.00 million originally due on October 29, 2004. The SSS loan bears interest at the prevailing market rate plus 3.00% or 14.50% per annum, whichever is higher. Interest is repriced annually and is payable semi-annually. Initial interest payments are due 180 days from the date of the release of the proceeds of the loan. The repayment of the principal shall be based on eight semi-annual payments, after a 1-year grace period.

The SSS loan was availed to finance the completion of the facilities of WCCCHI. It was secured by a first mortgage over parcels of land owned by WII, a related party and by the assignment of 200.00 million common shares of the Parent Company owned by TWGI. The common shares assigned were placed in escrow in the possession of an independent custodian mutually agreed upon by both parties.

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

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

The remaining balance of the SSS loan is secured by the shares of stock of the Parent Company owned by TWGI and shares of stock of WII totaling 235.00 million and 80.00 million shares, respectively.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- The Parent Company to pay SSS P375.00 million subject to 12.00% legal interest from October 28, 1999 to June 30, 2013, and 6.00% legal interest from July 1, 2013 until full payment; and

- SSS to return to the Parent Company the amount of P35.83 million, subject to a legal interest of 12.00% from the dates that the individual payments were remitted until June 30, 2013, and 6.00% legal interest from July 1, 2013 until full payment.

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

As a result of the SC decision, the Parent Company recognized a reversal of previously accrued interest and penalties on the SSS Loan amounting to P415.67 million as at December

31, 2021. The reversal was recognized and presented as “Reversal of accrual” in the consolidated statements of profit or loss and other comprehensive income.

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

The Company is hereby ordered to:

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

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

On April 17, 2023, the Company filed a Manifestation with Motion to Approve Proposed Set-off and Schedule Reconveyance with the RTC of Quezon City to comply with the orders set out in the SC decision.

On August 17, 2023, Branch 76 of the RTC of Quezon City issued an Order approving the legal compensation between SSS and the WPI, ordering WPI to pay P258,117,749.89 to SSS, which is the balance of the amount due to SSS after set-off of the amounts due to WPI, and further ordering the return of real estate properties and shares of stock by SSS to defendants WPI and WIN.

On September 20, 2023, SSS filed a Motion for Reconsideration with RTC of Quezon City asking that August 17, 2023 Order to be set aside. The Motion for Reconsideration was denied by the RTC on January 12, 2024.

On May 27, 2024, WPI, WIN, and TWGI tendered Manager’s Checks totaling P258.12 million to SSS. On July 16, 2024, SSS filed its Manifestation of Conditional Acceptance, acknowledging receipt of the tendered amount as partial and initial payment only, subject to the outcome of the pending case before the Court of Appeals (CA G.R. SP No. 183716). As a result, the principal balance of the SSS loan was reduced to P116.88 million

WPI, WIN and TWGI then filed a Motion to Direct the Register of Deeds of Quezon City to cancel TCT Nos. N-281261 and N-281262 and to reinstate TC Nos. N-153395 and N-153396 to which the Court granted in its Order dated August 6, 2024.

Subsequently, SSS filed its Urgent Omnibus Motion for Reconsideration of the August 6, 2024 and for Inhibition of Hon. Pambid. The said Motion was denied by the Court on October 3, 2024.

On December 3, 2024, SSS filed a Petition for Certiorari (with Application for Temporary Restraining Order and/or Preliminary Injunction) against Hon. Pambid, WPI, TWGI and WIN before the CA, docketed as CA G.R. SP No.187166.

This is awaiting the order of the Court of Appeals to file comment on the Petition for Certiorari as at December 31, 2025.

Interest expense - net incurred from the SSS loan is recognized in the consolidated statements of profit or loss and other comprehensive income amounted to nil, P10.65 million and P20.35 million in 2025, 2024 and 2023, respectively.

Further, in relation to the SC decision declaring the SSS loan as null and void, the Parent Company reclassified the outstanding balance of the loan and the related accrued interest amounting to P116.80 million and P785.36 million, respectively, as "Provision" as at December 31, 2025 and December 31, 2024. The management considered the requirements under PAS 37 as basis for the reclassification.

7. The earnings (loss) per share are computed as follows:

	March 2026	**December 2025**
Net Income	80,709,286	(54,168,257)
Weighted Average Number of Shares Outstanding	2,498,991,753	2,498,991,753
Earnings per share	**0.032**	**(0.022)**

There are no dilutive potential shares as of March 31, 2026 and December 31, 2025.

8. Lease Agreement with Philippine Amusement and Gaming Corporation ("PAGCOR")

The Parent Company, in behalf of WCCCHI and WMCHI, entered into lease agreements with PAGCOR. The lease agreement of WCCCHI with PAGCOR covered the Main Area (8,123.60 sq.m.), Slot Machine Expansion Area (883.38 sq.m.), Mezzanine (2,335 sq.m.) and 5th Floor Junket Area (2,336 sq.m.) for a total area of 13,677.98 sq.m. which commenced in March 2011. The lease agreement of WMCHI with PAGCOR covered the Main Area (4,076.24 sq.m.) and Chip Washing Area (1,076 sq.m.) for a total area of 5,152.24 sq.m. These aforesaid leases are valid until the year 2032.

9. Other Lease Agreements

Group as Lessor

Lease Agreements with Concessionaires

WCCHI, WMCHI, DIHCI and GIRDI have lease agreements with concessionaires for the commercial spaces available in their respective hotels. These agreements typically run for a period of less than one year, renewable upon the mutual agreement of the parties.

10. Commitments and Contingencies

The following are the significant commitments and contingencies involving the Group:

- **2006 BIR Tax Assessment**

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

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

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

  The Parent Company appealed the case to the CTA sitting En Banc on October 21, 2013. The CTA En Banc decision promulgated on December 4, 2014 affirmed the VAT and EWT assessments. The EWT assessment was paid on March 3, 2013. The CTA En Banc decision was appealed to the SC on February 5, 2015 covering the VAT assessment only. As at the date of the authorization for issue of the consolidated financial statements the Parent Company is still awaiting the SC's decision.

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

- **2019 BIR Tax Assessment**

  On June 8, 2021, the Parent Company received a Letter of Authority SN: eLA201500023533 LOA-080-2021-0000113 dated May 31, 2021 from the BIR for the taxable year 2019.

On January 26, 2023 the Parent received Notice of Discrepancy dated January 25, 2023. On February 24, 2023, the Parent Company sent a letter to BIR contesting the said assessment.

On May 23, 2023, an Amended Notice of Discrepancy dated May 15, 2023 was received by the parent with changes on the assessment. On June 20, 2023, the Parent submitted a reply with justification and explanation on itemized assessment.

On July 26, 2023, the parent received a Preliminary Assessment Notice dated July 24, 2023. On August 9, 2023, a reply dated August 9,2023 was sent to BIR still contesting the said assessment.

On August 31, 2023, a Formal Letter of Demand dated August 16, 2023 was received by the Parent. On October 2, 2023, the Parent Company sent a protest letter to BIR contesting the portion of the said assessment. Settlement on Documentary Stamp Tax, Registration Fee, Expanded Withholding Taxes and Withholding tax on Compensation amounting to P3.3 million was made on October 12, 2023.

On March 6, 2024, the Parent Company sent a protest letter, which was accepted by the BIR requesting for reinvestigation and verification, which includes deficiencies in income tax amounting to P22.0 million and VAT amounting to P21.3 million. A partial settlement for Income Tax amounting to P5.0 million was made on March 26, 2024, followed by a final payment of P5.08 million on May 27, 2024. On the same day, a Waiver of the Defense of Prescription for Value Added Tax was executed and accepted by the Regional Director of Revenue Region No. 13 on June 25, 2024. Lastly, a settlement of miscellaneous fees amounting to 59,000 was made on July 1, 2024.

MANAGEMENT DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Below are the results of operations of the Parent Company and its subsidiaries, for the period ending March 31, 2026 and 2025 together with its financial conditions as of the same period.

RESULTS OF OPERATIONS

	March 2026	March 2025
Revenues	486,486,677	542,838,696
Less: Costs and Expenses	343,059,372	331,805,535
Net Income Before Fixed Financial and Other Charges	**143,427,305**	**211,033,161**
Less: Fixed Financial and Other Charges (Dep'n and Amort'n, and Interest)	(69,428,619)	(112,278,989)
Income before Income Tax	**73,998,687**	**98,754,172**
Income Tax Expense	-	-
Income (Loss) before Share in Minority Interest	**80,709,286**	**105,273,779**
Share of Minority Interest	6,710,599	6,519,607

Net Income	**73,998,687**	**98,754,172**
Earnings Per share	**0.032**	**0.042**

Period ended March 31, 2026 compared to Period Ended March 31, 2025.

Income Statement

Hotels and other subsidiaries' gross revenue for the 1st quarter of 2026 was 56 million higher than previous year. Consolidated costs and expenses for all properties increased by 3% as compared from last year due to increased bookings and functions.

Seasonality or Cyclicality of Interim Operations

1st QUARTER

The Group opened its facilities and functions for special events and accommodated local guests through online bookings and walk-ins, government and corporate clients that include airline, telecommunication and utility companies. For Food and Beverage, the Group has reimagined the outlet menus by boosting promotions for clients to taste our sumptuous dishes right at the outlets. Presentation of top five performance indicators for third quarter is as follows**.**

TOP FIVE (5) PERFORMANCE INDICATORS

	March 31, 2026	March 31, 2025
Occupancy Percentage	58.75%	78.72%
Average Room Rates	3,628.40	3,487.88
Food Covers	60,434	81,098
Average Food Checks	470	573
Average Food Costs	37.41%	35.70%

Occupancy Percentage

The occupancy percentage is 58.75%. Occupancy percentage is computed by dividing the total number of rooms sold over the total number of rooms available for sale.

Average Room Rate

Average room rate is Php 3,628.40. Average room rate is computed by dividing the net rooms revenue over the total number of rooms sold.

Food Covers

Food covers are 60,434. Food covers pertain to the number of guests that availed of the restaurant's services.

Average Food Check

The average food check or average consumption per guest is Php 470. Average Food Check is derived by dividing the total food and beverage revenue by total food covers.

Average Food Cost

The average food cost is 37.41%. Average Food Cost is computed by dividing the cost of sales for food by revenue plus allowance.

FINANCIAL CONDITION

Cash and cash equivalents – This account decreased by P9.86M which is 2% lower from March last year.

Receivables – has decreased by 74% from P3.85B in March 2025 to P990M in March 2026.

Notes Receivable – Increased by 92% or P106.25M from March 2025.

Inventories – Inventories decreased by 3% from March last year.

Due from related parties-current portion – Has decreased by P1.21B from March of last year. This represents interest bearing advances to TWGI, PRC and Crisanta Realty.

Prepaid expenses and other current assets – A decrease of P705.05M from March last year have been noted, primarily due to account reclassifications. Prepaid expenses refer to payments made for services and/or benefits yet to be performed or received; it also includes prepaid taxes and insurance.

Property plant & equipment – There was a 42% increase from March last year. In compliance with PAS 27, property and equipment (except operating and transportation equipment) were carried at revalued amounts effective 2009.

Other noncurrent assets – There is an increase of 12% from March last year.

Current Liabilities – The account consisted of trade payable, income tax payable, accruals and loans payable. The account decreased by 36% from last year.

Loans Payable – current portion of the loan for March 2026 is at P1.84M compared to last year of P2.24B.

Noncurrent liabilities – The account resulted in a decreased of 86% from March of previous year.

Key Variable and Other Qualitative and Quantitative Factors:

a. Any known Trends, Events or Uncertainties

   The Group has assessed that it will still have a continued operation after the previous year's challenges. The full impact on the Group will depend on the duration of this unique crisis and how it severely impacts the economy going forward, with a range of potential outcomes too large to provide a meaningful quantification at this point. The subsequent impact of this especially on the Group's estimates of provision on financial instruments and recoverability of non-financial assets will be determined, quantified and recognized in the Group's financial statements when these become estimable.

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

c. Omnibus Security and Loan Agreement Covenants

As of March 31, 2026, the Group's debt service coverage ratio had met the agreed threshold.

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

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

Financial Risk and Capital Management Objectives and Policies

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

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

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables.

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

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

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

The credit grades used by the Group in evaluating the credit quality of its receivables to customers and other parties are the following:

Grade A financial assets pertain to financial assets that are neither past due nor impaired which have good collection status. These financial assets are those which have high

probability of collection, as evidenced by counterparties having ability to satisfy their obligations.

Grade B financial assets are those past due but not impaired financial assets and with fair collection status. These financial assets include those for which collections are probable due to their reputation and the financial ability to pay off the counterparty but have been outstanding for a length of time.

Grade C financial assets are those which have continuous default collection issues. These financial assets have counterparties that are most likely not capable of honoring their financial obligations

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

Information on the Group's receivables and due from related parties that are impaired as of December 31, 2025 and 2024 and the movement of the allowance used to record the impairment losses are disclosed in Notes 5 and 8 to the consolidated financial statements.

Liquidity Risk

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

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

Ultimate responsibility for liquidity risk management rests with the BOD, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. For the Group's short-term funding, the Group's policy is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

Market Risk

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

The Group is primarily exposed to the financial risk of changes in equity prices of its equity securities - at FVOCI.

Interest Rate Risk

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

risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

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

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

Equity Price Risk

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

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

Fair Value of Financial Assets and Liabilities

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

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

Risk Management Structure

Board of Directors

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 to make relevant decisions.

Risk Management Committee

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

Capital Management

The primary objective of the Group's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. Capital is defined as the invested money or invested purchasing power, the net assets or equity of the entity. The Group's overall strategy remains unchanged from 2026 and 2025.

The Group manages its capital structure and adjusts it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. For purposes of the Group's capital management, capital includes all equity items that are presented in the consolidated statement of changes in equity, except for revaluation surplus on property and equipment, retirement benefits reserve, foreign currency translation adjustment and fair value reserve.

The Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the omnibus and security loan agreement. Breaches in meeting the financial covenants would permit the bank to immediately demand the full, outstanding balance of the loans.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of March 31, 2026

	Unaudited March 31, 2026	Unaudited March 31, 2025	Audited December 31, 2025
ASSETS			
Current Assets			
Cash and cash equivalents	424,144,025	434,007,908	359,545,436
Short-term Investments	9,517,377		906,620
Receivables - net	990,961,964	3,849,645,423	1,098,656,816
Note receivable	221,837,210	115,587,286	138,693,473
Due from related parties - current portion	1,057,002,990	2,267,655,593	994,987,715
Inventories	33,443,086	34,638,676	32,095,706
Prepaid expenses and other current assets	118,289,098	823,343,878	78,861,296
Total Current Assets	**2,855,195,749**	**7,524,878,764**	**2,703,747,062**
Noncurrent Assets			
Equity securities - at fair value through other comprehensive income	72,544,600	19,943,300	72,544,600
Due from related parties - noncurrent portion	6,479,294,255	4,523,824,730	6,497,858,120
Property and equipment - net	13,278,323,716	9,366,341,145	14,038,875,338
Right-of-use assets -net	113,254,273	147,207,883	113,254,273
Deferred Tax Assets	205,622,724	281,824,335	205,622,724
Retirement benefits asset	87,939,349		78,452,381
Other noncurrent assets	894,156,017	798,679,923	880,240,509
Total Noncurrent Assets	**21,131,134,934**	**15,137,821,316**	**21,886,847,945**
Total Assets	**23,986,330,683**	**22,662,700,080**	**24,590,595,007**
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	1,128,534,593	1,919,893,502	1,021,566,440
Loans payable - current portion	241,000,000	715,000,000	241,000,000
Lease Liabilities - current portion	2,742,698		2,787,936
Due to related parties - current portion	286,004,954	5,013,613	283,057,897
Income tax payable	38,069,887	60,606,336	38,069,886
Other current liabilities	67,802,875	44,221,480	54,161,373
Total Current Liabilities	**1,764,155,007**	**2,744,734,931**	**1,640,643,532**
Noncurrent Liabilities			
Loans payable - noncurrent portion	1,840,000,000	2,238,305,926	1,900,000,000
Provision	902,240,126		902,240,126
Retirement benefits liability	9,706,163	5,929,700	-
Lease liabilities - net of current portion	144,210,216		144,210,217
Deferred tax liabilities	2,062,822,484	856,495,764	2,886,737,220
Other noncurrent liabilities	509,680,856	3,727,718,363	509,680,855
Total Noncurrent Liabilities	**5,468,659,845**	**6,828,449,753**	**6,342,868,417**
Total Liabilities	**7,232,814,852**	**9,573,184,684**	**7,983,511,950**
EQUITY			
Equity Attributable to Equity Holders of the Parent Company			
Capital stock	2,498,991,753	2,498,991,753	2,498,991,753
Additional paid-in capital	706,364,357	706,364,357	706,364,357
Revaluation surplus in property and equipment	8,685,265,212	4,888,255,407	6,739,420,208
Retirement benefits reserve	163,799,833	176,282,581	161,026,043
Foreign currency translation adjustment	76,931,874	75,088,486	76,931,874
Fair value reserve	5,733,830	7,692,830	5,733,830
Retained earnings	2,930,792,745	3,681,725,184	3,535,033,826
Total Equity Attributable to Equity Holders of the Parent Company	**15,067,879,605**	**12,034,400,598**	**13,723,501,891**
Non-controlling Interest	**1,685,636,226**	**1,055,114,798**	**2,883,581,166**
Total Equity	**16,753,515,831**	**13,089,515,396**	**16,607,083,057**
Total Liabilites and Equity	**23,986,330,683**	**22,662,700,080**	**24,590,595,007**

See Notes to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
As of March 31, 2026

	YTD March 31, 2026	YTD March 31, 2025	Quarter Ended - Unaudited March 31, 2026	Quarter Ended - Unaudited March 31, 2025	Audited December 31, 2025
REVENUES					
Hotel	325,714,270	376,782,373	325,714,270	376,782,373	1,362,840,114
Nonhotel	150,930,772	67,353,614	150,930,772	67,353,614	625,352,030
Interest and other income	9,841,635	98,702,709	9,841,635	98,702,709	45,496,494
	486,486,677	**542,838,696**	**486,486,677**	**542,838,696**	**2,033,688,638**
COSTS AND EXPENSES					
Cost of sales					
Hotel	71,394,736	168,075,873	71,394,736	168,075,873	301,389,674
Nonhotel	271,664,636	163,729,662	271,664,636	163,729,662	1,397,508,309
	343,059,372	**331,805,535**	**343,059,372**	**331,805,535**	**1,698,897,982**
	143,427,305	**211,033,161**	**143,427,305**	**211,033,161**	**334,790,656**
OTHER EXPENSES (INCOME)					
Depreciation and amortization	(50,727,403)	(48,430,479)	(50,727,403)	(48,430,479)	(327,141,461)
Casualty loss on damaged properties	-		-	-	-
Gain from insurance claims	-		-	-	-
Income from reversal of excess accrual	-		-	-	-
Interest expense	(43,717,013)	(40,501,623)	(43,717,013)	(40,501,623)	(229,211,318)
Penalties and other charges	-		-	-	-
Casualty loss	-		-	-	-
Provision for impairment losses	-		-	-	
Gain on sale of property and equipment	-		-	-	-
Interest income	25,633,044		25,633,044	-	119,467,498
Unrealized foreign exchange loss	-		-	-	-
Foreign exchange gains - net	3,920		3,920	-	(2,635,082)
Others - net	(621,167)	(23,346,887)	(621,167)	(23,346,887)	(23,922,802)
	(69,428,619)	**(112,278,989)**	**(69,428,619)**	**(112,278,989)**	**(463,443,165)**
INCOME (LOSS) BEFORE INCOME TAX	**73,998,687**	**98,754,172**	**73,998,687**	**98,754,172**	**(128,652,509)**
INCOME TAX EXPENSE (BENEFIT)	**-**			**154,365,872**	**(22,887,530)**
NET INCOME (LOSS)	**73,998,687**	**98,754,172**	**73,998,687**	**(55,611,700)**	**(105,764,979)**
OTHER COMPREHENSIVE INCOME (LOSS)					
Appraisal increase on property and equipment	-		-	-	2,579,205,047
Remeasurement gains/(loss) on defined benefit plan	-		-	-	17,035,036
Actuarial gains (losses) on employee benefit plan during the year	-		-	-	-
Provision for deferred tax on actuarial gains or losses on employee b	-		-	-	-
Derecognition of revaluation surplus resulting from casualty loss	-		-	-	-
Deferred tax effect on derecognition of revaluation surplus resulting f	-		-	-	-
Appraisal increase in property and equipment for the year	-		-	-	-
Provision for deferred tax on appraisal increase in property and equip	-		-	-	
Fair value reserve	-		-	-	4,162,080
Unrealized gain on equity securities at fair value through other compr	-		-	-	-
Deferred tax effect	-		-	-	(649,060,021)
Foreign currency translation differences for foreign operations	-		-	-	1,843,389
	-	-	-	-	**1,953,185,531**
TOTAL COMPREHENSIVE INCOME (LOSS)	**73,998,687**	**98,754,172**	**73,998,687**	**(55,611,700)**	**1,847,420,552**
EARNINGS PER SHARE - Basic and Diluted	**0.032**	**0.042**	**0.032**	**0.042**	**(0.022)**
	2026				**2025**
Net income (loss) attributable to:					
Equity holders of the Parent Company	80,709,286	105,273,779	80,709,286	105,273,779	(54,168,257)
Non-controlling interest	(6,710,599)	(6,519,607)	(6,710,599)	(6,519,607)	(51,596,722)
	73,998,687	**98,754,172**	**73,998,687**	**98,754,172**	**(105,764,979)**
	-		**-**		**(0)**
Total comprehensive income (loss) attributable to:					
Equity holders of the Parent Company	80,709,286	106,602,561	80,709,286	106,602,561	1,327,291,952
Non-controlling interest	(6,710,599)	(7,848,390)	(6,710,599)	(7,848,390)	520,128,600
	73,998,687	**98,754,171**	**73,998,687**	**98,754,171**	**1,847,420,552**
EARNINGS PER SHARE - Basic and Diluted	**0.032**	**0.042**	**0.032**	**0.042** -	**0.022**
	-		**-**		**0**

See Notes to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES **Annex A**
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY **Page 3 of 4**
As of March 31, 2026

	Unaudited March 31, 2026	Unaudited March 31, 2025	Audited December 31, 2025
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Capital stock - P1 par value per share	2,498,991,754	2,498,991,753	2,498,991,753
Additional Paid-in Capital	706,364,357	706,364,357	706,364,357
Revaluation Surplus in Property and Equipment			
Balance at beginning of year	6,739,420,208	5,571,304,631	5,571,304,631
Other comprehensive income - net of income tax effect	1,945,845,004		1,343,877,443
Derecognition of land held under finance lease due to acquisition of a subsidiary			
Transfer of revaluation surplus absorbed through depreciation			(175,761,866)
Balance at end of year	**8,685,265,212**	**5,571,304,631**	**6,739,420,208**
Unrealized Valuation Gain (Loss) on AFS Investments			
Balance at beginning of year		-	
Valuation loss taken into equity during the year	**-**	-	
Change in equity ownership of non-controlling interest in a subsidiary	**-**	-	
Balance at end of year	**-**	-	-
Foreign Currency Translation Adjustment			
Balance at beginning of year	76,931,874	75,088,486	75,088,486
Other comprehensive income - net of income tax effect		(75,088,486)	1,843,388
Balance at end of year	**76,931,874**	**-**	**76,931,874**
Retained Earnings/(Deficit)			
Appropriation for renovation and business expansion	-	3,380,840,212	
Unappropriated			-
Balance at beginning of year	3,535,033,826	(1,586,358,619)	3,336,914,972
Transfer of revaluation surplus absorbed through depreciation	-		175,761,866
Change in retirement benefits reserve			
Net income for the year	(604,241,081)	98,754,171	22,356,988
Balance at end of year	**2,930,792,745**	**(1,487,604,448)**	**3,535,033,826**
Total deficit	**2,930,792,745**	**1,893,235,764**	**3,535,033,826**
	14,898,345,942	**10,669,896,505**	**13,556,742,018**
Fair value reserve, beginning of the year	5,733,830	3,415,552	3,415,552
Other comprehensive income-net tax effect			2,318,278
Total fair value reserve	**5,733,830**	**3,415,552**	**5,733,830**
Retirement benefits reserve, beginning of the year	161,026,043	148,325,721	148,325,721
Other comprehensive income-net tax effect	2,773,790	1,212,762,819	12,700,322
Total retirement benefits reserve	**163,799,833**	**1,361,088,540**	**161,026,043**
Total Equity Attributable to Equity Holders of the Parent Company	**15,067,879,605**	**12,034,400,597**	**13,723,501,891**
NON-CONTROLLING INTEREST			
Balance at beginning of year	2,883,581,166	2,342,731,788	2,342,731,788
Derecognition related to land due to recession of finance lease			
Change in equity ownership of non-controlling interest in a subsidiary			
Valuation loss on AFS investments taken into equity during the year			
Reacquisition of APHC shares			
Other comprehensive income - net of income tax effect	75,134,105	(1,281,097,382)	592,446,100
Net income/(loss) for the year	**(1,273,079,045)**	**(6,519,607)**	**(51,596,722)**
Balance at end of year	**1,685,636,226**	**1,055,114,799**	**2,883,581,166**
	16,753,515,831	**13,089,515,396**	**16,607,083,057**
	(0)	**-**	**(0)**

See Notes to the Consolidated Financial Statements.

	Unaudited March 31, 2026	Unaudited March 31, 2025	Audited December 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	73,998,687	98,754,172	(128,652,509)
Adjustments for:			
Depreciation and amortization	44,975,965	48,430,479	327,141,461
Interest expense	4,824,486	40,501,623	229,211,318
Gain on sale of property and equipment			-
Retirement benefit costs		2,808,389	2,711,723
Loss on restructuring of due from related parties			21,088,989
Impairment losses			311,403,413
Unrealized foreign exchange loss (gain)			2,641,571
Foreign currency translation adjustment			
Income due to rent concession			(1,398,170)
Non-controlling interest		(992,224,361)	
Interest income	30,457,522	(98,702,709)	(119,467,498)
Operating income before working capital changes	**154,256,660**	**(900,432,407)**	**644,680,298**
Decrease (increase) in:			
Receivables	17,771,459	(2,111,058,983)	431,697,105
Inventories	(1,347,380)	(3,386,909)	(843,939)
Due from related parties	(123,308,798)		
Short-term investment	(4,227,430)	2,856,000	(9,373,377)
Prepaid expenses and other current assets	(47,232,587)	(779,976,390)	
Increase (decrease) in:			
Accounts payable and accrued expenses	(73,918,239)	206,702,589	73,797,874
Other noncurrent liabilities	5,202,297	(180,366,258)	
Other current liabilities	102,224,859	(38,701,656)	(18,364,309)
Cash generated from operations	**29,420,841**	**(3,804,364,014)**	**1,121,593,652**
Interest received	(148,172)	98,702,709	14,173,391
Income taxes paid		(5,198,727)	(144,126,912)
Retirement plan contributions paid			
Deferred tax			
Interest paid		(40,501,623)	(203,700,664)
Net cash provided by operating activities	**29,272,669**	**(3,751,361,655)**	**787,939,467**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property and equipment	(878,250)	2,260,307,319	(43,258,767)
Proceeds from sale of property and equipment			
Due from related parties	(14,551,793)	242,562,749	(636,530,734)
Proceeds from insurance claims on property damage			
Short-term investment			1,949,380
Notes Receivable	67,684,663	156,115,442	133,009,255
Cash receipt from cash paid for contractors and other deposits			(11,857,475)
Noncurrent assets	9,186,894	81,475,924	
Net cash used in investing activities	**61,441,514**	**2,740,461,434**	**(556,688,341)**
CASH FLOWS FROM FINANCING ACTIVITIES			
(Increase)Decrease in loans payable		142,305,926	
Proceeds from advances from related party	33,884,405	(814,723,872)	18,159,942
Receipt from concessionaire			27,100,634
Increase (decrease) in other noncurrent liabilities		3,245,138,143	
Loan Payment	(60,000,000)		(295,000,000)
Deferred tax liabilities		(1,517,223,990)	
Payment of Lease Liabilities		(3,944,388)	(15,326,044)
Net cash provided by (used in) financing activities	**(26,115,595)**	**1,051,551,819**	**(265,065,468)**
INCREASE (DECREASE) IN TRANSLATION ADJUSTMENT FOR TH			**3,468**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**64,598,589**	**40,651,598**	**(33,810,874)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**359,545,436**	**393,356,310**	**393,356,310**
CASH AND CASH EQUIVALENTS AT END OF YEAR	**424,144,024**	**434,007,908**	**359,545,436**

See Notes to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE OF AGING OF ACCOUNTS RECEIVABLE FOR SEC REPORTING
As of March 31, 2026

Trade Receivables	0-30 days	31-60 days	61-90 days	91-120 days	121 days over	**Total**
Waterfront Cebu City Casino Hotel Inc.	21,070,313	10,572,391	1,054,709	5,395,563	36,843,314	**74,936,290**
Waterfront Airport Hotel and Casino	15,228,350	2,452,629	3,078,829	4,759,875	24,682,495	**50,202,177**
Waterfront Insular Hotel Davao	4,198,795	3,268,320	2,062,274	(667,849)	12,741,102	**21,602,641**
Grand Ilocandia Resort & Development Inc.	2,778,723.82	295,292		3,640,070	3,591,614	**10,305,700**
Others (APHC, WFC, WHC, WWGI)	-	-	-	-	1,148,469	**1,148,469**
Total	**43,276,181**	**16,588,633**	**6,195,811**	**13,127,659**	**79,006,994**	**158,195,278**

COVER SHEET

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S.E.C. Registration No.

WATERFRONT PHILIPPINES INCORPORATED

(Company's Full name)

1 WATERFRONT DRIVE OFF SALINAS DRIVE LAHUG CEBU CITY

Business Address: No. Street City/Town Provinces

Atty. Arsenio A. Alfiler, Jr.

Contact Person

687-7536

Tel. No

LIST OF TOP 100 STOCKHOLDERS REPORT
AS OF 31 MARCH 2026

17-C

Form type

Secondary License, (if applicable type)

Dept. requiring this doc

Amended Articles number

Total stockholders

Domestic **Foreign**

To be accomplished by SEC personnel concerned

File Number **LCU**

Document I.D. **Cashier**

STAMPS

CR02324-2026

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 date contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

Waterfront Philippines, Incorporated
WPI

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	Mar 31, 2026

Description of the Disclosure

WATERFRONT PHILIPPINES, INC LIST OF TOP 100 STOCKHOLDERS AS OF MARCH 31, 2026

Number of Issued Common Shares	2,498,991,753
Number of Treasury Common Shares, if any	0
Number of Outstanding Common Shares	2,498,991,753
Number of Listed Common Shares	2,498,991,753
Number of Lodged Common Shares	1,180,866,274
PCD Nominee - Filipino	1,134,828,225
PCD Nominee - Non-Filipino	46,038,049
Number of Certificated Common Shares	1,318,125,479

Change from previous submission

TOP 100 AS OF 31 DECEMBER 2025
PCD Nominee – Filipino – 1,135,464,735
PCD Nominee - Non-Filipino – 45,401,539

TOP 100 AS OF 31 MARCH 2026
PCD Nominee – Filipino – 1,134,828,225
PCD Nominee - Non-Filipino – 46,038,049

Filed on behalf by:

Name	Amando Ronsaran Jr.
Designation	Assistant Corporate Secretary

Stock Transfer Service Inc.
WATERFRONT PHILIPPINES, INCORPORATED
List of Top 100 Stockholders
As of 03/31/2026

Rank	Name	Holdings	Percentage
1	PCD NOMINEE CORP. (FILIPINO)	1,134,828,225	45.41%
2	THE WELLEX GROUP, INC.	1,128,466,800	45.16%
3	PCD NOMINEE CORP. (NON-FILIPINO)	46,038,049	01.84%
4	KENNETH T. GATCHALIAN	30,000,100	01.20%
5	REXLON T. GATCHALIAN	30,000,000	01.20%
6	WESLIE T. GATCHALIAN	30,000,000	01.20%
7	FORUM HOLDINGS CORPORATION	20,626,000	00.83%
8	PRIMARY STRUCTURES CORPORATION	16,212,500	00.65%
9	REXLON GATCHALIAN	14,740,000	00.59%
10	METRO ALLIANCE HOLDINGS & EQUITIES, INC.	14,370,000	00.58%
11	ELVIRA A. TING	10,000,009	00.40%
12	CATALINA ROXAS MELENDRES	6,246,000	00.25%
13	MANUEL H. OSMENA &/OR MANUEL L. OSMENA II	1,400,000	00.06%
14	ROLANDO M. LIM	1,142,500	00.05%
15	FELIPE A CRUZ, JR.	1,100,000	00.04%
16	MARIA CONCEPCION CRUZ	876,000	00.04%
17	FREYSSINET PHILIPPINES, INC.	770,000	00.03%
18	BENSON COYUCO	605,000	00.02%
19	LUCENA B. ENRIQUEZ	552,000	00.02%
20	EMILY LIM	500,000	00.02%
21	DEE HUA T. GATCHALIAN	350,000	00.01%
22	ARTHUR H. OSMENA &/OR JANE Y. OSMENA	330,000	00.01%
23	JOSE YAP &/OR CONCHITA YAP	330,000	00.01%
24	MARVIN J. GIROUARD	330,000	00.01%
25	DAVID LAO OSMENA	314,600	00.01%
26	ANA L. GO	300,000	00.01%

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

Rank	Name	Holdings	Percentage
53	CHESA HOLDINGS, INC.	100,000	00.00%
54	PACIFIC REHOUSE CORPORATION	100,000	00.00%
55	PACIFIC IMAGES, INC.	100,000	00.00%
56	CARRIE LIM	100,000	00.00%
57	ALVIN TAN UNJO	88,000	00.00%
58	TERESITA GO &/OR SATURNINA GO	87,000	00.00%
59	GEORGE U. YOUNG, JR	82,500	00.00%
60	ROLANDO D. DE LEON	66,000	00.00%
61	LIPPO SECURITIES, INC.	56,500	00.00%
62	L.M. GARCIA & ASS., INC. A/C# 160	55,000	00.00%
63	MA. TERESA P. CRUZ	55,000	00.00%
64	PRIMITIVO C. CAL	55,000	00.00%
65	LEONG JEE VAN	55,000	00.00%
66	KIRBY YU LIM	55,000	00.00%
67	LIM TAY	55,000	00.00%
68	FRUTO M. TEODORICO, JR	55,000	00.00%
69	RENATO C. GENDRANO &/OR GENDRANO BERNADETTE	55,000	00.00%
70	LYDIA J. SY	55,000	00.00%
71	EDILBERTO &/OR ROSITA TANYU &/OR WELLINGTON HO VELASCO	55,000	00.00%
72	NEIL JOHN A. YU	50,000	00.00%
73	ROBERTO L. UY	50,000	00.00%
74	UY TIAK ENG	50,000	00.00%
75	SANDRA E. PASCUAL	50,000	00.00%
76	FRANCISCO C. SAN DIEGO	50,000	00.00%
77	VICKY L. CHAN	50,000	00.00%
78	EBC SECURITIES CORPORATION	48,400	00.00%

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

Total Top 100 Shareholders :	2,496,974,782	99.92%
Total Issued Shares	2,498,991,753	

WPI000000000 March 31, 2026

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

March 31, 2026

WPI000000000

BPNAME	QUANTITY
UPCC SECURITIES CORP.	65,000
A & A SECURITIES, INC.	525,200
ABACUS SECURITIES CORPORATION	39,394,579
PHILSTOCKS FINANCIAL INC	67,459,020
A. T. DE CASTRO SECURITIES CORP.	34,000
ALL ASIA SECURITIES MANAGEMENT CORP.	202,500
ALPHA SECURITIES CORP.	2,517,000
BA SECURITIES, INC.	1,459,200
AP SECURITIES INCORPORATED	17,709,500
ANSALDO, GODINEZ & CO., INC.	3,095,200
AB CAPITAL SECURITIES, INC.	7,187,017
SB EQUITIES,INC.	2,117,100
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	832,800
ASIASEC EQUITIES, INC.	1,796,500
ASTRA SECURITIES CORPORATION	5,000
BELSON SECURITIES, INC.	3,420,100
JAKA SECURITIES CORP.	15,500
BPI SECURITIES CORPORATION	24,171,261
CAMPOS, LANUZA & COMPANY, INC.	2,442,202
SINCERE SECURITIES CORPORATION	1,045,000
CTS GLOBAL EQUITY GROUP, INC.	669,138
TRITON SECURITIES CORP.	36,009,450
IGC SECURITIES INC.	4,425,000
CUALOPING SECURITIES CORPORATION	105,000
DAVID GO SECURITIES CORP.	1,670,200
DIVERSIFIED SECURITIES, INC.	4,443,800
E. CHUA CHIACO SECURITIES, INC.	7,323,900
EQUITABLE SECURIITES (PHILS.) INC.	27,200
EAST WEST CAPITAL CORPORATION	400,000
EASTERN SECURITIES DEVELOPMENT CORPORATION	2,821,200
EQUITIWORLD SECURITIES, INC.	325,600
EVERGREEN STOCK BROKERAGE & SEC., INC.	3,769,100
FIRST ORIENT SECURITIES, INC.	1,367,100
FIRST INTEGRATED CAPITAL SECURITIES, INC.	100
F. YAP SECURITIES, INC.	290,000
AURORA SECURITIES, INC.	676,700
GLOBALINKS SECURITIES & STOCKS, INC.	384,000
JSG SECURITIES, INC.	128,150
GOLDSTAR SECURITIES, INC.	4,363,100
GUILD SECURITIES, INC.	121,000
CNN SECURITIES, INC.	26,792,500

H. E. BENNETT SECURITIES, INC.	2,180,000
HK SECURITIES, INC.	9,100
I. ACKERMAN & CO., INC.	30,000
I. B. GIMENEZ SECURITIES, INC.	224,185
INVESTORS SECURITIES, INC,	1,217,000
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	199,800
INTRA-INVEST SECURITIES, INC.	176,400
ASIAN CAPITAL EQUITIES, INC.	56,100
STRATEGIC EQUITIES CORP.	1,006,400
LARRGO SECURITIES CO., INC.	122,000
LUCKY SECURITIES, INC.	153,500
LUYS SECURITIES COMPANY, INC.	1,154,500
MANDARIN SECURITIES CORPORATION	2,103,200
COL Financial Group, Inc.	99,617,713
DA MARKET SECURITIES, INC.	222,200
MERCANTILE SECURITIES CORP.	129,800
MERIDIAN SECURITIES, INC.	2,132,700
MDR SECURITIES, INC.	70,000
REGIS PARTNERS, INC.	6,300
MOUNT PEAK SECURITIES, INC.	60,000
NEW WORLD SECURITIES CO., INC.	2,263,000
OPTIMUM SECURITIES CORPORATION	2,599,650
RCBC SECURITIES, INC.	3,858,300
PAN ASIA SECURITIES CORP.	30,000
PAPA SECURITIES CORPORATION	1,150,200
MAYBANK SECURITIES, INC.	2,752,900
PLATINUM SECURITIES, INC.	23,000
PNB SECURITIES, INC.	1,764,260
PREMIUM SECURITIES, INC.	1,753,600
PRYCE SECURITIES, INC.	12,124
SALISBURY SECURITIES CORPORATION	15,300
QUALITY INVESTMENTS & SECURITIES CORPORATION	14,822,000
R & L INVESTMENTS, INC.	42,000
R. COYIUTO SECURITIES, INC.	6,333,200
REGINA CAPITAL DEVELOPMENT CORPORATION	5,458,100
R. NUBLA SECURITIES, INC.	4,020,000
AAA SOUTHEAST EQUITIES, INCORPORATED	2,216,200
R. S. LIM & CO., INC.	1,048,400
RTG & COMPANY, INC.	109,600
S.J. ROXAS & CO., INC.	1,003,500
SECURITIES SPECIALISTS, INC.	2,200
FIDELITY SECURITIES, INC.	185,500
SUMMIT SECURITIES, INC.	707,300
STANDARD SECURITIES CORPORATION	1,376,200
SUPREME STOCKBROKERS, INC	31,350
TANSENGCO & CO., INC.	596,500
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	37,200

TOWER SECURITIES, INC.	8,322,600
APEX PHILIPPINES EQUITIES CORPORATION	5,000
TRENDLINE SECURITIES CORPORATION	11,200
DRAGONFI SECURITIES, INC.	30,348
LANDBANK SECURITIES, INC.	2,197,700
UOB KAY HIAN SECURITIES (PHILS.), INC.	4,380,000
E.SECURITIES, INC.	3,300
VENTURE SECURITIES, INC.	136,900
FIRST METRO SECURITIES BROKERAGE CORP.	29,551,002
WEALTH SECURITIES, INC.	7,033,840
WESTLINK GLOBAL EQUITIES, INC.	641,533,440
BERNAD SECURITIES, INC.	164,100
WONG SECURITIES CORPORATION	27,500
YAO & ZIALCITA, INC.	299,000
META CAPITAL SECURITIES INC	2,036,000
BDO SECURITIES CORPORATION	18,307,419
EAGLE EQUITIES, INC.	570,300
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	2,161,576
SOLAR SECURITIES, INC.	6,330,600
G.D. TAN & COMPANY, INC.	6,764,300
PHILIPPINE EQUITY PARTNERS, INC.	3,514,950
UNICAPITAL SECURITIES INC.	939,900
SunSecurities, Inc.	400,000
ARMSTRONG SECURITIES, INC.	5,300
TIMSON SECURITIES, INC.	8,166,000
VC SECURITIES CORPORATION	100,600
CITIBANK N.A.	100,000
STANDARD CHARTERED BANK	685,000
SEEDBOX SECURITIES, INC.	400,000
Total lodged shares	**1,180,866,274**

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)
   Apr 14, 2026
2. SEC Identification Number
   AS94008678
3. BIR Tax Identification No.
   D80003978254NV
4. Exact name of issuer as specified in its charter
   WATERFRONT PHILIPPINES, INC.
5. Province, country or other jurisdiction of incorporation
   CEBU CITY, PHILIPPINES
6. Industry Classification Code(SEC Use Only)

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

8. Issuer's telephone number, including area code
   032-2326888
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	2,498,991,753

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.

Waterfront Philippines, Incorporated
WPI

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

Subject of the Disclosure
CAPITAL STRUCTURE OF WATERFRONT PHILIPPINES, INC
Description of the Disclosure
SECRETARY CERTIFICATE RE: CAPITAL STRUCTURE OF WATERFRONT PHILIPPINES, INC. AS OF 31 MARCH 2026
Information Requested
-

Filed on behalf by:

Name	Amando Pamsarat 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 **WATERFRONT PHILIPPINES, INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Philippines with principal address at No. 1 Waterfront Drive Off Salinas Drive, Lahug, Cebu City, and listed on The Philippine Stock Exchange, Inc. since December 19, 2001;

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 31 March 2026 (the "Covered Period"), the Corporation's capital structure is as follows:

Authorized Capital Stock	PhP 5,000,000,000.00
Number, Classes of Shares, Par Value per Share	5,000,000,000/common/PhP1.00
Issued and Outstanding Shares	2,498,991,753
Fully-paid Shares	2,498,991,753
Treasury Shares	0
Outstanding Shares	2,498,991,753
Listed Shares	2,498,991,753
Certificated Shares	1,318,125,479

4. Based on the records of PDTC as of the Covered Period, there are 1,180,866,274 lodged shares, broken down, as follows:

PCD Nominee - Filipino	1,134,828,225
PCD Nominee – Non-Filipino	46,038,049

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").

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

7. All shares had been issued were fully paid.

8. All issued and outstanding shares have been listed.

IN WITNESS WHEREOF, I have hereunto set my hand this APR 14 2026 day of _____ 2026, 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.

APR 14 2026

Doc. No. 460
Page No. 93
Book No. 15
Series of 2026.

PASIG CITY

Notary Public

ATTY. JOMAR M. DIZOLA
NOTARY PUBLIC
Cities of Pasig, San Juan, Pateros, Metro Manila
3303 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. 3993001; 01/14/2026 Pasig City
IBP No. 523574; 01/05/2026 HIP Manila I
MCLE No. VIII-0006903; Feb 20, 2024 - Apr 14, 2029

WATERFRONT PHILIPPINES, INCORPORATED
List of Top 20 Stockholders
As of 03/31/2026

Rank	Name	Holdings	Percentage
1	PCD NOMINEE CORP. (FILIPINO)	1,134,828,225	45.41%
2	THE WELLEX GROUP, INC.	1,128,466,800	45.16%
3	PCD NOMINEE CORP. (NON-FILIPINO)	46,038,049	01.84%
4	KENNETH T. GATCHALIAN	30,000,100	01.20%
5	REXLON T. GATCHALIAN	30,000,000	01.20%
6	WESLIE T. GATCHALIAN	30,000,000	01.20%
7	FORUM HOLDINGS CORPORATION	20,626,000	00.83%
8	PRIMARY STRUCTURES CORPORATION	16,212,500	00.65%
9	REXLON GATCHALIAN	14,740,000	00.59%
10	METRO ALLIANCE HOLDINGS & EQUITIES, INC.	14,370,000	00.58%
11	ELVIRA A. TING	10,000,009	00.40%
12	CATALINA ROXAS MELENDRES	6,246,000	00.25%
13	MANUEL H. OSMENA &/OR MANUEL L. OSMENA II	1,400,000	00.06%
14	ROLANDO M. LIM	1,142,500	00.05%
15	FELIPE A CRUZ, JR.	1,100,000	00.04%
16	MARIA CONCEPCION CRUZ	876,000	00.04%
17	FREYSSINET PHILIPPINES, INC.	770,000	00.03%
18	BENSON COYUCO	605,000	00.02%
19	LUCENA B. ENRIQUEZ	552,000	00.02%
20	EMILY LIM	500,000	00.02%
	Total Top 20 Shareholders :	2,488,473,183	99.58%
	Total Issued Shares	2,498,991,753	

Outlook

FW: Quarterly Report

From Waterfront Philippines Inc. <wpi@waterfronthotels.net>
Date Fri 8/14/2026 10:44 AM
To Aiza Pasayloon <a.pasayloon@waterfronthotels.net>; Rhea Hinampas <r.hinampas@waterfronthotels.net>; Irish Chara Lawas <i.lawas@waterfronthotels.net>; Jerraemie Nikka Patulot <j.patulot@waterfronthotels.net>; Cherryl Vidal <c.vidal@waterfronthotels.net>

From: Philippine Stock Exchange <no-reply@pse.com.ph>
Sent: Friday, August 14, 2026 10:44:25 AM (UTC+08:00) Taipei
To: ajponsaran@ccplaw.com.ph; Rhea Hinampas; sigmahanon@yahoo.com; Waterfront Philippines Inc.; disclosure@pse.com.ph
Subject: Quarterly Report

Dear Sir/Madam:

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

Company Name: Waterfront Philippines, Incorporated
Reference Number: 0031550-2026
Date and Time: Friday, August 14, 2026 10:44 AM
Template Name: Quarterly Report
Report Number: CR06144-2026

Best Regards,
PSE EDGE

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If verification is required, please request for a hard copy.

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The Philippine Stock Exchange, Inc., 6th to 10th Floors, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City, Philippines 1634

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

The following document has been received:

Receiving: DONNA ENCARNADO
Receipt Date and Time: August 13, 2026 06:41:14 PM

Company Information

SEC Registration No.: AS94008678
Company Name: WATERFRONT PHILIPPINES INC.
Industry Classification: J66940
Company Type: Stock Corporation

Document Information

Document ID: OST108132026811781875
Document Type: QUARTERLY_REPORT
Document Code: SEC_Form_17-Q
Period Covered: June 30, 2026
Submission Type: Original Filing
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

A	S	0	9	4	-	8	6	7	8

SEC Registration No.

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

(Company's Full Name)

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

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

		C	E	B	U		C	I	T	Y																			

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

CHERRYL M. VIDAL	(02) 8706-7888
Contact Person	Contact Telephone No.

1	2	3	1

Month Day
Calendar Year

17-Q

FORM TYPE

Last day of September

Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

420

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

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 **June 30, 2026**

2. SEC Registration No. **AS094-8678**

3. BIR Tax Identification No. **003-978-254-000**

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

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

6. Industry Classification Code: _____ (SEC Use Only)

7. Address of issuer's principal office
   NO. 1 WATERFRONT DRIVE, OFF SALINAS DRIVE, LAHUG, CEBU CITY
   Postal Code **6000**

8. Issuer's telephone number, including area code **032-232-6888**

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

10. Securities registered pursuant to Sections 8 and 12 of the Code, 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	**2,498,991,753**

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [**X**] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
    THE PHILIPPINE STOCK EXCHANGE/ COMMON SHARES

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code 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 the registrant was required to file such reports)
    Yes [**X**] No [ ]

    (b) Has been subject to such filing requirements for the past ninety (90) days.
    Yes [**X**] No [ ]

WATERFRONT PHILIPPINES, INCORPORATED
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:	**JUNE 30, 2026**
Currency (indicate units, if applicable):	**PESO**

BALANCE SHEET		
	Period Ended	**Calendar Year Ended**
	June 30, 2026 (Unaudited)	**December 31, 2025 (Audited)**
Current Assets	3,214,775,650	2,703,747,062
Total Assets	24,783,755,474	24,590,595,007
Current Liabilities	2,068,011,946	1,640,643,532
Total Liabilities	8,145,427,862	7,983,511,950
Retained Earnings	3,577,811,192	3,535,033,826
Stockholders' Equity	16,638,327,612	16,607,083,057
Stockholders' Equity- Parent	13,771,740,733	13,723,501,891
Book Value Per Share	5.511	5.492

INCOME STATEMENT				
	Current Year April to June	**Previous Year** April to June	**Current Year-To-Date**	**Previous Year-To-Date**
Operating Revenue	440,541,840	387,675,152	917,186,882	831,811,139
Other Income	10,278,649	111,877,814	20,120,284	210,580,523
Gross Revenue	450,820,489	499,552,966	937,307,166	1,042,391,662
Operating Expense	329,714,699	310,997,288	672,774,071	642,802,823
Other Expense	63,340,126	149,109,416	132,768,744	261,388,406
Gross Expense	393,054,825	460,106,704	805,542,815	904,191,229
Net Income/ (Loss) Before Tax	57,765,664	39,446,262	131,764,351	138,200,433
Income Tax Expense	5,638,495	11,677,489	5,638,495	11,677,489
Net Income/ (Loss) After Tax	52,127,168	27,768,773	126,125,855	126,522,944
-Net Income Attributable to Parent Equity Holder	58,872,519	19,267,318	139,581,805	124,541,097
Earnings/(Loss) Per Share (Basic)	0.024	0.008	0.056	0.050

Financial Ratios

	Formula	Current Year June 30, 2026	Previous Year December 31, 2025
Liquidity Analysis Ratios			
Current Ratio or Working Capital Ratio	Current Assets/Current Liabilities	1.555	1.648
Quick Ratio	(Current Assets - Inventory - Prepayments)/ Current Liabilities	1.472	1.580
Solvency Ratio	Total Assets / Total Liabilities	3.043	3.080
Financial Leverage Ratios			
Debt Ratio	Total Debt / Total Assets	0.329	0.325
Debt-to-Equity Ratio	Total Debt / Total Stockholders' Equity	0.591	0.582
Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	1.512	-0.561
Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	1.800	1.792
Profitability Ratios			
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of service/ Sales	28.22%	16.46%
Net Profit Margin	Net Profit / Sales	13.46%	-5.20%
Return on Assets	Net Income / Total Assets	0.53%	-0.52%
Return on Equity	Net Income / Total Stockholders' Equity	0.96%	-0.94%
Price / Earnings Ratio	Price Per Share / Earnings Per Common Share	8.057	-18.915
Book Value	Total Common Stockholder's Equity-Parent/No. of Common Shares	5.511	5.492

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

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

PART II—OTHER INFORMATION

1. List of Top Stockholders

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: **Waterfront Philippines, Incorporated**
Issuer:

Signature and Title AMANDO J. PONSARAN, JR
Asst. Corporate Secretary

Date _____

Signature and Title JERRAEMIE NIKKA PATULOT
Compliance Officer

Date _____

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Organization and Status of the Business

Corporate Information

Waterfront Philippines, Incorporated (the Parent Company) was incorporated in the Philippines, registered with the Philippine Securities and Exchange Commission (SEC) in September 23, 1994, and is listed on the Philippine Stock Exchange (PSE stock symbol: WPI). The Parent Company is 45%-owned by The Wellex Group, Inc. (TWGI), an entity similarly registered and domiciled in the Philippines. The Parent Company holds equity interests in hotels and resorts, a fitness gym, entities engaged in the international marketing and promotion of casinos, manufacturing of pastries, and hotel management and operations. The Parent Company's registered office address is located at No. 1 Waterfront Drive, Off Salinas Drive, Barangay Lahug, Cebu City.

The following subsidiaries (together with the Parent Company collectively referred to as the Group) were incorporated in the Philippines, except for Waterfront Promotion Ltd. (WPL) and Club Waterfront International Limited (CWIL), which were registered in the Cayman Islands:

	Percentage of Ownership	
	Direct	Indirect
Hotels and Resorts		
Waterfront Cebu City Casino Hotel, Incorporated (WCCCHI)	100	-
Waterfront Mactan Casino Hotel, Incorporated (WMCHI)	100	-
Waterfront Iloilo Hotel Inc. (WIHI)	100	
Waterfront Puerto Princesa Hotel, Inc. (WPPHI)	100	
Davao Insular Hotel Company, Inc. (DIHCI)	98	-
Acesite (Phils.) Hotel Corporation (APHC)	56	-
Grand Ilocandia Resort and Development, Inc. (GIRDI)	54	-
Real Estate		
Acesite Realty, Inc.	-	56
Fitness Gym		
Waterfront Wellness Group, Inc. (WWGI)	100	-
International Marketing and Promotion of Casinos		
Waterfront Promotion Limited (WPL)	100	-
Mayo Bonanza, Inc. (MBI)	100	-
Club Waterfront International Limited (CWIL) - through direct ownership in WPL	-	100
Waterfront Horizon Corporation (WHC) – previously known as Waterfront Entertainment Corporation (WEC)	100	-
Pastries Manufacturing		
Waterfront Food Concepts Inc. (WFC)	100	-

Hotel Management and Operation		
Waterfront Hotel Management Corp. (WHMC)	100	-
Pavillion Enterprises Corp. (through direct ownership in APHC)		56
Pavillion Leisure and Entertainment Corp. (through direct ownership in APHC)		56
Investment Holding Company		
Waterfront Cebu Ventures, Inc. (WCVI)	100	

- ***Waterfront Cebu City Casino Hotel, Incorporated***

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

- *Waterfront Convention Center - (WCC)*

Waterfront Convention Center previously known as Cebu International Convention Center is a six-storey building, especially-designed to adapt to any event size and purpose, has been in operation since January 5, 1998. Major amenities of the center include ten (11) function rooms and two (2) Grand Ballrooms with a seating capacity of 4,000.

- *Entertainment Block*

The Entertainment block is a six-storey building and is comprised of eleven (9) Food and Beverage entertainment outlets, a public and international gaming area that includes the *"Casino Filipino",* and 62 hotel rooms and suites.

- *Hotel Tower Block*

The Hotel Tower block is a 22-storey and it consists of a podium, containing the lobby, a food and beverage outlet, a reception, a shopping arcade, three (3) press function rooms, and a high-rise block of 498 hotel rooms and suites.

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

The Hotel has elegantly designed and well-appointed guest rooms and suites. The 18th Floor is the Waterfront Ambassador Lounge with a two floor Lounge exclusive for Ambassador Floor guests. Waterfront Ambassador Lounge's guests enjoy butler service, complimentary business services and a business boardroom fit for a group of up to 8 people, equipped with a built-in LCD projector, a roll-up screen, PA and recording system, a local area network (LAN) and a poly communication system. The

2nd floor lounge is outfitted with 3 computer stations, where guests can avail of complimentary WIFI access, flat-screen television entertainment, an array of lifestyle and business magazines as well as newspapers and board games.

The Hotel features a convention center, once recognized as the largest in the Visayas and Mindanao, designed to accommodate a wide range of events. It is equipped with 10 function rooms, 2 executive boardrooms, and 2 Grand Ballrooms, each with a seating capacity of 4,000. Over the years, it has hosted numerous national and regional events, conventions, and conferences.

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

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

Merienda Buffet
The Waterfront Hotels Group's Merienda Buffet is a delightful celebration of Filipino comfort food and regional favorites, served daily at our flagship properties in Cebu, Mactan, and Davao. From savory street food classics and traditional kakanin to hearty local specialties and indulgent desserts, each spread offers a nostalgic yet elevated merienda experience. The Waterfront Airport Hotel & Casino's merienda buffet was recognized as the Sunstar Best of Cebu – Best Merienda Buffet in 2023. Conveniently located just across the airport, it is the perfect stop for travelers and locals alike seeking an authentic and satisfying taste of Cebuano hospitality.

Wine Dispenser
Guests can now take a sip of Lobby Lounge's extensive selection of wine. The wine dispenser is an innovative addition to the wining and dining experience at the Hotel. It serves the purpose of allowing guests to select among an array of bottles, through tasting by the glass. This concept intends to give guests an opportunity to sample different wines in small amounts before deciding to order a full glass or bottle. Guests may test wines from the dispenser in three different amounts. This way, guests can

choose the perfect wine fit for their palate. To enjoy the wine dispenser service, guests must avail of the Wine Card which comes in prepaid or postpaid.

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

Waterfront Mactan was incorporated on September 23, 1994 to manage and operate the Waterfront Airport Hotel & Casino Mactan (WAHC). Ideally situated directly across Mactan-Cebu International Airport, the hotel occupies approximately 3.3 hectares and serves as one of the most strategically located airport hotels in the country. The hotel features 166 well-appointed rooms and suites, 6 food-and-beverage and entertainment outlets. Waterfront Airport also houses one of the largest casinos in the Philippines - making Cebu the only city in Southeast Asia offering casino facilities conveniently accessible to transiting passengers.

Over the years, the hotel has continuously enhanced its guest experience through improvements such as in-room connectivity and business-friendly amenities, and the adoption of fully integrated hotel systems to strengthen operational efficiency, elevate guest service, and uphold overall profitability. Future expansion plans of guest rooms and convention facilities will be built, aligning with market demand and growth opportunities. The hotel's location provides unmatched convenience: just steps from the international and domestic airport, three minutes from the Mactan Industrial Zone, fifteen minutes from Mactan's premier beach destination, and thirty minutes from Cebu City's commercial and financial districts. In 2016, the property further improved guest access by expanding the Annex parking area.

Today, Waterfront Airport Hotel & Casino Mactan remains an essential gateway to Cebu-offering seamless travel convenience, world-class hospitality, and a unique blend of business, leisure and entertainment all in one destination.

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

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

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

On 2015, the property re-opened its 48 square meter gym to continuously serve its guests and to ensure guests satisfaction. Discover the rich cultural heritage of Davao

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

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

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

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

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

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

The principal property of the Company is a 22-storey building previously known as the Manila Pavilion Hotel, *now Waterfront Manila Hotel and Casino* 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 these was Alcuaz which can accommodate 250-300 guests. The hotel had approximately 2,200 sq. meters of meeting/banquet/conference facilities, and also houses several restaurants, such as Seasons Café (coffee shop), the El Rey (bar & lounge) and the Patisserie (bakeshop and deli items). Other guest services and facilities included a chapel, swimming pool, gym, business center and a valet-service basement car park. Concessionaires and tenants included a beauty salon, a foot spa, photography services, transportation services, travel agency, flower shop and boutiques. In addition, Casino Filipino – Pavilion, owned and operated by PAGCOR, occupied part of the first, second, third, fourth and fifth floors (a total of 12,696.17 sq. m.) of the building.

On March 18, 2018, a fire broke out in the property that damaged the podium and main hotel that resulted in 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. 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. As at December 31, 2025 and 2024, insurance claims receivable amounted to nil.

While Php 1.5 billion in insurance proceeds were initially utilized to commence rebuilding, the updated completion budget has risen to Php 3.6 billion due to higher construction costs, structural reforms, and re-layout requirements. A phased reopening was initially planned, with the casino, one restaurant, and 150 rooms targeted for 2026, and banquet areas plus 350 more rooms by 2027. However, weak tourism arrivals, the decline of the Chinese gaming market, competition from online gaming, and volatile operating costs have led management to recommend pausing construction until industry conditions improve. The earliest restart is projected for mid-2028 with appropriated retained earnings for reconstruction and an annual maintenance budget set aside to preserve the hotel's superstructure.

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

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

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

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

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

- ***Waterfront Horizon Corporation***

  Waterfront Horizon Corporation (Waterfront Horizon) is a subsidiary of the Waterfront group, established to support both hospitality operations and future expansion initiatives. It manages the country's first fully integrated hotel reservations and booking system under a local hotel chain through its comprehensive Central Reservations Office (CRO), providing 24/7 reservation services and seamless access to all Waterfront properties for domestic and international clients. Beyond supporting the internal portfolio, the company is also established as a strategic platform capable of servicing hotels outside the group. With its scalable systems, trained reservations staff, and tech-enabled infrastructure, the company is positioned to provide outsourced reservation management solutions to independent hotels and partner properties in the future. This expansion capability allows the company to operate not only as an internal support, but also as a standalone hospitality service provider with the potential to grow with its market reach.

  In addition to its core reservations expertise, WHC is also positioned to engage in tourism estate development and management. This added capability allows the company to support broader hospitality and tourism projects, enhancing opportunities for growth within and outside the group. Through its combined strength in guest service, operational efficiency, and development support, WHC plays a pivotal role in driving the Waterfront group's strategic growth and expanding its presence in the Philippine hospitality and tourism landscape.

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

  Waterfront Food Concept, Inc. (WFC) is a subsidiary of Waterfront Philippines Inc. established to engage in the operation of restaurants, cafes, fast-food outlets, and other food service establishments. While the company is structured and authorized to manage full food and beverage operations, its current focus is on serving the group's industrial bakery and commissary. WFC specializes in producing high-quality bakery, pastry, and dessert products, supplying Waterfront hotels in Cebu as well as various external establishments.

  This operational foundation positions WFC to expand into broader food service management in the future, in line with its primary mandate. Through its commitment to quality production and service readiness, WFC supports the group's culinary requirements while maintaining the capability to operate full restaurant and food outlet concepts as the business grows.

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

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

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

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

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

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

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

  The Company is a wholly-owned subsidiary of Waterfront Philippines, Incorporated (WPI or the Parent Company).

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

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

  The Company is a wholly-owned subsidiary of Waterfront Philippines, Incorporated (WPI or the Parent Company).

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

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

  The Company is a wholly-owned subsidiary of Waterfront Philippines, Incorporated (WPI or the Parent Company). As at December 31, 2025, the Company has not yet started its commercial operations.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company, as well as those of its subsidiaries enumerated in Note 1 to the consolidated financial statements.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if and only if, the Group 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 Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control, namely, 1. Power over the investee, 2. Exposure or rights, to variable returns, and 3. ability to use its power over the investee to affect the amount of the investor's return.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company and are included in the consolidated financial statements from the date when control commences until the date when control ceases.

The accounting policies of subsidiaries are being aligned with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating results are reviewed regularly by the Group's BOD, the chief operating decision maker of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's BOD include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and income tax assets and liabilities. Segment capital expenditure is the total cost incurred during the year to acquire property and equipment.

The Group's businesses are operated and organized according to the nature of business provided, with each segment representing a strategic business unit, namely, the hotel operations, marketing operations and corporate and other operations segments. The Group's only reportable geographical segment is the Philippines.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Income is measured at the fair value of the consideration received, net of trade discounts, rebates, and other sales taxes or duties. The following specific criteria must also be met before revenue is recognized:

Rooms

Room revenue is recognized based on actual occupancy.

Food and Beverage

Food and beverage revenue are recognized when orders are served and billed.

Rent and Related income

Rent and related income on leased areas of the Group's properties is accounted for on a straight-line basis over the term of the lease, except for cancellable leases which are recognized at amount collected or collectible based on the contract provision.

Other Revenues

Other revenues are recognized upon execution of service or when earned.

Interest Income

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

1. Cash and Cash Equivalents

Cash in banks earn interest at the respective bank deposit rates. Short-term placements earn interest at annual average rate of 0.05% to 5.50% in 2026 with average maturities ranging from 30 to 90 days.

2. Receivables

This account consists of:

	June 2026	December 2025
Trade	431,428,918	629,995,078
Others	1,202,555,359	566,974,483
Total Receivables	**1,633,984,277**	**1,196,969,561**
Less allowance for doubtful accounts	215,920,284	98,312,745
Total	**1,418,063,994**	**1,098,656,816**

3. Inventories

This account consists of:

	June 2026	December 2025
Food and Beverage	20,297,864	18,488,490
Operating Supplies	9,612,794	10,915,830
Others	4,329,193	2,691,386
Total	**34,239,851**	**32,095,706**

4. Related Party Transactions

These represents interest bearing advances from TWGI, Pacific Rehouse Corporation (PRC), and Crisanta Realty Development Corporation. The advances granted to TWGI and PRC were substantially used to finance the acquisition or development of real properties for the Company. These advances are due in five (5) years, subject to renewal. The advances to TWGI charge interest at 4% per annum in 2026 and 2025, while the advances to PRC charge interest at 2% per annum in 2026 and 2025. The advances to CRDC bear interest at 2.55% per annum in 2026 and 2025.

Advances to Philippine Estate Corporation (PHES), Forum Holdings Corporation (FHC), Plastic City Industrial Corporation (PCIC), East Asia Oil & Mining Company, Inc. (East Asia) and Pacific Wide Realty Development Corp. (PWRDC) are noninterest-bearing, collateral-free and with no fixed term of repayment.

5. Accounts Payable and Accrued Expenses

This account consists of:

	June 2026	December 2025
Trade	590,487,993	543,797,524
Accrued Expenses	160,744,529	161,692,617
Others	527,089,436	316,076,299
Total	**1,278,321,959**	**1,021,566,440**

6. Loans Payable

This account consists of:

SSS Loan

On October 28, 1999, the Parent Company obtained a five-year term loan from SSS amounting to P375.00 million originally due on October 29, 2004. The SSS loan bears interest at the prevailing market rate plus 3.00% or 14.50% per annum, whichever is higher. Interest is repriced annually and is payable semi-annually. Initial interest payments are due 180 days from the date of the release of the proceeds of the loan. The repayment of the principal shall be based on eight semi-annual payments, after a 1-year grace period.

The SSS loan was availed to finance the completion of the facilities of WCCCHI. It was secured by a first mortgage over parcels of land owned by WII, a related party and by the assignment of 200.00 million common shares of the Parent Company owned by TWGI. The common shares assigned were placed in escrow in the possession of an independent custodian mutually agreed upon by both parties.

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

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

The remaining balance of the SSS loan is secured by the shares of stock of the Parent Company owned by TWGI and shares of stock of WII totaling 235.00 million and 80.00 million shares, respectively.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- The Parent Company to pay SSS P375.00 million subject to 12.00% legal interest from October 28, 1999 to June 30, 2013, and 6.00% legal interest from July 1, 2013 until full payment; and

- SSS to return to the Parent Company the amount of P35.83 million, subject to a legal interest of 12.00% from the dates that the individual payments were remitted until June 30, 2013, and 6.00% legal interest from July 1, 2013 until full payment.

On January 28, 2022, the SSS filed a Motion for Reconsideration with the SC. On February 2, 2022, the Office of the Solicitor General filed a Manifestation with the SC that it filed/served by electronic means its Motion for Reconsideration due to the physical closure of its offices as a result of the COVID-19 pandemic. As at the date of authorization for issue of the consolidated

financial statements, there were no updates on the progress of the foregoing motions filed by the SSS and the Office of the Solicitor General with the SC.

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

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

The Company is hereby ordered to:

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

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

On April 17, 2023, the Company filed a Manifestation with Motion to Approve Proposed Set-off and Schedule Reconveyance with the RTC of Quezon City to comply with the orders set out in the SC decision.

On August 17, 2023, Branch 76 of the RTC of Quezon City issued an Order approving the legal compensation between SSS and the WPI, ordering WPI to pay P258,117,749.89 to SSS, which is the balance of the amount due to SSS after set-off of the amounts due to WPI, and further ordering the return of real estate properties and shares of stock by SSS to defendants WPI and WIN.

On September 20, 2023, SSS filed a Motion for Reconsideration with RTC of Quezon City asking that August 17, 2023 Order to be set aside. The Motion for Reconsideration was denied by the RTC on January 12, 2024.

On May 27, 2024, WPI, WIN, and TWGI tendered Manager’s Checks totaling P258.12 million to SSS. On July 16, 2024, SSS filed its Manifestation of Conditional Acceptance, acknowledging receipt of the tendered amount as partial and initial payment only, subject to the outcome of the pending case before the Court of Appeals (CA G.R. SP No. 183716). As a result, the principal balance of the SSS loan was reduced to P116.88 million

WPI, WIN and TWGI then filed a Motion to Direct the Register of Deeds of Quezon City to cancel TCT Nos. N-281261 and N-281262 and to reinstate TC Nos. N-153395 and N-153396 to which the Court granted in its Order dated August 6, 2024.

Subsequently, SSS filed its Urgent Omnibus Motion for Reconsideration of the August 6, 2024 and for Inhibition of Hon. Pambid. The said Motion was denied by the Court on October 3, 2024.

On December 3, 2024, SSS filed a Petition for Certiorari (with Application for Temporary Restraining Order and/or Preliminary Injunction) against Hon. Pambid, WPI, TWGI and WIN before the CA, docketed as CA G.R. SP No.187166.

This is awaiting the order of the Court of Appeals to file comment on the Petition for Certiorari as at December 31, 2025.

Interest expense - net incurred from the SSS loan is recognized in the consolidated statements of profit or loss and other comprehensive income amounted to nil, P10.65 million and P20.35 million in 2025, 2024 and 2023, respectively.

Further, in relation to the SC decision declaring the SSS loan as null and void, the Parent Company reclassified the outstanding balance of the loan and the related accrued interest amounting to P116.80 million and P785.36 million, respectively, as “Provision” as at December 31, 2025 and June 30, 2026. The management considered the requirements under PAS 37 as basis for the reclassification.

7. The earnings (loss) per share are computed as follows:

	June 2026	**December 2025**
Net Income/(Loss)	139,581,805	(54,168,257)
Weighted Average Number of Shares Outstanding	2,498,991,753	2,498,991,753
Earnings per share	**0.056**	**(0.022)**

There are no dilutive potential shares as of June 30, 2026 and December 31, 2025.

8. Lease Agreement with Philippine Amusement and Gaming Corporation (“PAGCOR”)

The Parent Company, in behalf of WCCCHI and WMCHI, entered into lease agreements with PAGCOR. The lease agreement of WCCCHI with PAGCOR covered the Main Area (8,123.60 sq.m.), Slot Machine Expansion Area (883.38 sq.m.), Mezzanine (2,335 sq.m.) and 5th Floor Junket Area (2,336 sq.m.) for a total area of 13,677.98 sq.m. which commenced in March 2011. The lease agreement of WMCHI with PAGCOR covered the Main Area (4,076.24 sq.m.) and Chip Washing Area (1,076 sq.m.) for a total area of 5,152.24 sq.m. These aforesaid leases are valid until the year 2032.

9. Other Lease Agreements

Group as Lessor

Lease Agreements with Concessionaires

WCCHI, WMCHI, DIHCI and GIRDI have lease agreements with concessionaires for the commercial spaces available in their respective hotels. These agreements typically run for a period of less than one year, renewable upon the mutual agreement of the parties.

10. Commitments and Contingencies

The following are the significant commitments and contingencies involving the Group:

- **2006 BIR Tax Assessment**

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

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

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

  The Parent Company appealed the case to the CTA sitting En Banc on October 21, 2013. The CTA En Banc decision promulgated on December 4, 2014 affirmed the VAT and EWT assessments. The EWT assessment was paid on March 3, 2013. The CTA En Banc decision was appealed to the SC on February 5, 2015 covering the VAT assessment only. As at the date of the authorization for issue of the consolidated financial statements the Parent Company is still awaiting the SC's decision.

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

- **2019 BIR Tax Assessment**

  On June 8, 2021, the Parent Company received a Letter of Authority SN: eLA201500023533 LOA-080-2021-0000113 dated May 31, 2021 from the BIR for the taxable year 2019.

  On January 26, 2023 the Parent received Notice of Discrepancy dated January 25, 2023. On February 24, 2023, the Parent Company sent a letter to BIR contesting the said assessment.

  On May 23, 2023, an Amended Notice of Discrepancy dated May 15, 2023 was received by the parent with changes on the assessment. On June 20, 2023, the Parent submitted a reply with justification and explanation on itemized assessment.

  On July 26, 2023, the parent received a Preliminary Assessment Notice dated July 24, 2023. On August 9, 2023, a reply dated August 9,2023 was sent to BIR still contesting the said assessment.

  On August 31, 2023, a Formal Letter of Demand dated August 16, 2023 was received by the Parent. On October 2, 2023, the Parent Company sent a protest letter to BIR contesting the portion of the said assessment. Settlement on Documentary Stamp Tax, Registration Fee, Expanded Withholding Taxes and Withholding tax on Compensation amounting to P3.3 million was made on October 12, 2023.

  On March 6, 2024, the Parent Company sent a protest letter, which was accepted by the BIR requesting for reinvestigation and verification, which includes deficiencies in income tax amounting to P22.0 million and VAT amounting to P21.3 million. A partial settlement for Income Tax amounting to P5.0 million was made on March 26, 2024, followed by a final payment of P5.08 million on May 27, 2024. On the same day, a Waiver of the Defense of Prescription for Value Added Tax was executed and accepted by the Regional Director of Revenue Region No. 13 on June 25, 2024. Lastly, a settlement of miscellaneous fees amounting to 59,000 was made on July 1, 2024.

MANAGEMENT DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Below are the results of operations of the Parent Company and its subsidiaries, for the period ending June 30, 2026 and 2025 together with its financial conditions as of the same period.

RESULTS OF OPERATIONS

	June 2026	June 2025
Revenues	**450,820,489**	**499,552,966**
Less: Costs and Expenses	329,714,699	310,997,288
Net Income Before Fixed Financial and Other Charges	**121,105,790**	**188,555,678**
Less: Fixed Financial and Other Charges (Dep'n and Amort'n, and Interest)	63,340,126	149,109,416
Income before Income Tax	**57,765,664**	**39,446,262**
Income Tax Expense	5,638,495	11,677,489
Income (Loss) before Share in Minority Interest	**58,872,519**	**19,267,318**
Share of Minority Interest	(6,745,350)	8,501,455
Net Income	**52,127,168**	**27,768,773**
Earnings Per share	**0.024**	**0.008**

Period ended June 30, 2026 compared to Period Ended June 30, 2025.

Income Statement

Hotels and other subsidiaries' gross revenue for the 2nd quarter of 2026 was P48.7 million lower than last year, mainly because of fewer tourist arrivals and cancelled events from corporate and government agencies. These were driven by higher airfares linked to the Middle East energy crisis. Consolidated costs and expenses went up by 3%, mostly due to the recent fuel price hike, which added to operating expenses.

Seasonality or Cyclicality of Interim Operations

2nd QUARTER

The Group opened its facilities and functions for special events and accommodated local guests through online bookings and walk-ins, government and corporate clients that include airline, telecommunication and utility companies. For Food and Beverage, the Group has reimagined the outlet menus boosting promotions for clients to get to taste our sumptuous dishes right at the outlets. Presentation of top five performance indicators for third quarter is shown as follows**.**

TOP FIVE (5) PERFORMANCE INDICATORS

	June 30, 2026	June 30, 2025
Occupancy Percentage	52.97%	72.94%
Average Room Rates	3,530.78	3,483.87
Food Covers	121,097	148,941
Average Food Checks	526.49	555.59
Average Food Costs	37.44%	36.00%

Occupancy Percentage

The occupancy percentage is 52.97%. Occupancy percentage is computed by dividing the total number of rooms sold over the total number of rooms available for sale.

Average Room Rate

Average room rate is Php 3,530.78. Average room rate is computed by dividing the net rooms revenue over the total number of rooms sold.

Food Covers

Food covers are 121,097. Food covers pertain to the number of guests that availed of the restaurant's services.

Average Food Check

The average food check or average consumption per guest is Php 526.49. Average Food Check is derived by dividing the total food and beverage revenue by total food covers.

Average Food Cost

The average food cost is 37.44%. Average Food Cost is computed by dividing the cost of sales food by revenue plus allowance.

FINANCIAL CONDITION

Cash and cash equivalents – This account decreased by P24.49M which is 7% lower from June last year.

Receivables – has decreased by 63% from P3.84B in June 2025 to P1.42B in June 2026.

Notes Receivable – Increased by 79% or P97.81M from June 2025.

Inventories – Inventories decreased by 1% from June last year.

Due from related parties-current portion – Has decreased by P2.55B from June of last year. This represents interest bearing advances to TWGI, PRC and Crisanta Realty.

Prepaid expenses and other current assets – A decrease of P532.76M from June last year have been noted, primarily due to account reclassifications. Prepaid expenses refer to payments made for services and/or benefits yet to be performed or received; it also includes prepaid taxes and insurance.

Property plant & equipment – There was a 50% increase from June last year. In compliance with PAS 27, property and equipment (except operating and transportation equipment) were carried at revalued amounts effective 2009.

Other noncurrent assets – There is a slightly decrease of 0.43% from June last year.

Current Liabilities – The account consisted of trade payable, income tax payable, accruals and loans payable. The account decreased by 30% from last year.

Loans Payable – current portion of the loan for June 2026 is at P241M compared to last year of P670M.

Noncurrent liabilities – The account resulted in a decreased of 10% from June of previous year.

Key Variable and Other Qualitative and Quantitative Factors:

a. Any known Trends, Events or Uncertainties

The Group has assessed that it will still have a continued operation after the previous year's challenges. The full impact on the Group will depend on the duration of this unique crisis and how it severely impacts the economy going forward, with a range of potential outcomes too large to provide a meaningful quantification at this point. The subsequent impact of this outbreak especially on the Group's estimates of provision on financial instruments and recoverability of nonfinancial assets will be determined, quantified and recognized in the Group's financial statements when these become estimable.

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

Omnibus Security and Loan Agreement Covenants

As of June 30, 2026, the Group's debt service coverage ratio had met the agreed threshold.

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

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

Financial Risk and Capital Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, receivables, notes receivable, due from related parties, short-term investments, equity securities – at fair value through other comprehensive income FVOCI), other noncurrent

assets (excluding advances to contractors and advances to supplier), accounts payable and accrued expenses (excluding local taxes, output VAT and withholding taxes), loans payable, due to a related party, lease liabilities, other current liabilities (excluding deferred income), concessionaires' deposits and retention payables. These financial instruments arise directly from operations.

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

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables.

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

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

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

The credit grades used by the Group in evaluating the credit quality of its receivables to customers and other parties are the following:

Grade A financial assets pertain to financial assets that are neither past due nor impaired which have good collection status. These financial assets are those which have high probability of collection, as evidenced by counterparties having ability to satisfy their obligations.

Grade B financial assets are those past due but not impaired financial assets and with fair collection status. These financial assets include those for which collections are probable due to the reputation and the financial ability to pay off the counterparty but have been outstanding for a length of time.

Grade C financial assets are those which have continuous default collection issues. These financial assets have counterparties that are most likely not capable of honoring their financial obligations

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

Information on the Group's receivables and due from related parties that are impaired as of December 31, 2025 and 2024 and the movement of the allowance used to record the impairment losses are disclosed in Notes 5 and 8 to the consolidated financial statements.

Liquidity Risk

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

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

Ultimate responsibility for liquidity risk management rests with the BOD, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. For the Group's short-term funding, the Group's policy is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

Market Risk

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

The Group is primarily exposed to the financial risk of changes in equity prices of its equity securities - at FVOCI.

Interest Rate Risk

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

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

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

Equity Price Risk

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

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

Fair Value of Financial Assets and Liabilities

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

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

Risk Management Structure

Board of Directors

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

Risk Management Committee

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

Capital Management

The primary objective of the Group's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. Capital is defined as the invested money or invested purchasing power, the net assets or equity of the entity. The Group's overall strategy remains unchanged from 2026 and 2025.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. For purposes of the Group's capital management, capital includes all equity items that are presented in the consolidated statement of changes in equity, except for revaluation surplus

on property and equipment, retirement benefits reserve, foreign currency translation adjustment and fair value reserve.

The Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the omnibus and security loan agreement. Breaches in meeting the financial covenants would permit the bank to immediately demand the full, outstanding balance of the loans.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of June 30, 2026

	Unaudited June 30, 2026	Unaudited June 30, 2025	Audited December 31, 2025
ASSETS			
Current Assets			
Cash and cash equivalents	332,829,097	357,324,312	359,545,436
Short-term Investments	925,435		906,620
Receivables - net	1,418,063,994	3,842,363,924	1,098,656,816
Note receivable	221,637,031	123,831,529	138,693,473
Due from related parties - current portion	1,070,174,339	3,622,183,690	994,987,715
Inventories	34,239,851	34,665,869	32,095,706
Prepaid expenses and other current assets	136,905,904	669,670,129	78,861,296
Total Current Assets	**3,214,775,650**	**8,650,039,453**	**2,703,747,062**
Noncurrent Assets			
Equity securities - at fair value through other comprehensive income	72,544,600	18,382,520	72,544,600
Due from related parties - noncurrent portion	6,220,467,411	3,408,878,558	6,497,858,120
Property and equipment - net	13,959,239,917	9,298,963,651	14,038,875,338
Right-of-use assets -net	126,889,273	139,827,237	113,254,273
Deferred Tax Assets	205,622,724	282,499,429	205,622,724
Retirement benefits asset	87,892,222	72,788,666	78,452,381
Other noncurrent assets	896,323,677	900,217,643	880,240,509
Total Noncurrent Assets	**21,568,979,824**	**14,121,557,704**	**21,886,847,945**
Total Assets	**24,783,755,474**	**22,771,597,157**	**24,590,595,007**
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	1,278,321,959	2,196,564,308	1,021,566,440
Loans payable - current portion	241,000,000	670,000,000	241,000,000
Lease Liabilities - current portion	16,128,254	-	2,787,936
Due to related parties - current portion	287,519,987	-	283,057,897
Income tax payable	11,817,992	-	38,069,886
Other current liabilities	233,223,754	98,493,974	54,161,373
Total Current Liabilities	**2,068,011,946**	**2,965,058,282**	**1,640,643,532**
Noncurrent Liabilities			
Loans payable - noncurrent portion	1,780,000,000	2,222,305,926	1,900,000,000
Provision	902,240,126	844,278,092	902,240,126
Retirement benefits liability	10,265,065	7,105,572	-
Lease liabilities - net of current portion	144,210,216		144,210,217
Deferred tax liabilities	2,886,737,223	-	2,886,737,220
Other noncurrent liabilities	353,963,286	3,657,008,877	509,680,855
Total Noncurrent Liabilities	**6,077,415,916**	**6,730,698,467**	**6,342,868,417**
Total Liabilities	**8,145,427,862**	**9,695,756,749**	**7,983,511,950**
EQUITY			
Equity Attributable to Equity Holders of the Parent Company			
Capital stock	2,498,991,753	2,498,991,753	2,498,991,753
Additional paid-in capital	706,364,357	706,364,357	706,364,357
Revaluation surplus in property and equipment	6,739,420,209	4,873,578,957	6,739,420,208
Retirement benefits reserve	161,026,043	175,731,391	161,026,043
Foreign currency translation adjustment	82,393,349		76,931,874
Fair value reserve	5,733,830	6,132,050	5,733,830
Retained earnings	3,577,811,192	3,759,927,102	3,535,033,826
Total Equity Attributable to Equity Holders of the Parent Company	**13,771,740,733**	**12,020,725,610**	**13,723,501,891**
Non-controlling Interest	**2,866,586,879**	**1,055,114,798**	**2,883,581,166**
Total Equity	**16,638,327,612**	**13,075,840,408**	**16,607,083,057**
Total Liabilites and Equity	**24,783,755,474**	**22,771,597,157**	**24,590,595,007**

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
As of June 30, 2026

	YTD June 30, 2026	YTD June 30, 2025	Quarter Ended - Unaudited June 30, 2026	Quarter Ended - Unaudited June 30, 2025	Audited December 31, 2025
REVENUES					
Hotel	613,242,810	695,043,583	287,528,540	318,261,210	1,362,840,114
Nonhotel	303,944,072	136,767,556	153,013,300	69,413,942	625,352,030
Interest and other income	20,120,284	210,580,523	10,278,649	111,877,814	45,496,494
	937,307,166	**1,042,391,662**	**450,820,489**	**499,552,966**	**2,033,688,638**
COSTS AND EXPENSES					
Cost of sales					
Hotel	136,512,430	325,865,431	65,117,694	157,789,558	301,389,674
Nonhotel	536,261,641	316,937,392	264,597,005	153,207,730	1,397,508,309
	672,774,071	**642,802,823**	**329,714,699**	**310,997,288**	**1,698,897,982**
	264,533,095	**399,588,839**	**121,105,790**	**188,555,678**	**334,790,656**
OTHER EXPENSES (INCOME)					
Depreciation and amortization	96,409,267	100,726,041	45,681,864	52,295,562	(327,141,461)
Casualty loss on damaged properties	-	-	-	-	-
Gain from insurance claims	-	-	-	-	-
Income from reversal of excess accrual	-	-	-	-	-
Interest expense	87,127,096	99,706,722	43,410,083	59,205,098	(229,211,318)
Penalties and other charges		-	-	-	-
Casualty loss	-	-	-	-	-
Provision for impairment losses	-	-	-	-	
Gain on sale of property and equipment	-	-	-	-	-
Interest income	(51,232,912)	-	(25,599,868)	-	119,467,498
Unrealized foreign exchange loss	-	-	-	-	-
Foreign exchange gains - net	(4,911)	-	(991)	-	(2,635,082)
Others - net	470,205	60,955,643	(150,961)	37,608,756	(23,922,802)
	132,768,744	**261,388,406**	**63,340,126**	**149,109,416**	**(463,443,165)**
INCOME (LOSS) BEFORE INCOME TAX	**131,764,351**	**138,200,433**	**57,765,664**	**39,446,262**	**(128,652,509)**
INCOME TAX EXPENSE (BENEFIT)	**5,638,495**	**11,677,489**	5,638,495	11,677,489	**(22,887,530)**
NET INCOME (LOSS)	**126,125,855**	**126,522,944**	**52,127,168**	**27,768,773**	**(105,764,979)**
OTHER COMPREHENSIVE INCOME (LOSS)					
Appraisal increase on property and equipment	-	-	-	-	2,579,205,047
Remeasurement gains/(loss) on defined benefit plan	-	-	-	-	17,035,036
Actuarial gains (losses) on employee benefit plan during the year	-	-	-	-	-
Provision for deferred tax on actuarial gains or losses on employee benefit plan	-	-	-	-	-
Derecognition of revaluation surplus resulting from casualty loss	-	-	-	-	-
Deferred tax effect on derecognition of revaluation surplus resulting from casualty loss	-	-	-	-	-
Appraisal increase in property and equipment for the year	-	-	-	-	-
Provision for deferred tax on appraisal increase in property and equipment	-	-	-	-	
Fair value reserve	-	-	-	-	4,162,080
Unrealized gain on equity securities at fair value through other comprehensive income	-	-	-	-	-
Deferred tax effect	-	-	-	-	(649,060,021)
Foreign currency translation differences for foreign operations	5,461,474	-	-	-	1,843,389
	5,461,474	**-**	**-**	**-**	**1,953,185,531**
TOTAL COMPREHENSIVE INCOME (LOSS)	**131,587,329**	**126,522,944**	**52,127,168**	**27,768,773**	**1,847,420,552**
EARNINGS PER SHARE - Basic and Diluted	**0.056**	**0.050**	**0.024**	**0.008**	**(0.022)**

	2026	2025	2026	2025	2025
Net income (loss) attributable to:					
Equity holders of the Parent Company	139,581,805	124,541,097	58,872,519	19,267,318	(54,168,257)
Non-controlling interest	(13,455,949)	1,981,847	(6,745,350)	8,501,455	(51,596,722)
	126,125,855	**126,522,944**	**52,127,168**	**27,768,773**	**(105,764,979)**
	(0)	**-**	**(0)**	**-**	**(0)**
Total comprehensive income (loss) attributable to:					
Equity holders of the Parent Company	145,043,278	137,992,581	7,050,697	31,390,019	1,327,291,952
Non-controlling interest	(13,455,949)	(11,469,637)	(1,986,312)	(13,811,608)	520,128,600
	131,587,329	**126,522,944**	**5,064,385**	**17,578,411**	**1,847,420,552**
EARNINGS PER SHARE - Basic and Diluted	**0.056**	**0.050**	**0.024**	**0.008**	**0.022**

	Unaudited June 30, 2026	Unaudited June 30, 2025	Audited December 31, 2025
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Capital stock - P1 par value per share	2,498,991,753	2,498,991,753	2,498,991,753
Additional Paid-in Capital	706,364,357	706,364,357	706,364,357
Revaluation Surplus in Property and Equipment			
Balance at beginning of year	6,739,420,208	5,571,304,631	5,571,304,631
Other comprehensive income - net of income tax effect	-	-	1,343,877,443
Derecognition of land held under finance lease due to acquisition of a subsidiary	-	-	
Transfer of revaluation surplus absorbed through depreciation	-	-	(175,761,866)
Balance at end of year	**6,739,420,208**	**5,571,304,631**	**6,739,420,208**
Unrealized Valuation Gain (Loss) on AFS Investments			
Balance at beginning of year	-	-	-
Valuation loss taken into equity during the year	-	-	-
Change in equity ownership of non-controlling interest in a subsidiary	-	-	-
Balance at end of year	-	-	-
Foreign Currency Translation Adjustment			
Balance at beginning of year	76,931,874	75,088,486	75,088,486
Other comprehensive income - net of income tax effect	5,461,474	(75,088,486)	1,843,388
Balance at end of year	**82,393,348**	**-**	**76,931,874**
Retained Earnings/(Deficit)			
Appropriation for renovation and business expansion	-	3,380,840,212	-
Unappropriated			-
Balance at beginning of year	3,535,033,826	-	3,336,914,972
Transfer of revaluation surplus absorbed through depreciation	(83,348,489)	(426,717,050)	175,761,866
Change in retirement benefits reserve	-	-	-
Net income for the year	126,125,855	126,522,944	22,356,988
Balance at end of year	**3,577,811,192**	**(300,194,106)**	**3,535,033,826**
Total deficit	**3,577,811,192**	**3,080,646,106**	**3,535,033,826**
	13,604,980,858	**11,857,306,848**	**13,556,742,018**
Fair value reserve, beginning of the year	5,733,830	3,415,552	3,415,552
Other comprehensive income-net tax effect		11,677,489	2,318,278
Total fair value reserve	**5,733,830**	**15,093,041**	**5,733,830**
Retirement benefits reserve, beginning of the year	161,026,043	148,325,721	148,325,721
Other comprehensive income-net tax effect		-	12,700,322
Total retirement benefits reserve	**161,026,044**	**148,325,721**	**161,026,043**
Total Equity Attributable to Equity Holders of the Parent Company	**13,771,740,732**	**12,020,725,610**	**13,723,501,891**
NON-CONTROLLING INTEREST			
Balance at beginning of year	2,883,581,166	2,342,731,788	2,342,731,788
Derecognition related to land due to recession of finance lease	-	-	-
Change in equity ownership of non-controlling interest in a subsidiary	-	-	-
Valuation loss on AFS investments taken into equity during the year	-	-	-
Reacquisition of APHC shares	-	-	-
Other comprehensive income - net of income tax effect	(3,538,338)	(1,287,616,990)	592,446,100
Net income/(loss) for the year	**(13,455,949)**	-	**(51,596,722)**
Balance at end of year	**2,866,586,880**	**1,055,114,798**	**2,883,581,166**
	16,638,327,612	**13,075,840,408**	**16,607,083,057**

	Unaudited June 30, 2026	Unaudited June 30, 2025	Audited December 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	131,764,351	138,200,433	(128,652,509)
Adjustments for:			
Depreciation and amortization	96,409,267	100,726,041	327,141,461
Interest expense	87,127,096	99,706,722	229,211,318
Gain on sale of property and equipment	-	-	-
Retirement benefit costs	738,153	1,632,517	2,711,723
Loss on restructuring of due from related parties	-	-	21,088,989
Impairment losses	-	-	311,403,413
Unrealized foreign exchange loss (gain)	(119,227)	-	2,641,571
Foreign currency translation adjustment	-	-	
Income due to rent concession	-	-	(1,398,170)
Non-controlling interest	-	(1,780,972,537)	
Interest income	(28,725,924)	(210,580,523)	(119,467,498)
Operating income before working capital changes	**287,193,716**	**(1,651,287,347)**	**644,680,298**
Decrease (increase) in:			
Receivables	(224,287,876)	(2,112,021,727)	431,697,105
Inventories	(2,144,144)	(3,414,102)	(843,939)
Due from related parties	(90,284,777)	-	-
Short-term investment	-	2,856,000	(9,373,377)
Prepaid expenses and other current assets	(60,870,207)	(618,921,995)	-
Increase (decrease) in:			-
Accounts payable and accrued expenses	61,388,885	483,373,395	73,797,874
Other noncurrent liabilities	5,202,297	(131,107,377)	-
Other current liabilities	25,637,487	(105,641,790)	(18,364,309)
Cash generated from operations	**1,835,383**	**(4,136,164,943)**	**1,121,593,652**
Interest received	326,541	210,580,523	14,173,391
Income taxes paid	(27,203,345)	(65,805,063)	(144,126,912)
Retirement plan contributions paid	-	-	-
Deferred tax	-	-	-
Interest paid	-	(99,706,722)	(203,700,664)
Net cash provided by operating activities	**(25,041,420)**	**(4,091,096,205)**	**787,939,467**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property and equipment	(10,099,530)	2,275,389,251	(43,258,767)
Proceeds from sale of property and equipment	-	-	-
Due from related parties	54,221,552	2,980,824	(636,530,734)
Proceeds from insurance claims on property damage	-	-	-
Short-term investment	(4,162,080)	-	1,949,380
Notes Receivable	(492,313)	147,871,199	133,009,255
Cash receipt from cash paid for contractors and other deposits			(11,857,475)
Noncurrent assets	(16,084,068)	(93,525,554)	
Net cash used in investing activities	**23,383,561**	**2,332,715,720**	**(556,688,341)**
CASH FLOWS FROM FINANCING ACTIVITIES			
(Increase)Decrease in loans payable		81,305,926	
Proceeds from advances from related party	181,967,794	-	18,159,942
Receipt from concessionaire	-	-	27,100,634
Increase (decrease) in other noncurrent liabilities	-	3,174,428,611	-
Loan Payment	(207,127,096)	-	(295,000,000)
Deferred tax liabilities	-	(1,529,441,662)	-
Payment of Lease Liabilities	-	(3,944,388)	(15,326,044)
Net cash provided by (used in) financing activities	**(25,159,302)**	**1,722,348,487**	**(265,065,468)**
INCREASE (DECREASE) IN TRANSLATION ADJUSTMENT FOR TH	**100,822**		**3,468**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(26,716,339)**	**(36,031,998)**	**(33,810,874)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**359,545,436**	**393,356,310**	**393,356,310**
CASH AND CASH EQUIVALENTS AT END OF YEAR	**332,829,097**	**357,324,312**	**359,545,436**

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE OF AGING OF ACCOUNTS RECEIVABLE FOR SEC REPORTING
As of June 30, 2026

Trade Receivables	0-30 days	31-60 days	61-90 days	91-120 days	121 days over	Total
Waterfront Cebu City Casino Hotel Inc.	17,133,752	(9,269,994)	(2,697,317)	12,506,788	248,474,210	**266,147,438**
Waterfront Airport Hotel and Casino	3,992,439	6,972,722	1,905,063	9,564,944	99,190,415	**121,625,583**
Waterfront Insular Hotel Davao	2,810,647	2,900,508	556,468	160,649	11,694,119	**20,829,252**
Grand Ilocandia Resort & Development Inc.	1,788,450.98	263,164	-	1,601,032	1,887,958	**5,540,605**
Others (APHC, WFC, WHC, WWGI)	-	-	-	-	17,286,040	**17,286,040**
Total	**25,725,289**	**866,400**	**(235,787)**	**23,833,414**	**378,532,742**	**431,428,918**

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

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Company Information

SEC Registration No.: AS94008678
Company Name: WATERFRONT PHILIPPINES INC.
Industry Classification: J66940
Company Type: Stock Corporation

Document Information

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COVER SHEET

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S.E.C. Registration No.

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

(Company's Full name)

1 W A T E R F R O N T D R I V E
O F F S A L I N A S D R I V E
L A H U G C E B U C I T Y

Business Address: No. Street City/Town Provinces

Atty. Arsenio A. Alfiler, Jr.
Contact Person

687-7536
Tel. No

LIST OF TOP 100 STOCKHOLDERS REPORT
AS OF 30 JUNE 2026

1 7 - C

Form type

Secondary License, (if applicable type)

Dept. requiring this doc

Amended Articles number

Total stockholders

Domestic **Foreign**

To be accomplished by SEC personnel concerned

File Number **LCU**

Document I.D. **Cashier**

STAMPS

CR05238-2026

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Waterfront Philippines, Incorporated
WPI

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, 2026

Description of the Disclosure

WATERFRONT PHILIPPINES, INC LIST OF TOP 100 STOCKHOLDERS AS OF JUNE 30, 2026

Number of Issued Common Shares	2,498,991,753
Number of Treasury Common Shares, if any	0
Number of Outstanding Common Shares	2,498,991,753
Number of Listed Common Shares	2,498,991,753
Number of Lodged Common Shares	1,180,876,274
PCD Nominee - Filipino	1,135,427,470
PCD Nominee - Non-Filipino	45,448,804
Number of Certificated Common Shares	1,318,115,479

Change from previous submission

TOP 100 AS OF 31 MARCH 2026
PCD Nominee – Filipino – 1,134,828,225
PCD Nominee - Non-Filipino – 46,038,049
Lodge Shares - 1,180,866,274
Certificated Shares – 1,318,125,479

TOP 100 AS OF 30 JUNE 2026
PCD Nominee – Filipino – 1,135,427,470
PCD Nominee - Non-Filipino – 45,448,804
Lodge Shares – 1,180,876,274
Certificated Shares – 1,318,115,479

Filed on behalf by:

Name	Amando Ponsaran Jr.
Designation	Assistant Corporate Secretary

Rank	Name	Holdings	Percentage
1	PCD NOMINEE CORP. (FILIPINO)	1,135,427,470	45.44%
2	THE WELLEX GROUP, INC.	1,128,466,800	45.16%
3	PCD NOMINEE CORP. (NON-FILIPINO)	45,448,804	01.82%
4	KENNETH T. GATCHALIAN	30,000,100	01.20%
5	REXLON T. GATCHALIAN	30,000,000	01.20%
6	WESLIE T. GATCHALIAN	30,000,000	01.20%
7	FORUM HOLDINGS CORPORATION	20,626,000	00.83%
8	PRIMARY STRUCTURES CORPORATION	16,212,500	00.65%
9	REXLON GATCHALIAN	14,740,000	00.59%
10	METRO ALLIANCE HOLDINGS & EQUITIES, INC.	14,370,000	00.58%
11	ELVIRA A. TING	10,000,009	00.40%
12	CATALINA ROXAS MELENDRES	6,246,000	00.25%
13	MANUEL H. OSMENA &/OR MANUEL L. OSMENA II	1,400,000	00.06%
14	ROLANDO M. LIM	1,142,500	00.05%
15	FELIPE A CRUZ, JR.	1,100,000	00.04%
16	MARIA CONCEPCION CRUZ	876,000	00.04%
17	FREYSSINET PHILIPPINES, INC.	770,000	00.03%
18	BENSON COYUCO	605,000	00.02%
19	LUCENA B. ENRIQUEZ	552,000	00.02%
20	EMILY LIM	500,000	00.02%
21	DEE HUA T. GATCHALIAN	350,000	00.01%
22	ARTHUR H. OSMENA &/OR JANE Y. OSMENA	330,000	00.01%
23	JOSE YAP &/OR CONCHITA YAP	330,000	00.01%
24	MARVIN J. GIROUARD	330,000	00.01%
25	DAVID LAO OSMENA	314,600	00.01%
26	ANA L. GO	300,000	00.01%

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

Rank	Name	Holdings	Percentage
53	CHESA HOLDINGS, INC.	100,000	00.00%
54	PACIFIC REHOUSE CORPORATION	100,000	00.00%
55	PACIFIC IMAGES, INC.	100,000	00.00%
56	CARRIE LIM	100,000	00.00%
57	ALVIN TAN UNJO	88,000	00.00%
58	TERESITA GO &/OR SATURNINA GO	87,000	00.00%
59	GEORGE U. YOUNG, JR	82,500	00.00%
60	ROLANDO D. DE LEON	66,000	00.00%
61	LIPPO SECURITIES, INC.	56,500	00.00%
62	L.M. GARCIA & ASS., INC. A/C# 160	55,000	00.00%
63	MA. TERESA P. CRUZ	55,000	00.00%
64	PRIMITIVO C. CAL	55,000	00.00%
65	LEONG JEE VAN	55,000	00.00%
66	KIRBY YU LIM	55,000	00.00%
67	LIM TAY	55,000	00.00%
68	FRUTO M. TEODORICO, JR	55,000	00.00%
69	RENATO C. GENDRANO &/OR GENDRANO BERNADETTE	55,000	00.00%
70	LYDIA J. SY	55,000	00.00%
71	EDILBERTO &/OR ROSITA TANYU &/OR WELLINGTON HO VELASCO	55,000	00.00%
72	NEIL JOHN A. YU	50,000	00.00%
73	ROBERTO L. UY	50,000	00.00%
74	UY TIAK ENG	50,000	00.00%
75	SANDRA E. PASCUAL	50,000	00.00%
76	FRANCISCO C. SAN DIEGO	50,000	00.00%
77	VICKY L. CHAN	50,000	00.00%
78	EBC SECURITIES CORPORATION	48,400	00.00%

Rank	Name	Holdings	Percentage
79	TAN DAISY TIENG	46,500	00.00%
80	EAST ASIA OIL & MINING COMPANY, INC.	40,000	00.00%
81	OCBC SECURITIES PHILS., INC.	40,000	00.00%
82	MANILYNN L. OSMENA	39,600	00.00%
83	MEGHANN GAIL L. OSMENA	39,600	00.00%
84	MANUEL L. OSMENA, II	39,600	00.00%
85	GLADYS MAY L. OSMENA	39,600	00.00%
86	STEVE WOODWARD	39,600	00.00%
87	ROBERT KLING	39,600	00.00%
88	JAY JACOBS	39,600	00.00%
89	ADRIAN LONG	39,600	00.00%
90	LUZ YAMANE	38,500	00.00%
91	LILY S. HO	36,300	00.00%
92	ABACUS SECURITIES CORPORATION	35,200	00.00%
93	LILIAN HONG	34,000	00.00%
94	INTERNATIONAL POLYMER CORPORATION	33,000	00.00%
95	SEAFRONT RESOURCES CORP.	33,000	00.00%
96	ARTURO GUANZON	33,000	00.00%
97	LEONCIO TIU	33,000	00.00%
98	RAMONCITO ARCEO	30,000	00.00%
99	RODOLFO B. LEDESMA	30,000	00.00%
100	TAN LIN LAY	30,000	00.00%
	Total Top 100 Shareholders :	2,496,984,782	99.92%
	Total Issued Shares	2,498,991,753	

WPI000000000 June 30, 2026

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

June 30, 2026

WPI000000000

BPNAME	QUANTITY
UPCC SECURITIES CORP.	65,000
A & A SECURITIES, INC.	525,200
ABACUS SECURITIES CORPORATION	39,403,579
PHILSTOCKS FINANCIAL INC	67,434,154
A. T. DE CASTRO SECURITIES CORP.	34,000
ALL ASIA SECURITIES MANAGEMENT CORP.	202,500
ALPHA SECURITIES CORP.	2,517,000
BA SECURITIES, INC.	1,470,200
AP SECURITIES INCORPORATED	17,709,500
ANSALDO, GODINEZ & CO., INC.	3,095,200
AB CAPITAL SECURITIES, INC.	7,212,098
SB EQUITIES,INC.	2,247,100
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	832,800
ASIASEC EQUITIES, INC.	1,796,500
ASTRA SECURITIES CORPORATION	5,000
BELSON SECURITIES, INC.	3,420,100
JAKA SECURITIES CORP.	15,500
BPI SECURITIES CORPORATION	24,227,473
CAMPOS, LANUZA & COMPANY, INC.	2,442,202
SINCERE SECURITIES CORPORATION	1,045,000
CTS GLOBAL EQUITY GROUP, INC.	669,138
TRITON SECURITIES CORP.	36,009,450
IGC SECURITIES INC.	4,425,000
CUALOPING SECURITIES CORPORATION	105,000
DAVID GO SECURITIES CORP.	1,670,200
DIVERSIFIED SECURITIES, INC.	4,443,800
E. CHUA CHIACO SECURITIES, INC.	7,303,900
EQUITABLE SECURIITES (PHILS.) INC.	27,200
EAST WEST CAPITAL CORPORATION	400,000
EASTERN SECURITIES DEVELOPMENT CORPORATION	2,796,200
EQUITIWORLD SECURITIES, INC.	325,600
EVERGREEN STOCK BROKERAGE & SEC., INC.	3,769,100
FIRST ORIENT SECURITIES, INC.	1,367,100
FIRST INTEGRATED CAPITAL SECURITIES, INC.	100
F. YAP SECURITIES, INC.	290,000
AURORA SECURITIES, INC.	676,700
GLOBALINKS SECURITIES & STOCKS, INC.	384,000
JSG SECURITIES, INC.	128,150
GOLDSTAR SECURITIES, INC.	4,363,100
GUILD SECURITIES, INC.	121,000
CNN SECURITIES, INC.	28,812,500

H. E. BENNETT SECURITIES, INC.	2,180,000
HK SECURITIES, INC.	9,100
I. ACKERMAN & CO., INC.	30,000
I. B. GIMENEZ SECURITIES, INC.	224,185
INVESTORS SECURITIES, INC,	1,047,000
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	99,800
INTRA-INVEST SECURITIES, INC.	176,400
ASIAN CAPITAL EQUITIES, INC.	56,100
STRATEGIC EQUITIES CORP.	1,006,400
LARRGO SECURITIES CO., INC.	122,000
LUCKY SECURITIES, INC.	153,500
LUYS SECURITIES COMPANY, INC.	1,154,500
MANDARIN SECURITIES CORPORATION	2,113,200
COL Financial Group, Inc.	98,101,053
DA MARKET SECURITIES, INC.	222,200
MERCANTILE SECURITIES CORP.	129,800
MERIDIAN SECURITIES, INC.	2,162,700
MDR SECURITIES, INC.	70,000
REGIS PARTNERS, INC.	6,300
MOUNT PEAK SECURITIES, INC.	60,000
NEW WORLD SECURITIES CO., INC.	2,263,000
OPTIMUM SECURITIES CORPORATION	1,099,650
RCBC SECURITIES, INC.	3,858,300
PAN ASIA SECURITIES CORP.	30,000
PAPA SECURITIES CORPORATION	1,150,200
MAYBANK SECURITIES, INC.	2,749,900
PLATINUM SECURITIES, INC.	23,000
PNB SECURITIES, INC.	1,294,260
PREMIUM SECURITIES, INC.	1,753,600
PRYCE SECURITIES, INC.	12,124
SALISBURY SECURITIES CORPORATION	15,300
QUALITY INVESTMENTS & SECURITIES CORPORATION	14,802,000
R & L INVESTMENTS, INC.	42,000
R. COYIUTO SECURITIES, INC.	6,333,200
REGINA CAPITAL DEVELOPMENT CORPORATION	5,458,100
R. NUBLA SECURITIES, INC.	4,020,000
AAA SOUTHEAST EQUITIES, INCORPORATED	2,216,200
R. S. LIM & CO., INC.	1,048,400
RTG & COMPANY, INC.	109,600
S.J. ROXAS & CO., INC.	1,003,500
SECURITIES SPECIALISTS, INC.	2,200
FIDELITY SECURITIES, INC.	185,500
SUMMIT SECURITIES, INC.	707,300
STANDARD SECURITIES CORPORATION	1,376,200
SUPREME STOCKBROKERS, INC	31,350
TANSENGCO & CO., INC.	595,400
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	37,200

TOWER SECURITIES, INC.	8,322,600
APEX PHILIPPINES EQUITIES CORPORATION	5,000
TRENDLINE SECURITIES CORPORATION	11,200
DRAGONFI SECURITIES, INC.	41,926
LANDBANK SECURITIES, INC.	2,177,700
UOB KAY HIAN SECURITIES (PHILS.), INC.	4,380,000
E.SECURITIES, INC.	3,300
VENTURE SECURITIES, INC.	136,900
FIRST METRO SECURITIES BROKERAGE CORP.	29,298,757
WEALTH SECURITIES, INC.	6,933,840
WESTLINK GLOBAL EQUITIES, INC.	642,813,440
BERNAD SECURITIES, INC.	164,100
WONG SECURITIES CORPORATION	27,500
YAO & ZIALCITA, INC.	299,000
META CAPITAL SECURITIES INC	2,036,000
BDO SECURITIES CORPORATION	18,977,419
EAGLE EQUITIES, INC.	570,300
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	2,161,576
SOLAR SECURITIES, INC.	6,330,600
G.D. TAN & COMPANY, INC.	6,764,300
PHILIPPINE EQUITY PARTNERS, INC.	3,514,950
UNICAPITAL SECURITIES INC.	939,900
SunSecurities, Inc.	400,000
ARMSTRONG SECURITIES, INC.	5,300
TIMSON SECURITIES, INC.	8,166,000
VC SECURITIES CORPORATION	100,600
CITIBANK N.A.	100,000
STANDARD CHARTERED BANK	665,000
CABALLES GO SECURITIES INC	400,000
Total Lodged Shares	**1,180,876,274**

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.

Waterfront Philippines, Incorporated
WPI

PSE Disclosure Form 4-35 - Submission for Internal Purposes

Subject of the Disclosure

CAPITAL STRUCTURE OF WATERFRONT PHILIPPINES, INC

Description of the Disclosure

SECRETARY CERTIFICATE RE: CAPITAL STRUCTURE OF WATERFRONT PHILIPPINES, INC. AS OF 30 JUNE 2026

Reason

-

Filed on behalf by:

Name	Amando Ransaran 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 **WATERFRONT PHILIPPINES, INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Philippines with principal address at No. 1 Waterfront Drive Off Salinas Drive, Lahug, Cebu City, and listed on The Philippine Stock Exchange, Inc. since December 19, 2001;

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 2026 (the "Covered Period"), the Corporation's capital structure is as follows:

Authorized Capital Stock	PhP 5,000,000,000.00
Number, Classes of Shares, Par Value per Share	5,000,000,000/common/PhP1.00
Issued and Outstanding Shares	2,498,991,753
Fully-paid Shares	2,498,991,753
Treasury Shares	0
Outstanding Shares	2,498,991,753
Listed Shares	2,498,991,753
Certificated Shares	1,318,115,479

4. Based on the records of PDTC as of the Covered Period, there are 1,180,876,274 lodged shares, broken down, as follows:

PCD Nominee - Filipino	1,135,427,470
PCD Nominee – Non-Filipino	45,448,804

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").

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

7. All shares had been issued were fully paid.

8. All issued and outstanding shares have been listed.

IN WITNESS WHEREOF, I have hereunto set my hand this JUL 13 2026 day of _____ 2026, in Pasig City, Philippines.

ARTHUR R. PONSARAN
Corporate Secretary

SUBSCRIBED AND SWORN to before me JUL 13 2026, 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.

Notary Public

Doc. No. 226
Page No. 47
Book No. 20
Series of 2026.

Pasig City

ATTY. OMAR M. HIZOLA
NOTARY PUBLIC
Cities of Pasig, San Juan, Pateros, Metro Manila
3603 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. 3993001; 01/14/2026 Pasig City
IBP No. 588574; 01/05/2026 IBP Manila I
MCLE No. VIII-0006903; Feb 20, 2024 - Apr 14, 2028

Outlook

FW: SEC eFast Initial Acceptance

From Waterfront Philippines Inc. <wpi@waterfronthotels.net>
Date Sun 6/28/2026 8:11 AM
To Aiza Pasayloon <a.pasayloon@waterfronthotels.net>; Rhea Hinampas <r.hinampas@waterfronthotels.net>; Irish Chara Lawas <i.lawas@waterfronthotels.net>; Jerraemie Nikka Patulot <j.patulot@waterfronthotels.net>; Aiza Pasayloon <a.pasayloon@waterfronthotels.net>; Judith Riann Fernandez <jt.fernandez@waterfronthotels.net>; Cherryl Vidal <c.vidal@waterfronthotels.net>

From: noreply-cifssost@sec.gov.ph <noreply-cifssost@sec.gov.ph>
Sent: Sunday, June 28, 2026 8:11:50 AM (UTC+08:00) Taipei
Subject: SEC eFast Initial Acceptance

Dear **WATERFRONT PHILIPPINES INC.**,

Greetings!

This serves as a temporary receipt of your submission, subject to verification of the form and the quality of the image of the submitted report.

SEC Registration No: AS94008678
Company Name: WATERFRONT PHILIPPINES INC.
Document Code: SEC_Form_17-A

A separate email will be sent as proof of review and/or final acceptance.

Thank you.

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

REMINDER:

TO ALL FILERS OF REPORTS IN THE e-FAST

Please strictly follow the instructions stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer: 1. General Information Sheet (GIS-Stock); 2.

General Information Sheet (GIS-Non-stock); 3. General Information Sheet (GIS- Foreign stock & non-stock); 4. Broker Dealer Financial Statements (BDFS); 5. Financing Company Financial Statements (FCFS); 6. Investment Houses Financial Statements (IHFS); 7. Publicly – Held Company Financial Statement; 8. General Form for Financial Statements; 9. Financing Companies Interim Financial Statements (FCIF;) 10. Lending Companies Interim Financial Statements (LCIF).

Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFAST, if the filed report is compliant with the existing requirements. A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the report's rejection in the remarks box.

THIS IS AN AUTOMATED MESSAGE - PLEASE DO NOT REPLY DIRECTLY TO THIS EMAIL

WATERFRONT
PHILIPPINES, INC.

June 28, 2026

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

Dear Atty. Johanne Daniel M. Negre,

We submit herewith the Annual Report (SEC 17-A) of WATERFRONT PHILIPPINES, INC. for the year ended December 31, 2025.

Thank you for your kind attention.

Very truly yours,

Amando J. Ponsaran, Jr
Asst. Corporate Secretary

Cc:

Securities and Exchange Commission
Mandaluyong City

COVER SHEET

A	S	0	9	4	-	8	6	7	8

SEC Registration Number

WATERFRONT PHILIPPINES, INCORPORATED

(Company's Full Name)

NO. 1 WATERFRONT DRIVE
OFF SALINAS DRIVE LAHUG
CEBU CITY

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

CHERRYL M. VIDAL	(02) 8706-7888
Contact Person	Company Telephone Number

1 2	3 1	1 7 A	During the month of September
Month	*Day*	FORM TYPE	*Month* *Day* Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

421		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number _____ LCU

Document I.D. _____ Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSIONSEC FORM

17-A, AS AMENDED

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the calendar year ended
DECEMBER 31, 2025

2. SEC Identification Number
ASO94-8678

3. BIR Tax Identification No.
003-978-254-000

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

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

6. Industry Classification Code (SEC Use Only)

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

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

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

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares - P1.00 par value	2,498,991,753

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

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

12. Indicate by check mark whether the registrant:

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

✓ Yes
__ No

(b) has been subject to such filing requirements for the past ninety (90) days
__ Yes
✓ No

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

Unaffiliated shares	:	1,330,172,423
Last Trading Price	:	Php 0.490 as of June 15, 2026
Aggregate Market Value:		Php 651,784,487.27

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.

WATERFRONT PHILIPPINES, INCORPORATED

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

For the Calendar year ended:	DECEMBER 31, 2025	
Currency (indicate units, if applicable)	PHP	
Balance Sheet		
	Year Ending	Previous Year Ending (As Restated)
	DECEMBER 31, 2025	DECEMBER 31, 2024
Current Assets	2,703,747,062	4,561,995,119
Total Assets	24,590,595,007	22,416,330,317
Current Liabilities	1,640,643,532	1,685,472,901
Total Liabilities	7,983,511,950	7,733,193,057
Retained Earnings	3,535,033,826	3,336,914,972
Stockholders' Equity	16,607,083,057	14,683,137,260
Stockholders' Equity - Parent	13,723,501,891	12,340,405,472
Book Value per Share	5.49	4.94
Income Statement		
	Year Ending	Previous Year Ending
	DECEMBER 31, 2025	DECEMBER 31, 2024
Operating Revenue	1,988,192,144	1,907,759,090
Other Revenue	45,496,494	43,781,042
Gross Revenue	2,033,688,638	1,951,540,132
Operating Expense	1,698,897,982	1,435,026,056
Other Expense	463,443,165	(1,228,075,752)
Gross Expense	2,162,341,148	206,950,304
Net Income Before Tax	(128,652,509)	1,744,589,828
Income Tax Expense	(22,887,530)	151,703,603
Net Income After Tax	(105,764,979)	1,592,886,225
Net Income Attributable to Parent Equity Holder	(54,168,257)	848,931,850
Earnings Per Share (Basic)	0.02	0.34
Earnings Per Share (Diluted)	0.02	0.34
EFPS Trailing 12 months	(0.68)	0.63

Financial Ratios	Formula	December 31, 2025	December 31, 2024
Liquidity Analysis Ratios:			
Current Ratio	Current Assets / Current Liabilities	1.648	2.707
Quick Ratio	(Current Assets - Inventory - Prepayments)/ Current Liabilities	1.580	2.647
Solvency Ratio	Total Assets/ Total Liabilities	3.080	2.899
Debt Ratio	Total Debt / Total Assets	0.325	0.345
Debt-to-Equity Ratio	Total Debt / Total Stockholders' Equity	0.582	0.627
Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	(0.561)	5.441
Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	1.792	1.816
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service/ Sales	16.46%	26.47%
Net Profit Margin	Net Profit / Sales	(5.20%)	81.62%
Return on Assets	Net Income before Tax/ Total Assets	(0.52%)	7.78%
Return on Equity	Net Income before Tax / Total Stockholders' Equity	(0.94%)	14.14%
Price / Earnings Ratio	Price Per Share / Earnings Per Common Share	(18.915)	1.325

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

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

As flagship of the Wellex Group's hotel and gaming interests, WPI has subsidiaries such as Waterfront Cebu City Casino Hotel, Inc. (WCCCHI) in Cebu City, Waterfront Mactan Casino Hotel, Inc. (WMCHI) in Mactan, Cebu and Davao Insular Hotel Company, Inc. *(DIHCI)* in Davao City, Grand Ilocandia Resort and Development, Inc. (GIRDI) (Collectively, as the Waterfront Hotels), among *others*. These properties are significant investments for WPI. In 2003, WPI acquired common shares of ACESITE (Phils.) Hotel Corporation, under the business name Waterfront Manila Hotel and Casino, which is now part of the Waterfront group of hotels.

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

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

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

Marketing

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

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

that are relevant to varied international clients, as our top markets span Asia, US, the Middle East and Europe through our online distribution partners.

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

Our Central Reservations System integrates booking services across the Waterfront Group's hotel portfolio, providing guests with convenient 24/7. Anyone can book using a single 1-800 number 1-800-WFRONT8 (9376688) for all Waterfront Hotels nationwide.

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

The Company has further strengthened its online presence through augmenting our booking portals adding F&B reservations apart from room booking portals enhancing guest accessibility and convenience. We also upgraded our website back end program with more features to allow easy booking and browsing of our properties. All three work synergistically to complete our user experience and add new avenues for accessing our brand. Our social media channels are also being managed full-time by a dedicated team, ensuring the seamless transfer of news and promotions updates in the most popular social media platforms for our clientele. Each presents a unique opportunity to touch base with our users in a platform of their preference, offering exciting deals and perks that pique their interest.

We continue to attract customers both on our online and offline feeder markets to the Philippines such as Korea and Japan, followed by United States and Australia. We've also participated in international trade fairs through the Hotel, Resort, and Restaurant Association of Cebu (HRRAC) to Taiwan, Philippine Business Missions to Japan and Korea, and IT&CMA in Bangkok. The group also joined local trade fairs such as the Travel Tour Expo in Manila in February and the Philippine Travel Mart in September.

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

WCCCHI

The Group's flagship property demonstrated strong resilience and leadership in 2025, reinforcing its position as a premier venue for culturally and socially significant initiatives in Cebu City. The hotel continued to play a key role in the local events landscape, consistently hosting high-profile gatherings and large-scale productions. Waterfront Cebu City Hotel and Casino pursued ongoing enhancements to its function rooms, convention facilities, and IT infrastructure, including a server migration and upgrades to its virtual machine systems. These initiatives improved operational efficiency and supported a more seamless guest experience. The opening of the newly renovated 17th floor further reflects the property's continued focus on modernization and product enhancement. As a leading MICE destination in the region, the hotel remained a preferred venue for major events, including the Cebu Wedding Expo, one of the city's most anticipated annual wedding showcases. It also hosted the 32nd Dinner Induction of the Amicale of the Chaine des Rôtisseurs Cebu Bailliage, themed "Edible Masterpieces," underscoring its capability to deliver high-caliber culinary events. The property sustained its role as a key venue during the Sinulog festival through its Sinulog at the Waterfront series. Highlights included a Sinulog dance presentation, the welcoming concert of Sofronio Vasquez, the Playback Festival featuring international acts such as Boys Like Girls, The Click Five, and Secondhand Serenade, and a concert by the Apo Hiking Society. These events contributed to strong foot traffic and

reinforced the hotel's positioning as a hub for entertainment during peak seasons. Waterfront Cebu City Hotel and Casino also served as the exclusive venue for the Miss Cebu 2025 pageant, themed "Embodying the Heartbeat of the City," further strengthening its presence in the city's cultural calendar. The hotel continued its annual Chinese New Year celebration, welcoming the Year of the Snake with traditional dragon and lion dances by Hok San Lion Dance Cebu, a Yee Sang ceremony led by Tin Gow Restaurant, and a pyro musical display by Dragon Fireworks. Seasonal activations remained a key driver of engagement. The "Enchanted Hollow" Easter event attracted families through curated activities and interactive experiences. In March, the hotel marked International Women's Month through the "Women Weave Waterfront" video campaign, which highlighted the perspectives of its women team members and generated strong engagement across digital platforms.

In 2026, the Company aims to build on these initiatives by further strengthening its market position through continuous facility enhancements, strategic partnerships, and an expanded digital presence. Focus will remain on driving growth across both rooms and food and beverage segments, supported by integrated marketing efforts that combine traditional and emerging platforms. These initiatives are expected to enhance brand visibility, improve guest engagement, and sustain long-term value creation. Supported by ongoing upgrades and a clear strategic direction, Waterfront Cebu City Hotel and Casino is well-positioned to maintain its leadership in the hospitality and MICE sectors while continuing to deliver consistent and high-quality experiences to its guests and stakeholders.

Promotions and activities launched in 2025:

F&B: Uno Buffet Restaurant

- 3+1 Lunch and Dinner Buffet for Selected Banquet Events
- Sinulog Buffet
- Hungry Mondays
- Chinese New Year Buffet
- Valentine's Day Buffet
- Women's Month Buffet
- Lenten Specials
- Featured Group Discount
- 4+1 Birthday Feast
- 3+1 Themed Dinner Buffet (Friday & Saturday)
- Uno Buffet Group Package Rates (Lunch & Dinner)
- Flash Sale
- Voucher Sale Php 850 (Lunch Buffet)
- Voucher Sale Php 998 (Lunch Buffet)
- Voucher Sale Php 1,250 (Dinner Buffet)
- Voucher Sale Php 1,488 (Dinner Buffet)
- Dining Vouchers Php 1,000
- Dining Vouchers Php 500
- Marathon Post-race Breakfast Buffet
- StarDeals tie up
- Eatigo tie up
- I Love Cebu tie up
- BPI tie up
- MBTC tie up
- BPO tie up
- Rotary Club Lunch tie up
- Day of Valor 2+1 Lunch and Dinner Buffet
- Easter Sunday 3+1 Lunch and Dinner Buffet
- Mother's Day 3+1 Lunch and Dinner Buffet
- Parent's Day 2+1 Lunch and Dinner Buffet
- Best Friend Day 1+1 Lunch and Dinner Buffet
- Luz-Vis-Min Filipino Lunch and Dinner Buffet

- Father's Day 3+1 Lunch and Dinner Buffet
- American Independence Day Buffet
- 3+1 Graduation Blowout
- Themed Dinner Buffet
- Neighborhood Discount
- Teachers' Treat
- Chef's Specials
- 7-Day Anniversary Deals
- World Travel Expo GC Selling
- 4Grandparents' Day 2+1 Lunch and Dinner Buffet
- Oktoberfest
- Thanksgiving Dinner
- Day Use Experience – Upgrade
- Pungko Pungko Platter
- Cebu Wedding Expo Discounted Buffet Rate
- Flash Sale Extended
- Consumable Rates
- Sisig Library
- Holiday Food Trays
- Christmas Eve/Day Buffet
- New Year's Eve/Day Buffet

F&B: Lobby Lounge

- 20% Discount on A la Carte Food Orders and Non-alcoholic Beverages for Selected Banquet Events
- Merienda Buffet
- Concert Buffet
- Birria Tacos and Margaritas
- Grilled Chicken Quesadilla
- Chef's Specials
- Weekend Brunch
- Iskrambol (Bingsu)
- Beignets and Brews
- Pilsner Urquell
- Mango Rum
- Pork Inasal Tacos
- International Coffee Day
- National Cappuccino Day
- National Espresso Day
- Pink Slushie
- Sisig Library
- Mulled Wine

F&B: Tin Gow

- 20% Discount on A la Carte Food Orders and Non-alcoholic Beverages for Selected Banquet Events
- Sweet Lunar Pairing – Brown Sugar Nian Gao with Tea
- Steamed Chicken with Lotus Cantonese Style
- Chinese New Year Yee Sang Set Menu
- Chinese New Year Nian Gao
- Buttered Squid in Canisters
- Home-made Chinese Beancurd with Minced Pork
- Fish Fillet Kirin Style

- Steamed Spareribs
- Chef Low's Treat
- Mooncake Festival
- Wonton Noodles Cantonese Style
- Cebu Wedding Expo Discount
- Consumable Rates

F&B: La Gondola

- 20% Discount on A la Carte Food Orders and Non-alcoholic Beverages for Selected Banquet Events
- Valentine's Set Menu – Me and You
- Rustic Steak
- Arabelle Pasta
- Quatro Piatti
- Father's Day at La Gondola – Ride & Dine
- Birria Tacos and Margaritas
- Business Lunch
- Sardinia Pizza
- Quatro Piatti
- Pan Roasted Pork Loin
- Pork Chop Milanese
- Buon Natale (Set Menu)
- Christmas Lunch and Dinner Buffet
- Cebu Wedding Expo Discount
- Consumable Rates

F&B: Pool Aquarius

- Happy Hour
- Birria Tacos and Margaritas
- Chef's Specials
- Relaunching of Power House – Fitness Bar
- Pungko Pungko Platter
- Boodle Fight Bilao
- Saturday Barbecue by the Pool
- Sisig Library

F&B: Café Fortuna

- Pork Estofado
- Crispy Tadyang Kare Kare
- Rice Bowls Collections
- Crispy Pork Binagoongan
- Grilled Tuna Belly with Sinigang sa Gata

F&B: Room Service

- Turkey Sandwich
- Pork Sisig
- Chef's Specials
- Pork Inasal Tacos
- Sisig Library

F&B: Mizu

- 20% Discount on A la Carte Food Orders and Non-alcoholic Beverages for Selected Banquet Events
- Kakiagi Tempura

- Tonkatsu Bento
- Yakiniku Bento
- Tempura Bento
- A Taste of Japan (All-you-can-order)
- Curry Ramen
- Miso Ramen
- Sake Pairing
- Cebu Wedding Expo Discount
- Consumable Rates

F&B: Madeleine

- Bake Sale
- Carrot Cake
- Lemon Meringue Cake
- Ube Flan Cake
- Matilda Cake
- Classic Ensaymada
- Cream Cheese Bread
- Ube Cream Cheese Bread
- Beignets and Brews
- International Coffee Day
- National Cappuccino Day
- National Espresso Day
- Crème Brulee Cake
- Monay
- Creamy Garlic Bread
- Classic Choco Chip Cookie
- Matcha White Choco Cookie
- Double Choco Chip Cookie
- Smores Cookie
- Red Velvet Cookie
- Choco Bomb
- Misa de Gallo (Kakanin)
- Puto Bumbong and Bibingka House
- Christmas Goodies

Regular Media Hosting:

- Sun Star
- CDN
- The Freeman
- Local Celebrities
- Local Influencers
- Food and Lifestyle Bloggers
- Events
- Sinulog Festival dance
- Chinese New Year celebration
- International Travel Festival
- Easter Egg Hunt
- Cebu Wedding Expo
- Gugma Fashion Show
- Christmas tree Lighting
- New Year’s Eve countdown party
- Christmas Goodies

Regular Media Hosting:

- SunStar
- CDN
- The Freeman
- Local Celebrities
- Local Influencers
- Food and Lifestyle Bloggers

Rooms

- Flash Sale January – December 2025
- Sun-Kissed Delight Summer
- Bulk-buy Voucher
- All Fun Run in Cebu 2025 Room Promo
- International Travel Festival 2025
- World Travel Expo (Central Visayas)
- GC Selling Promo Rates
- Breeze into the Season
- Boun Natale Holiday Escapade
- Cheers to 2026! Celebrate the New Year at Waterfront

Events

- F&B Initiated Event – Twosome Night and a Moonlight
- Sinulog Festival dance
- Chinese New Year celebration
- International Travel Festival
- Chaine Des Rotisseurs
- Easter Egg Hunt
- Cebu Wedding Expo
- Cebu Wedding Expo: Partner's Night
- Christmas Tree Lighting
- New Year's Eve countdown party

Information Technology

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

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

Employees' Training

The Philippine Hotel & Tourism Sector has bounced back after the COVID pandemic.

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

In congruence with the Company's vision to become *the leader in the tourism industry committed to provide gracious Filipino hospitality towards total guest satisfaction*, the Peers' Training and Development Department spearheads the development of programs that seek to equip peers with the knowledge and skills necessary to realize this vision. The programs developed focused on the three (3) key areas: technical skills, customer service, and employee welfare.

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

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

Moreover, this is further supported and followed through by Revamp Training Programs conducted amongst Food and Beverage Service employees, intended to refresh and enhance skills in accordance to the improved service sequence standards for ala carte, buffet, and in room dining settings.

Additionally, skills revamp training was also conducted among the key employees of the Food and Beverage Production department. This aimed to keep their skills on food preparation updated especially when there are new recipes developed and to ensure that all products served follow the

same standards from preparation to presentation, keeping the distinct quality and identity of the Waterfront brand.

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

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

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

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

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

While we work on skills development of employees, we also give equal importance towards employee welfare. Together with the Peers' Services Department, we facilitated several training and workshops that promote mental health for we understand that in order to deliver excellent service, service providers need to be healthy holistically. Subsequently, it encourages employees to be more engaged and committed to their jobs and to advocating consistent delivery of excellent service which resonates with the guests they interact with. Indeed, 2025 had been both a challenging and enriching year for all employees. And as we embark to another year, the Peers' Training and Development Department shall carry the same vigor of commitment in developing training programs that would turn Waterfront's vision into a reality.

Employees

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

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

As of the end of the calendar year 2025, WPI Group has a total of 404 employees that were distributed as follows:

***WCCCHI**:*

	Filipinos	*Foreigners*	*Total*
Executive	17	2	19
Non-Executive	194	-	194
Total	**211**	**2**	**213**

***WMCHI**:*

	Filipinos	*Foreigners*	*Total*
Executive	1	-	1
Non-Executive	65	-	65
Total	**66**	**-**	**66**

DIHCI:

	Filipinos	*Foreigners*	*Total*
Executive	1		1
Non-Executive	70		70
Total	**71**	**-**	**71**

APHC

	Filipinos	*Foreigners*	*Total*
Executive	1	-	1
Non-Executive	16	-	16
Total	**17**	**-**	**17**

WPI

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

ALEC

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

WWGI:

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

WFC:

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

WHC:

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

Grand Total	**402**	**2**	**404**

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

Business of WPI and Its Subsidiaries

- ***WPI***

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

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

Subsidiaries

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

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

- ***Waterfront Cebu City Casino Hotel, Incorporated***

WCCCHI was incorporated on September 23, 1994 to manage and undertake operations of Waterfront Cebu City Hotel and Casino *(WCCCHC). WCCCHI* achieved a milestone during the year by opening the doors of *WCCHC* on January 5, 1998, with 158 guest-rooms which has already grown to 561 by the last quarter of 1999, six-storey convention center known as the *Waterfront Convention Center*, previously known as Cebu International Convention Center and six-storey` **Entertainment Block**. This

Entertainment Block completes the Company's restaurants row. On February 5, 1998, *PAGCOR* commenced operations at the new purposely-built casino at the Entertainment Block.

- *Waterfront Convention Center - (WCC)*

Waterfront Convention Center previously known as Cebu International Convention Center is a six-storey building, especially-designed to adapt to any event size and purpose, has been in operation since January 5, 1998. Major amenities of the center include ten (11) function rooms and two (2) Grand Ballrooms with a seating capacity of 4,000.

- *Entertainment Block*

The Entertainment block is a six-storey building and is comprised of eleven (9) Food and Beverage entertainment outlets, a public and international gaming area that includes the *"Casino Filipino",* and 62 hotel rooms and suites

- *Hotel Tower Block*

The Hotel Tower block is a 22-storey and it consists of a podium, containing the lobby, a food and beverage outlet, a reception, a shopping arcade, three (3) press function rooms, and a high-rise block of 498 hotel rooms and suites.

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

Waterfront Cebu City Hotel & Casino has elegantly designed and well-appointed guest rooms and suites. The 18th Floor is the Waterfront Ambassador Lounge with a two floor Lounge exclusive for Ambassador Floor guests. Waterfront Ambassador Lounge's guests enjoy butler service, complimentary business services and a business boardroom fit for a group of up to 8 people, equipped with a built-in LCD projector, a roll-up screen, PA and recording system, a local area network (LAN) and a poly communication system. The 2nd floor lounge is outfitted with 3 computer stations, where guests can avail of complimentary WIFI access, flat-screen television entertainment, an array of lifestyle and business magazines as well as newspapers and board games.

The Hotel features a convention center, once recognized as the largest in the Visayas and Mindanao, designed to accommodate a wide range of events. It is equipped with 10 function rooms, 2 executive boardrooms, and 2 Grand Ballrooms, each with a seating capacity of 4,000. Over the years, it has hosted numerous national and regional events, conventions, and conferences.

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

Apart from improvements to the general structure of the lobby, the Lobby Lounge itself will offer an enhanced dining and lounging experience, with glass panels, now enclosing each side of the lounge to create a more defined and comfortable space. Fully equipped bar areas have also been installed in the middle of each of the lounge's two sections, ensuring diners of more efficient and prompt service. To enhance the overall guest experience, the hotel has put together additional features such as nightly

entertainment from the city's top performers, and soulful afternoon music by soloists. Among the Hotel's newest pride comes in the form of delectable treats, introducing Lobby Lounge's new service concepts.

Merienda Buffet

The Waterfront Hotels Group's Merienda Buffet is a delightful celebration of Filipino comfort food and regional favorites, served daily at our flagship properties in Cebu, Mactan, and Davao. From savory street food classics and traditional kakanin to hearty local specialties and indulgent desserts, each spread offers a nostalgic yet elevated merienda experience. The Waterfront Airport Hotel & Casino's merienda buffet was recognized as the Sunstar Best of Cebu – Best Merienda Buffet in 2023. Conveniently located just across the airport, it is the perfect stop for travelers and locals alike seeking an authentic and satisfying taste of Cebuano hospitality.

Wine Dispenser

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

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

Waterfront Mactan was incorporated on September 23, 1994 to manage and operate the Waterfront Airport Hotel & Casino Mactan (WAHC). Ideally situated directly across Mactan-Cebu International Airport, the hotel occupies approximately 3.3 hectares and serves as one of the most strategically located airport hotels in the country. The hotel features 166 well-appointed rooms and suites, 6 food-and-beverage and entertainment outlets. Waterfront Airport also houses one of the largest casinos in the Philippines - making Cebu the only city in Southeast Asia offering casino facilities conveniently accessible to transiting passengers.

Over the years, the hotel has continuously enhanced its guest experience through improvements such as in-room connectivity and business-friendly amenities, and the adoption of fully integrated hotel systems to strengthen operational efficiency, elevate guest service, and uphold overall profitability. Future expansion plans of guest rooms and convention facilities will be built, aligning with market demand and growth opportunities. The hotel's location provides unmatched convenience: just steps from the international and domestic airport, three minutes from the Mactan Industrial Zone, fifteen minutes from Mactan's premier beach destination, and thirty minutes from Cebu City's commercial and financial districts. In 2016, the property further improved guest access by expanding the Annex parking area.

Today, Waterfront Airport Hotel & Casino Mactan remains an essential gateway to Cebu-offering seamless travel convenience, world-class hospitality, and a unique blend of business, leisure and entertainment all in one destination.

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

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

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

On 2015, the property re-opened its 48 square meter gym to continuously serve its guests and to ensure guests satisfaction. Discover the rich cultural heritage of Davao which stems from the different groups and tribes that populated the area throughout its history and be astonished of artworks in the hotel lobby where it showcases pieces of artifacts featuring the various object d'art from the different tribes and historical.

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

The principal property of the Company is a 22-storey building previously known as the Manila Pavilion Hotel, *now Waterfront Manila Hotel and Casino* 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 these was Alcuaz which can accommodate 250-300 guests. The hotel had approximately 2,200 sq. meters of meeting/banquet/conference facilities, and also houses several restaurants, such as Seasons Café (coffee shop), the El Rey (bar & lounge) and the Patisserie (bakeshop and deli items). Other guest services and facilities included a chapel, swimming pool, gym, business center and a valet-service basement car park. Concessionaires and tenants included a beauty salon, a foot spa, photography services, transportation services, travel agency, flower shop and boutiques. In addition, Casino Filipino – Pavilion, owned and operated by PAGCOR, occupied part of the first, second, third, fourth and fifth floors (a total of 12,696.17 sq. m.) of the building.

On March 18, 2018, a fire broke out in the property that damaged the podium and main hotel that resulted in 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. 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. As at December 31, 2025 and 2024, insurance claims receivable amounted to nil.

While Php 1.5 billion in insurance proceeds were initially utilized to commence rebuilding, the updated completion budget has risen to Php 3.6 billion due to higher construction costs, structural reforms, and re-layout requirements. A phased reopening was initially planned, with the casino, one restaurant, and 150 rooms targeted for 2026, and banquet areas plus 350 more rooms by 2027. However, weak tourism arrivals, the decline of the Chinese gaming market, competition from online gaming, and volatile operating costs have led management to recommend pausing construction until industry conditions improve. The earliest restart is projected for mid-2028 with appropriated retained earnings for reconstruction and an annual maintenance budget set aside to preserve the hotel's superstructure.

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

G-Hotel by Waterfront located in 2090 Roxas Boulevard, Malate Manila was managed by Waterfront Management Corporation starting November 2006. On October 01, 2014, the BOD approved the

cessation of the Company's business operations. Consequently, the Company's activities were confined mainly to the collection of receivables, settlement of liabilities, and other administrative matters, while maintaining its status as non-operating entity seeking other business opportunities.

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

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

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

- ***Waterfront Horizon Corporation***

Waterfront Horizon Corporation (Waterfront Horizon) is a subsidiary of the Waterfront group, established to support both hospitality operations and future expansion initiatives. It manages the country's first fully integrated hotel reservations and booking system under a local hotel chain through its comprehensive Central Reservations Office (CRO), providing 24/7 reservation services and seamless access to all Waterfront properties for domestic and international clients. Beyond supporting the internal portfolio, the company is also established as a strategic platform capable of servicing hotels outside the group. With its scalable systems, trained reservations staff, and tech-enabled infrastructure, the company is positioned to provide outsourced reservation management solutions to independent hotels and partner properties in the future. This expansion capability allows the company to operate not only as an internal support, but also as a standalone hospitality service provider with the potential to grow with its market reach.

In addition to its core reservations expertise, WHC is also positioned to engage in tourism estate development and management. This added capability allows the company to support broader hospitality and tourism projects, enhancing opportunities for growth within and outside the group. Through its combined strength in guest service, operational efficiency, and development support, WHC plays a pivotal role in driving the Waterfront group's strategic growth and expanding its presence in the Philippine hospitality and tourism landscape.

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

Waterfront Food Concept, Inc. (WFC) is a subsidiary of Waterfront Philippines Inc. established to engage in the operation of restaurants, cafes, fast-food outlets, and other food service establishments. While the company is structured and authorized to manage full food and beverage operations, its current focus is on serving the group's industrial bakery and commissary. WFC specializes in producing high-quality bakery, pastry, and dessert products, supplying Waterfront hotels in Cebu as well as various external establishments.

This operational foundation positions WFC to expand into broader food service management in the future, in line with its primary mandate. Through its commitment to quality production and service readiness, WFC supports the group's culinary requirements while maintaining the capability to operate full restaurant and food outlet concepts as the business grows.

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

This subsidiary is located in the Ground Level of Waterfront Cebu City Casino Hotel Formerly, W Citigyms and Wellness, Inc. is a fully equipped gym with specialized trainers and quality fitness equipment. The gym offers variety of services from aerobic instructions to belly dancing, boxing, yoga

classes and a lot more. It also has its own nutritionist/dietician. Its highly trained therapists perform massage and spa services to guests within the hotel. The management has plan of opening Citigyms in all its hotels.

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

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

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

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

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

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

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

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

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

The Company is a wholly-owned subsidiary of Waterfront Philippines, Incorporated (WPI or the Parent Company).

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

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

The Company is a wholly-owned subsidiary of Waterfront Philippines, Incorporated (WPI or the Parent Company).

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

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

The Company is a wholly-owned subsidiary of Waterfront Philippines, Incorporated (WPI or the Parent Company). As at December 31, 2025, the Company has not yet started its commercial operations.

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

Business Development

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

Year 2024

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

Year 2025

The year marks a continued shift from recovery to consolidation and expansion. Waterfront has remained disciplined in maximizing its resources, refining its strategies, and leveraging the strengths of its people. These efforts have enabled the Group to respond effectively to evolving market conditions, navigate operational challenges, and reinforce organizational stability. With the dedication and leadership of its peers, Waterfront continues to foster a culture of resilience, accountability, and shared purpose. Management's focus in 2025 remains firmly anchored on operational efficiency and organizational excellence. Continuous improvements in governance, systems, and processes are being pursued to support a stronger and more responsive enterprise. At the same time, Waterfront continues to bridge traditional engagement channels with rapidly expanding digital platforms, ensuring that the brand remains visible, relevant, and well-positioned in the online space. The careful development of digital assets and platforms reflects the Group's intent to engage wider audiences while preserving the integrity and identity of the Waterfront brand.

Strategies

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

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

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

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

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

Our greatest software is our People.

Item 2. Properties

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

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

WCCCHI Land Lease:

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

WMCHI Land Lease:

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

DIHCI Wholly Owned:

Location	Title	Area (In Sq. Meters)
▪ Lanang, Davao City Size: Approximately 12.29 hectares but with offshore area of 4.3 hectares	TCT 0-255*	2,997
	0-256*	304
	0-257*	113
	0-258*	50
	0-259*	404
	T-10250*	43,881
	T-10250*	47,320
	T-10251*	2,091
	T-102510*	2,043
	T-10252*	1,133
	T-10252*	300
	T-10252*	300
	T-10252*	1,580
	T-10254*	500
	T-10254*	400
	T-10303-A*	304

	T-30874*	223
	T-10264*	18,959

ACESITE Land Lease

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

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

Item 3. SSS Loan

On October 28, 1999, the Parent Company obtained a five-year term loan from SSS amounting to P375.00 million originally due on October 29, 2004. The SSS loan bears interest at the prevailing market rate plus 3.00% or 14.50% per annum, whichever is higher. Interest is repriced annually and is payable semi-annually. Initial interest payments are due 180 days from the date of the release of the proceeds of the loan. The repayment of the principal shall be based on eight semi-annual payments, after a 1-year grace period.

The SSS loan was availed to finance the completion of the facilities of WCCCHI. It was secured by a first mortgage over parcels of land owned by WII, a related party and by the assignment of 200.00 million common shares of the Parent Company owned by TWGI. The common shares assigned were placed in escrow in the possession of an independent custodian mutually agreed upon by both parties.

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

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

The remaining balance of the SSS loan is secured by the shares of stock of the Parent Company owned by TWGI and shares of stock of WII totaling 235.00 million and 80.00 million shares, respectively.

On May 13, 2004, SSS filed a civil suit against the Parent Company for the collection of the total

outstanding loan obligation before the Regional Trial Court (RTC) of Quezon City. SSS likewise asked the RTC of Quezon City for the issuance of a writ of preliminary attachment on the collateral property.

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

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

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

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

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

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

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

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

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

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

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

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

parties titles and documents held by SSS as collaterals.

On January 22, 2016, SSS appealed with the CA assailing the RTC of Quezon City decision in favor of the Parent Company, et al. SSS filed its Appellant's Brief and the Parent Company filed a Motion for Extension of Time to file Appellee's Brief until May 16, 2016.
On May 16, 2016, the Parent Company filed its Appellee's Brief with the CA, furnishing the RTC of Quezon City and the Office of the Solicitor General with copies. SSS was given a period to reply but it did not file any.

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

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

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

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

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

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

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

- The Parent Company to pay SSS P375.00 million subject to 12.00% legal interest from October 28, 1999 to June 30, 2013, and 6.00% legal interest from July 1, 2013 until full payment; and

- SSS to return to the Parent Company the amount of P35.83 million, subject to a legal interest of 12.00% from the dates that the individual payments were remitted until June 30, 2013, and 6.00% legal interest from July 1, 2013 until full payment.

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

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

On September 21, 2022, the SC issued a resolution denying SSS' Motion for Reconsideration with

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

The Parent Company is hereby ordered to:

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

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

On April 17, 2023, the Company filed a Manifestation with Motion to Approve Proposed Set-off and Schedule Reconveyance with the RTC of Quezon City to comply with the orders set out in the SC decision.

On August 17, 2023, Branch 76 of the RTC of Quezon City issued an Order approving the legal compensation between SSS and the WPI, ordering WPI to pay P258,117,749.89 to SSS, which is the balance of the amount due to SSS after set-off of the amounts due to WPI, and further ordering the return of real estate properties and shares of stock by SSS to defendants WPI and WIN.

On September 20, 2023, SSS filed a Motion for Reconsideration with RTC of Quezon City asking that August 17, 2023 Order to be set aside. The Motion for Reconsideration was denied by the RTC on January 12, 2024.

On May 27, 2024, WPI, WIN, and TWGI tendered Manager’s Checks totaling P258.12 million to SSS. On July 16, 2024, SSS filed its Manifestation of Conditional Acceptance, acknowledging receipt of the tendered amount as partial and initial payment only, subject to the outcome of the pending case before the Court of Appeals (CA G.R. SP No. 183716). As a result, the principal balance of the SSS loan was reduced to P116.88 million

WPI, WIN and TWGI then filed a Motion to Direct the Register of Deeds of Quezon City to cancel TCT Nos. N-281261 and N-281262 and to reinstate TC Nos. N-153395 and N-153396 to which the Court granted in its Order dated August 6, 2024.

Subsequently, SSS filed its Urgent Omnibus Motion for Reconsideration of the August 6, 2024 and for Inhibition of Hon. Pambid. The said Motion was denied by the Court on October 3, 2024.

On December 3, 2024, SSS filed a Petition for Certiorari (with Application for Temporary Restraining Order and/or Preliminary Injunction) against Hon. Pambid, WPI, TWGI and WIN before the CA, docketed as CA G.R. SP No.187166.

This is awaiting the order of the Court of Appeals to file comment on the Petition for Certiorari as at December 31, 2025.

Interest expense - net incurred from the SSS loan is recognized in the consolidated statements of profit or loss and other comprehensive income amounted to nil, P10.65 million and P20.35 million in 2025, 2024 and 2023, respectively.

Further, in relation to the SC decision declaring the SSS loan as null and void, the Parent Company reclassified the outstanding balance of the loan and the related accrued interest amounting to P116.80 million and P785.36 million, respectively, as “Provision” as at December 31, 2025 and 2024. The management considered the requirements under PAS 37 as basis for the reclassification.

BIR Assessment

2006 BIR Tax Assessment

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

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

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

The Parent Company appealed the case to the CTA sitting En Banc on October 21, 2013. The CTA En Banc decision promulgated on December 4, 2014 affirmed the VAT and EWT assessments. The EWT assessment was paid on March 3, 2013. The CTA En Banc decision was appealed to the SC on February 5, 2015 covering the VAT assessment only. As at the date of the authorization for issue of the consolidated financial statements the Parent Company is still awaiting the SC's decision.

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

2019 BIR Tax Assessment

On June 8, 2021, the Parent Company received a Letter of Authority SN: eLA201500023533 LOA-080-2021-0000113 dated May 31, 2021 from the BIR for the taxable year 2019.

On January 26, 2023 the Parent received Notice of Discrepancy dated January 25, 2023. On February 24, 2023, the Parent Company sent a letter to BIR contesting the said assessment.

On May 23, 2023, an Amended Notice of Discrepancy dated May 15, 2023 was received by the parent with changes on the assessment. On June 20, 2023, the Parent submitted a reply with justification and explanation on itemized assessment.

On July 26, 2023, the parent received a Preliminary Assessment Notice dated July 24, 2023. On August 9, 2023, a reply dated August 9,2023 was sent to BIR still contesting the said assessment.

On August 31, 2023, a Formal Letter of Demand dated August 16, 2023 was received by the Parent. On October 2, 2023, the Parent Company sent a protest letter to BIR contesting the portion of the said assessment. Settlement on Documentary Stamp Tax, Registration Fee, Expanded Withholding Taxes and Withholding tax on Compensation amounting to P3.3 million was made on October 12, 2023.

On March 6, 2024, the Parent Company sent a protest letter, which was accepted by the BIR requesting for reinvestigation and verification, which includes deficiencies in income tax amounting to P22.0 million and VAT amounting to P21.3 million. A partial settlement for Income Tax amounting to P5.0 million was made on March 26, 2024, followed by a final payment of P5.08 million on May 27, 2024. On the same day, a Waiver of the Defense of Prescription for Value Added Tax was executed and accepted by the Regional Director of Revenue Region No. 13 on June 25, 2024. Lastly, a settlement of miscellaneous fees amounting to 59,000 was made on July 1, 2024.

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

4.1 The stockholders approved and ratified the following matters during the Stockholder's Meeting held last September 26, 2025:

4.2

a. Election of the members of the Board of Directors to serve for the term 2025-2026. Those elected regular members of the Board were:

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

    As Independent Directors:

    1. Renato C. Francisco
    2. Aristeo R. Cruz
    3. Josaias T. De La Cruz

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

b. The designation of KPMG R.G. Manabat and Co. as the Corporation's external auditor. For calendar year ended 2025, the signing partner of the company is Ms. Diana Rose A. De Mesa

PART II – OPERATIONAL AND FINANCIAL INFORMATION

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

5.1 The Company's common stock is currently listed and traded on the Philippine Stock Exchange. On June 16, 1999, the Parent Company declared cash dividends of Php 0.02 per share on its outstanding common shares as of the record date of May 15, 1999, amounting to a total of

Php 19.23 million. In addition, the Parent Company declared a 10% stock dividend with a record date of September 15, 1999.

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

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

	2025		2024	
	High	Low	High	Low
1st Quarter	0.4100	0.4050	0.4100	0.4000
2nd Quarter	0.4500	0.4300	0.4000	0.3900
3rd Quarter	0.4700	0.4300	0.3750	0.3650
4th Quarter	0.4200	0.4100	0.4300	0.3700

The price of the stock is at 0.490 as of December 31, 2025 and at 0.460 as of May 26, 2026.

5.3 The number of stockholders of record as of December 31, 2025 on the Register of Shareholders was 421 but the company is not able to identify the actual number of beneficial owners who are registered under the name of the member companies of the Philippine Stock Exchange (PSE). Common shares outstanding as of December 31, 2025 were 2,498,991,753. There are no sales for the last three years of unregistered securities.

5.4 The list of top 20 stockholders of record as of December 31, 2025 is as stated hereunder:

	STOCKHOLDER'S NAME	TOTAL HOLDINGS (SUBSCRIBED)	PERCENTAGE TO TOTAL
1	PCD NOMINEE CORP. (FILIPINO)	1,135,464,735	45.44%
2	THE WELLEX GROUP, INC.	1,128,466,800	45.16%
3	PCD NOMINEE CORP. (NON-FILIPINO)	45,401,539	01.82%
4	KENNETH T. GATCHALIAN	30,000,100	01.20%
5	REXLON T. GATCHALIAN	30,000,000	01.20%
6	WESLIE T. GATCHALIAN	30,000,000	01.20%
7	FORUM HOLDINGS CORPORATION	20,626,000	00.83%
8	PRIMARY STRUCTURES CORPORATION	16,212,500	00.65%
9	REXLON GATCHALIAN	14,740,000	00.59%
10	METRO ALLIANCE HOLDINGS & EQUITIES, INC.	14,370,000	00.58%
11	ELVIRA A. TING	10,000,009	00.40%
12	CATALINA ROXAS MELENDRES	6,246,000	00.25%
13	MANUEL H. OSMENA &/OR MANUEL L. OSMENA II	1,400,000	00.06%
14	ROLANDO M. LIM	1,142,500	00.05%
15	FELIPE A CRUZ, JR.	1,100,000	00.04%
16	MARIA CONCEPCION CRUZ	876,000	00.04%
17	FREYSSINET PHILIPPINES, INC.	770,000	00.03%
18	BENSON COYUCO	605,000	00.02%
19	LUCENA B. ENRIQUEZ	552,000	00.02%
20	EMILY LIM	500,000	00.02%

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

Below are the results of operations of the Parent Company and its subsidiaries, for the years ending December 31, 2025, 2024 and 2023 together with its financial conditions as of the same period.

RESULTS OF OPERATIONS (Amounts in Php)

RESULTS OF OPERATIONS	2025	2024	2023
Revenues	**2,033,688,638**	1,951,540,132	1,803,586,373
Less: Costs and Expenses	**1,698,897,982**	1,435,026,056	1,143,632,602
Gross Income	**334,790,656**	**516,514,076**	**659,953,771**
Other (Expenses) Income	**(463,443,165)**	1,228,075,752	(534,119,418)
Net Income/(Loss) Before Income Tax	**(128,652,509)**	**1,744,589,828**	**125,834,353**
Income Tax Expense	**(22,887,530)**	151,703,603	102,540,385
NET INCOME/(LOSS)	**(105,764,979)**	**1,592,886,225**	**23,293,968**
Earnings (Loss) Per Share	**(0.02)**	**0.34**	**0.02**

FINANCIAL CONDITION (Amounts in Php)

FINANCIAL CONDITION	2025	2024	2023
ASSETS			
Current Assets	**2,703,747,062**	4,561,995,119	4,858,219,040
Noncurrent Assets	**21,886,847,945**	17,854,335,198	16,558,614,804
Total Assets	**24,590,595,007**	**22,416,330,317**	**21,416,833,844**
LIABILITIES			
Current Liabilities	**1,640,643,532**	1,685,472,901	1,669,760,979
Non-current Liabilities	**6,342,868,417**	6,047,720,156	6,658,474,269
Total Liabilities	**7,983,511,950**	**7,733,193,057**	**8,328,235,248**
Total Stockholders' Equity	**13,723,501,891**	12,340,405,472	11,489,258,299
Minority Interest	**2,883,581,166**	2,342,731,788	1,599,340,297
Total Liabilities & S/H Equity	**24,590,595,007**	**22,416,330,317**	**21,416,833,844**

Calendar Year ended December 31, 2025 as compared with Calendar Year ended December 31, 2024

RESULTS OF OPERATION

Revenues and Earnings per share

- Total revenues for year ended Dec. 31, 2025 was higher than the previous year. In actual performance, revenues from hotel & other subsidiaries for the year 2025 is at P2.033B compared to 2024's P1.951B, increasing by 6.30%.

Earnings per share for 2025, (P0.02) and P0.34 for 2024. There are no potentially dilutive shares as of December 31, 2025.

Cost and expenses

– Cost and expenses of 2025 is at P1.698B compared to last year's P1.435B

FINANCIAL CONDITION

Cash and cash equivalents – This account decreased by P33.81M which is 8.60% lower from last year.

Receivables – Decreased by 30.57% from P1.582B in 2024 to P1.098B in 2025.

Notes Receivable – Decreased for the year by P133M or an decrease of 48.95%.

Inventories – Inventories increased by 2.70% from last year.

Due from related parties-current portion – The account decreased to P994.99M, an amount 55% lower from last year.

Prepaid expenses and other current assets – A increase of P78.861M from last year's P69.487M. Prepaid expenses are defined as payment for services and/or benefits yet to be performed or received; it also includes prepaid taxes and insurance.

Property plant & equipment – There was a 20.25% increase from last year's P11.675B to this year's P14.038B. In compliance with PAS 27, property and equipment (except operating and transportation equipment) were carried at revalued amounts effective 2009.

Other noncurrent assets – There is an decrease of P21.455M on this account compared to last year's P901.695M.

Current Liabilities – The account consisted of trade payable, income tax payable, accruals and due to related parties. The account increased by 2.17% from last year; P1.317B in 2024 to P1.345B in 2025.

Loans Payable – Current portion of the loan decreased by P55M.

Other current liabilities – The account resulted in an increased from P72.526M last year to P54.161M this year. This refers to concessionaire, other deposits and deferred income.

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

RESULTS OF OPERATION

Revenues and Earnings per share – Total revenues in 2024 were higher compared to 2023. Revenues generated from hotel operations and other subsidiaries amounted to P1.952 billion in 2024, up from P1.804 billion in 2023, reflecting an increase of 8.20%.

Earnings per share (EPS) for 2024 amounted to P0.34, compared to P0.021 in 2023. As of December 31, 2024, there were no potentially dilutive shares.

Cost and expenses – Total costs and expenses in 2024 increased to P1.435 billion from P1.144 billion in 2023.

FINANCIAL CONDITION

Cash and cash equivalents – In 2024, this account decline by P82.592 million, representing a 17.35% decrease compared with 2023.

Receivables – Receivables increased by 75.12%, rising from P903.67 million in 2023 to P1.582 billion in 2024.

Notes Receivable – Notes receivable increased by P4.149 million in 2024, equivalent to a 1.55% increase compared with 2023.

Inventories – Inventories increased by 25.26% in 2024 compared to the year 2023.

Due from related parties-current portion – In 2024, this account decreased to P2.211 billion, representing a 24.71% decline from 2023. This balance consists of interest-bearing advances to TWGI, PRC, and Crisanta Realty.

Prepaid expenses and other current assets – This account declined by P178.969 million in 2024, from P248.457 million in 2023. Prepaid expenses represent payments for services or benefits to be received in future periods, including prepaid taxes and insurance.

Property plant & equipment – Property, plant, and equipment decreased slightly by 0.26%, from P11.706 billion in 2023 to P11.675 billion in 2024. In compliance with PAS 27, property and equipment (except operating and transportation equipment) were carried at revalued amounts effective 2009.

Other noncurrent assets – Other noncurrent assets increased by P173.039 million in 2024 compared to the P728.656 million balance in 2023.

Current Liabilities – The account consisted of trade payable, income tax payable, accruals and due to related parties. The account increased by 4.00% from P1.226 billion in 2023 to P1.317 billion in 2024.

Loans Payable – The current portion of loans payable decreased by P44.00 million in 2024.

Other current liabilities – Other current liabilities increased from P63.48 million in 2023 to P72.526 million in 2024. This account mainly comprises concessionaire deposits, other deposits, and deferred income.

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

RESULTS OF OPERATION

Revenues and Earnings per share– Total revenues in 2023 were higher compared to 2022. Revenues generated from hotel operations and other subsidiaries amounted to P1.804 billion in 2023, up from P1.486 billion in 2022, reflecting an increase of 21.34%.

Earnings per share (EPS) for 2023 amounted to P0.028, compared to P0.033 in 2022. As of December 31, 2023, there were no potentially dilutive shares.

Cost and expenses – Total costs and expenses in 2023 increased to P1.144 billion from P993.38 million in 2022.

FINANCIAL CONDITION

Cash and cash equivalents – In 2023, this account declined by P107.94 million, representing a 18.49% decrease compared with 2022.

Receivables – Receivables increased by 3.41%, rising from P873.87 million in 2022 to P903.67 million in 2023.

Notes Receivable – Notes receivable increased by P20.17 million in 2023, equivalent to a 8.15% increase compared with 2022.

Inventories – Inventories increased by 14.27% in 2023 compared to the year 2022.

Due from related parties-current portion – In 2023, this account decreased to P2.936 billion, representing a 31.09% decline from 2022. This balance consists of interest-bearing advances to TWGI, PRC, and Crisanta Realty.

Prepaid expenses and other current assets – This account increased by P0.06 million in 2023, from P248.40 million in 2022. Prepaid expenses represent payments for services or benefits to be received in future periods, including prepaid taxes and insurance.

Property plant & equipment – Property, plant, and equipment increased by 6.41%, from P11.706 billion in 2022 to P11.706 billion in 2023. In compliance with PAS 27, property and equipment (except operating and transportation equipment) were carried at revalued amounts effective 2009.

Other noncurrent assets – Other noncurrent assets decreased by P3.10 million in 2023 compared to the P731.76 million balance in 2022.

Current Liabilities – The account consisted of trade payable, income tax payable, accruals and due to related parties. The account decreased by 27.52% from P1.747 billion in 2022 to P1.266 billion in 2023.

Loans Payable – The current portion of loans payable decreased by P255 million in 2023.

Other current liabilities – Other current liabilities increased from P32.95 million in 2022 to P63.49 million in 2023. This account mainly comprises concessionaire deposits, other deposits, and deferred income.

Key Variable and Other Qualitative and Quantitative Factors:

a. Any known Trends, Events or Uncertainties

The Group has assessed that it will still have a continued operation after the previous year's challenges. The full impact on the Group will depend on the duration of this unique crisis and how it severely impacts the economy going forward, with a range of potential outcomes too large to provide a meaningful quantification at this point. Any impact on the Group's estimates of provision on financial instruments and recoverability of nonfinancial assets will be determined, quantified and recognized in the Group's financial statements when these become estimable.

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

Omnibus Security and Loan Agreement Covenants

As of December 31, 2025, the Group's debt service coverage ratio had met the agreed threshold.

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

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

Financial Risk and Capital Management Objectives and Policies

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

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

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables.

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

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

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

The credit grades used by the Group in evaluating the credit quality of its receivables to customers and other parties are the following:

Grade A financial assets pertain to financial assets that are neither past due nor impaired which have good collection status. These financial assets are those which have high probability of collection, as evidenced by counterparties having ability to satisfy their obligations.

Grade B financial assets are those past due but not impaired financial assets and with fair collection status. These financial assets include those for which collections are probable due to the reputation and the financial ability to pay of the counterparty but have been outstanding for a length of time.

Grade C financial assets are those which have continuous default collection issues. These financial assets have counterparties that are most likely not capable of honoring their financial obligations

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

Information on the Group's receivables and due from related parties that are impaired as of December 31, 2025 and 2024 and the movement of the allowance used to record the impairment losses are disclosed in Notes 5 and 8 to the consolidated financial statements.

Liquidity Risk

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

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

Ultimate responsibility for liquidity risk management rests with the BOD, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. For the Group's short-term funding, the Group's policy is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

Market Risk

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

The Group is primarily exposed to the financial risk of changes in equity prices of its equity securities - at FVOCI.

Interest Rate Risk

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

The Group's financial instrument that is primarily exposed to interest risk is the interest-bearing funds made available by the Parent Company to WCCCHI to finance the construction of the Cebu City Hotel Project.

Such funds were substantially sourced from a P375.00 million loan from SSS, as well as the stock rights offering of the Parent Company. Since 2006, the Parent Company charged WCCCHI on the related interests and penalties on the contention that the latter benefited from the proceeds of the SSS loan. Starting 2017, WCCCHI was not anymore charged with the interest on SSS loan because the Parent Company has assessed that if it has already fulfilled its obligations related to its use of proceeds from such loan.

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

Equity Price Risk

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

The Group is exposed to equity price risk because of its investment in shares of stock of WII which are listed on the PSE totaling to 86.71 million shares as at December 31, 2025 and 2024 (see Note 8f). The Group has also investment in shares of stock of WMPD amounting to P50.00 million representing 5% of the total capital stock of WMPD (see Note 8f).

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

Fair Value of Financial Assets and Liabilities

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

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

The fair value of listed investment was determined using the closing market price of the investment listed on the PSE as of December 31, 2025 and 2024.

Risk Management Structure

Board of Directors

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

Risk Management Committee

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

Capital Management

The primary objective of the Group's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. Capital is defined as the invested money or invested purchasing power, the net assets or equity of the entity. The Group's overall strategy remains unchanged from 2025 and 2024.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. For purposes of the Group's capital management, capital includes all equity items that are presented in the consolidated statement of changes in equity, except for revaluation surplus on property and equipment, retirement benefits reserve, foreign currency translation adjustment and fair value reserve.

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

Item 7. Financial Statements

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

INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

1) External Audit Fees and Services

KPMG R.G. Manabat & Co. began the external audit of the financial statements of Waterfront Philippines, Inc. and its subsidiaries for the calendar year ended December 31, 2024 until present, December 31, 2025.

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

	FOR THE CALENDAR YEAR ENDED DECEMBER 31,	
	2025	***2024***
Aggregate Fees Billed for the external audit of the Company's financial statements	**5,207,500**	4,787,500

B) Tax Fees

None

C) All Other Fees

None

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

None

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

9.1 The names and ages of the Directors and Executive Officers as of December 31, 2025 are as follows:

Office	Name	Age	Citizenship	Position in Other Listed Companies
Chairman of the Board	Sergio R. Ortiz-Luis, Jr.	82	Filipino	A Director Waterfront Philippines, Inc., President & CEO – Philippine Exporters Confederation, Inc. (PHILEXPORT); Honorary Chairman – Philippine Chamber of Commerce & Industry, Employers Confederation of the Philippines, Integrated Concepts and Solutions, Inc., Vice-Chairman of Alliance Global, Inc.; Director – International Chamber of Commerce of the Philippines, Manila Exposition Complex, Inc., Lasaltech Academy, BA Securities, Rural Bank of Baguio, GS1.; Gov't Affiliations: Vice-Chairman – Export Development Council; Civic Organizations: Chairman - Rotary Club of Green Meadows, Director – PILAK Foundation, Universal Access Center for Trade Others: Honorary Consul General – Consulate of Romania in the Philippines.
Director and Vice Chairman	Arthur M. Lopez	79	Filipino	Owner and Principal Consultant of AML Hotel Consultancy, Management and Technical Services Consultant of Federal Land and owner of Grand Hyatt Projects and Marco Polo Cebu; Director-Philippine Estates Corp., Chairman- Acesite Phils. Hotel Corp, Hotel Management Consultant of the B Hotel Manila, Bellevue Bohol Resort in Panglao, B Hotel Quezon City, Bellevue Baguio (opening in 2018) and Bloomberry Casino Hotels & Resorts; Regional Director of Asia Pacific Top Management International Resources Corp.; Hotel Management Consultant of Double Dragon properties Corporation. President of Legoli Holdings Inc and Arleff Holdings Inc. and President of Phil. Hotel Federation Inc.
Director and President	Elvira A. Ting	65	Filipino	President & CEO – Philippine Estates Corporation; Director Wellex Industries, Inc., Forum Pacific, Inc., Orient Pacific Corporation, Crisanta Realty and Development Corporation, Recovery Development Corporation, The Wellex

				Group, Inc., Plastic City Industrial Corporation.
Director and Treasurer	Dee Hua T. Gatchalian	77	Filipino	Director- Philippine Estates Corporation, Acesite (Philippines) Hotel Corporation; EVP-Finance and Admin The Wellex Group, Inc., & Plastic City Corporation. Chairperson of Jesus Our Life Ministries, Inc.
Director	Lamberto B. Mercado Jr.	61	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 Philippines, Incorporated, Wellex Industries, Inc., Forum Pacific, Inc., Metro Alliance Holdings & Equities Corp. and Acesite (Phils.) Hotel Corporation.
Independent Director	Aristeo R. Cruz	58	Filipino	Independent Director Waterfront Philippines, Inc., Independent Director-The Wellex Group,Inc., Director of Acesite Phils Hotel Corp. Meycauayan College, Inc – Vice Chairman of the board and Executive Vice President; Cruz Altares & Associates Law Office (formerly Cruz, Castro & Altares Law-Founding and Managing Partner,Liberty Bank (A Rural Bank), Inc.-Vice President Idealand Realty & Dev't Corp.- Vice-President and Chief Operating Officer (COO) Philstar Innovation Realty Corp.- Director & Corp Secretary Statosphere Realty & Dev't Corp. President and Chief Operating Officer (COO) Metro Alliance Holdings & Equities Corp.- Independent Director
Director	Ruben D. Torres	83	Filipino	Director Waterfront Philippines, Inc., President – BPO Workers Association of the Phils.; Senior Partner – Torres Caparas Torres Law Offices; Secretary General Katipunan ng Manggagawa at Magsasaka ng Pilipinas; Chairman/CEO – Service Exporters Risk Management & Consultancy Co., Towers Corporation and

				Optimus Medical Care and Trading Corporation.
Independent Director	Josaias T. De La Cruz	64	Filipino	Presently functioning as a Treasurer/Vice President for Investor Relations and Financial Planning in Wegen Distributed Energy Philippines Holding Corporation. A sole proprietor of JTDC Spinmeister Laundry Service that is operating under a Quicklean Laundry service franchise. A former National Director of World Vision Development Foundation, Inc. who was responsible in managing the largest international NGO in the Philippines. Also served various executive positions under The Wellex Group of Companies as its former Chief Executive Officer, VP – Credit Cycle, and Compliance Officer.
Independent Director	Renato C. Francisco	77	Filipino	A veteran legal professional, Justice Renato C. Francisco has been serving as an Associate Justice for the Court of Appeals from May 31, 2012 – August 20, 2018. An Ateneo De Manila University graduate for his Bachelor of Laws, Justice Francisco has served in the judiciary as a Presiding/ Executive Judge for the Regional Trial Court – Branch 19 of Malolos, Bulacan. Prior to that, he has also been the Assistant City Prosecutor for Makati City from 1992 to 1996. His extensive knowledge about the judiciary and legislations was further improved by the training programs that he has been a part of including The Harvard Negotiation Intensive, The Seminar Workshop on Substantive Law and Jurisprudence on Intellectual Property for Court of Appeals Justices.
Corporate Secretary	Arthur R. Ponsaran	82	Filipino	Director and/or Corporate Secretary of client corporations, including listed companies, as well as non-profit institutions. As of July 2025, he serves as Director of Forum Pacific Inc., Philippine Estates corporation, Health Carousel Philippines, Inc, MCCI Corporation, Bancom Alumni, Inc., Bancom II Consultants, Inc., Corporate Secretary of Waterfront Philippines Inc., Philsteel Holdings Corporation, Steel Corporation of the Philippines and Producers Savings Bank Corporation.

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

Board of Directors

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

He has degrees of Bachelor of Arts and Bachelor of Science in Business Administration from De La Salle University; PhD Humanities from Central Luzon State University, and PhD Business Technology from Eulogio "Amang" Rodriguez Institute of Science and Technology. He is the President and CEO of Philippine Exporters Confederation, Inc. An Honorary Chairman of Philippine Chamber of Commerce & Industry, Employers Confederation of the Philippines as well as Integrated Concepts & Solutions, Inc. He is the Vice Chairman of Alliance Global, Inc., Export Development Council. He is a Director of Manila Exposition Complex, Inc., Lasaltech Academy, Philippine Estate Corporation, BA Securities, Rural Bank of Baguio, PILAK Foundation, and Universal Access Center for Trade and Philippine International Training Corporation. He is a Council Adviser Member of Philippine Foundation, Inc., a Founding Director of International Chamber of Commerce of the Philippines and GS1. He is also a member of the Board of Advisers of Southville International School and Colleges. He is a commissioner of Patrol 117, a Financing Champion of the National Competitiveness Council and a Private Sector Representative of Bamboo Council. He is also a Chairman of Rotary Club of Green Meadows Foundation and also a Chairman of Council of Advisers Eastern Police District. He is the Past President of Rotary Club of Green Meadows Quezon City RI District 3780, a Board of Advisers Member of Council of Advisers Philippine National Police, a senator of Philippine Jaycee Senate, Captain of Philippine Coastguard Auxiliary and a member of the League of Corporate Foundation. He is the Honorary Consul General of Consulate of Romania in the Philippines, a Treasurer of Consular Corps of the Philippines and an Honorary Adviser of International Association of Education for World Peace. Some awards that he received were International Peace Award for Economic Development in 2005, Most Outstanding Citizen of Nueva Ecija in the Field of Business in 2005 also, Most Outstanding Pasigueno in 2006, Ulirang Ama also in 2006 and Presidential Merit Award Medal in 2007. He became an Independent Director of Waterfront Philippines, Inc. since August 2006-2020. In 2014, he attended Exporter's Partner in Gearing the Country for the AEC Markets of the World 2, Technology Innovation and Entrepreneurship as Competitive Strategies PHILAAS 63rd Annual Convention and lastly, Bringing the Buy Pinoy Campaign to the Next Level.

Arthur M. Lopez	Director and Vice Chairman

Hotel management consultant specializing in general hotel management consultancy services, marketing, hotel design development/technical services, gaming, hotel feasibility study, pre and post hotel opening management services, asset management/owner's representative, food and beverage concept and service, mergers and acquisitions, travel and tours, theme parks and third-party management and branding. The Owner and Principal Consultant of AML Hotel Consultants. Hotel Management and Development Consultant – Double Dragon Properties Corporation (PSE listed) - Hotel of Asia Inc. – Jin Jiang Ortigas, Jin Jiang Inn Makati, Injap Tower Iloilo, Hotel 101 Manila (500 rooms), Hotel 101 Fort project (600 rooms, under construction); Hotel 101 Bohol (250 rooms, under construction); Hotel Management and Development Consultant – Bellevue Bohol Resort, The Bellevue Hotel Manila, The B Hotel Manila, B Hotel Quezon City; Bellevue Baguio (under construction) opening in 2018; Bellevue Bohol Resort extension (140 rooms) opening 2019. Hotel Management and Development Consultant – Wydham Garden (Wellworth Properties and Development Corporation) Quezon City (200 rooms) opening in 2020 and in a resort hotel in Mactan, Cebu City (300 rooms) opening in 2021. The Chairman – Philippine Estates Corporation (PSE listed) and Acesite Philippines Hotel Corporation, owner of Manila Pavilion Hotel (PSE listed). Director – Waterfront Hotels and Casinos (PSE listed) – Waterfront Cebu City Hotel & Casino, Manila Pavilion Hotel & Casino, Waterfront Airport Hotel & Casino and Waterfront Insular Hotel Davao. President – Philippine Hotel Owners Association, Inc. (PHOAI) – the largest group of hotel owners and developers in the Philippines. Holds a Bachelor of Science degree in Commerce, major in Management, and a master's degree in business administration (MBA), both from the University of Santo Tomas in the Philippines. He completed a Tourism Management course at the East-West Center, University of Hawaii, Honolulu, Hawaii and Cornell University, Ithaca, New York, USA. Mr. Lopez became an Independent Director of Waterfront Philippines, Inc. since August 2011-2020.

Elvira A. Ting	Director and President

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

Dee Hua T. Gatchalian	Director and Treasurer

Mrs. Gatchalian was elected director of the Company from 24 June 2004-present. She is the Executive Vice-President of The Wellex Group, Inc., and the Executive Vice-President of Plastic City Corporation. She is a board of director of Philippine Estates Corporation, and Acesite (Phils.) Hotel Corp. She graduated with a degree in Medical Technology from the Far Eastern University in 1970. In addition to her numerous positions in business firms, she is the Chairperson of Jesus Our Life Ministries, Inc., a non-profit, non-stock organization duly registered with the Securities and Exchange Commission.

Lamberto B. Mercado, Jr.,	Director

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

Ruben D. Torres	Director

Mr. Ruben Torres graduated in the University of the Philippines with a degree of Bachelor of Arts (Political Science) after which, he finished the degree of Bachelor of Laws at the same university. Presently he is also the President of BPO Workers Association of the Philippines and Senior Partner of Torres Caparas Torres Law Office. He is also the Secretary General of Katipunan ng Manggagawa at Magsasaka ng Pilipinas. He is associated with the Integrated Bar of the Philippines and Philippine Academy of Professional Arbitrators. His former positions include being a Member of the House of Representatives of the 2nd District of Zambales, Executive Secretary of the Office of the President in Malacañang, Secretary of the Department of Labor and Employment. Mr. Torres became an Independent Director of Waterfront Philippines, Inc. since August 2006-2020.

Renato C. Francisco	Independent Director

A veteran legal professional, Justice Renato C. Francisco has been serving as an Associate Justice for the Court of Appeals from May 31, 2012 – August 20, 2018. An Ateneo De Manila University graduate for his Bachelor of Laws, Justice Francisco has served in the judiciary as a Presiding/Executive Judge for the Regional Trial Court – Branch 19 of Malolos, Bulacan. Prior to that, he has also the Assistant City Prosecutor for Makati City from 1992 to 1996. His extensive knowledge about the judiciary and legislations was further improved by the training programs that he has been a part of including The Harvard Negotiation Intensive, The Seminar-Workshop on Substantive Law and Jurisprudence on Intellectual Property for Court of Appeals Justices. Mr. Francisco became an Independent Director of Waterfront Philippines, Inc. since August 2014-present.

Aristeo R. Cruz	Independent Director

Atty. Cruz graduated from De La Salle University with a bachelor's in commerce major in accounting on 1986. He was also a graduate of Bachelor of Laws from New Era University in 2005 as Cum Laude, Outstanding Student Awardee, and Class valedictorian. He is a certified Public Accountant and a member

of the Philippine Bar. He is the Founding and Managing Partner of Cruz Altares & Associates Law Office. He is the President and Chief operating Officer of Idealand Realty and Development Corp. since 2009 and Statosphere Realty and Development Corp. since 2011. He is the President of Waterstreet Realty Corp.since 2012, Director of Metro Alliance Holdings and Equities Corp. since 2015, Director and Corporate Secretary of Philstar Innovation Realty Corp. since 2011 and Justino Emilia Realty and Management & Development Corp since 20018, and Vice President of Liberty bank since 2018. He is the President of Jose and Luz Locsin Foundation since 2012. He is the Vice Chairman and Director of Dean of Meycauayan College, Inc. since 2011 and 2007, respectively. Mr. Cruz became an Independent Director of Waterfront Philippines, Inc. since July 2021-present

Josaias T. Dela Cruz	**Independent Director**

A holder of a Master's degree in Organizational Development in Ateneo de Manila University and is the Manager of My Messiah Publishing House, former Psychology faculty of Miriam College and Educational Programs Manager in Asian Institute of Management. Currently serving as Treasurer and Vice President for Investor Relations and Financial Planning at Wegen Distributed Energy Philippines Holding Corporation. Also, the sole proprietor of JTDC Spinmeister Laundry Service, operating under the Quicklean Laundry service franchise. Formerly a National Director at World Vision Development Foundation, Inc., where I managed operations for the largest international NGO in the Philippines. Previously held several executive roles within The Wellex Group of Companies, including Chief Executive Officer, Vice President for Credit Cycle, and Compliance Officer.

Executive Officers

Elvira A. Ting	**President**

(See above description)

Hanniel T. Ngo	**Chief Operating Officer**

Mr. Ngo is a licensed architect and corporate leader with extensive experience in construction, hospitality, mining, and real estate. Licensed since 2009, he currently serves as CEO of The Wellex Group, COO of Waterfront Philippines, and President of several hotel and casino corporations including Waterfront Cebu City, Mactan, and Davao Insular. He also heads Triton Construction & Development Corp., Altai Philippines Mining Corp., and other ventures, reflecting his broad leadership across industries. His career began in property management and architectural design, including work in Singapore, before rising to senior executive roles in the Philippines. A cum laude graduate of Architecture from the University of Santo Tomas, Mr. Ngo is active in professional associations, having served as President of the UAP QC Commonwealth Chapter. Known for strategic vision, operational excellence, and mentoring future leaders, he combines technical expertise with corporate governance and risk management credentials.

Cherryl M. Vidal	**Corporate Finance Director**

Ms. Vidal joined Waterfront Hotels & Casinos on April 16, 2026, as Corporate Finance Director. A Certified Public Accountant (CPA) and Certified Management Accountant (CMA), she earned her Bachelor's degree in Accountancy from St. Michael's College of Laguna – Biñan. With more than two decades of progressive leadership in finance and accounting, she has built a distinguished career through senior roles such as Global Accounting Manager at C2H, INC dba PharosIQ, Country General Accounting & Reporting Manager and Compliance Lead at Arcadis Philippines, Casino Finance Accounting Manager at Tiger Resort, Leisure and Entertainment, Inc. (Okada Manila), and earlier positions with Clariden Holdings Inc., Ayala Property Management Corporation, and AMDATEX. Her professional journey reflects a proven track record in financial stewardship and corporate governance, underscoring her expertise and commitment to excellence in the industry.

Maria Socorro Cotelo	**Corporate Planning Director**

Ms. Cotelo is the Corporate Planning Director for Waterfront Hotels & Casinos. She joined Waterfront in 2003 as Sales Accounts Manager before she moved to help establish Revenue Management in the

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

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

Ms. Barba, joined Waterfront on June 2006–April 2008 as Employee/Labor Relations Officer in Waterfront Pavilion Hotel and Casino, and was appointed as Peers Resources' and Development Director of the same property on April 30, 2008. Currently, she is the Corporate Peers' Resources and Development Director of Waterfront Hotels and Casinos. She earned her Bachelor's Degree in Elementary Education at the University of Santo Tomas. Prior joining with Waterfront, she is the HR Officer of Asia Select Inc. and Research Analyst under Employee Relations and Benefits Division of Metrobank. She was sent to various trainings and seminars and in 2009, she was sent to Nanyang University, Singapore to attend the PDP 2009 Building the Human Capital Base: Essential HR Practices for Managers. In 2011 to Bangkok, Thailand for HR Audit training. On August 15, 2018, she completed the seminar on Corporate Governance.

Richard L. Ricardo	**Investor Relations/Corporate Affairs**

Mr. Ricardo is the Investor Relations /Corporate Affairs of Waterfront Philippines, Incorporated. President of Acesite (Phils.) Hotel Corporation since 2004 and is concurrently the Vice-President for Strategic Initiatives of The Wellex Group, Inc. He is a graduate of the Ateneo de Manila University with degrees in both 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 in AEA Development Corporation, an investment house, and has also served in the government under both the Office of the Prime Minister and the Ministry of Finance. He is a licensed real estate broker and is concurrently a director of Philippine Estates Corporation, Wellex Industries, Inc., Forum Pacific, Inc. and is the treasurer of Metro Alliance Holdings and Equities Corporation.

Jerraemie Nikka C. Patulot	**Compliance Officer/Data Privacy Officer**

Atty. Patulot is a legal professional currently serving as the Group Compliance Officer, and Data Protection Officer for Waterfront Philippines, Inc. and its affiliate network. In this capacity, she oversees regulatory standards for a publicly listed hospitality group, specifically managing Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE), and National Privacy Commission (NPC) requirements. Her current practice is built upon a diverse professional history, including her recent role as Legal Counsel for Electronic Transfer & Advance Processing Inc., where she focused on fintech regulations and AMLC compliance. Her extensive career also includes serving as a Legal Officer for TV5 Network Inc., an Associate Lawyer for Semirara Mining and Power Corporation, and an Attorney III for the Department of Environment and Natural Resources. Furthermore, she has contributed to the legal academic community as a Special Lecturer in Law at Arellano University since 2019, teaching subjects such as Obligations and Contracts and the Data Privacy Act.

Her professional expertise is supported by an exceptional academic background from top-tier institutions. She earned her Juris Doctor from De La Salle University Manila in 2016. Prior to her legal studies, she attended St. Scholastica's College Manila, where she graduated Cum Laude with two (2) degrees: a Bachelor of Arts in Mass Communication and a Bachelor of Science in Commerce, majoring in

Entrepreneurship and Franchise Management. This multi-disciplinary foundation, combined with her experience in corporate governance and environmental law, allows her to navigate complex regulatory landscapes with both technical precision and strategic insight.

Edissa Mari A. Medino	**Chief Audit Executive**

Ms. Medino is the Corporate Internal Audit Manager of Waterfront Hotel & Casinos. She is a Certified Public Accountant by profession. Together with the three internal auditor staff, she is responsible for auditing the Group's four properties, ensuring that goals and objectives are carried out efficiently and effectively. She is directly reporting to the CEO of the Group. She started her career in 2014 at SGV & Co. as a Tax Associate and was later promoted to Senior Tax Associate. She worked with the audit firm for four years before transferring to a private entity (Ecossential Foods and Corporation) as a Senior Tax and Compliance Officer. After a year, she joined the Bureau of Internal Revenue as a Revenue Officer.

9.2 The Directors of WPI are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified. Officers are appointed or elected annually by the Board of Directors at its first meeting following the Annual Meeting of Stockholders, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected, appointed or shall have qualified. For the year 2025, the Board of Directors' meeting for the election of the Executive Officers was held on last 26 September 2025. The Directors are to serve one year from then. The last annual stockholders' meeting was held at via Hybrid Communication

Ms. Elvira A. Ting is a sister of Ms. Dee Hua T. Gatchalian. There are no other relationships among the officers listed.

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

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

Item 10. Executive Compensation

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

10.2 The aggregate compensation paid are as follows:

	Calendar Year Ending December 31		
	2025	**2024**	**2023**
a) Aggregate compensation paid to four most highly compensated executive officers: -estimated	21,637,752	21,225,604	20,607,383

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

10.4 There is no issuance of warrants or options for the year 2025 to the directors or executive officers.

Item 11. Security Ownership of Certain Beneficial Owners and Management

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

As of December 31, 2025, WPI has no knowledge of any individual or any party who beneficially owns in excess of 10% of WPI's common stock except as set forth in the table below:

Title of Class	**Name of Record/ Beneficial Owner**	**Amount & Nature of Record/Beneficial Ownership ("r" or "b")**	**Percent Of Class**
Common	PCD Nominee Corp. (Fil)	1,135,464,735 "**r**"	45.43%
Common	The Wellex Group, Inc.	1,128, 466, 800 "**r**" *	45.16%

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

11.2 **Security Ownership of Management**

Title Of Class	**Name of Owner**	**Amount and Nature of Ownership ("r" or "b")**	**Percent of Class**
Common	Sergio R. Ortiz-Luis, Jr	110 **r&b**	0.000
Common	Elvira A. Ting	10,000,009 **r&b**	0.400
Common	Ruben D. Torres	1,000 **r&b**	0.000
Common	Lamberto B. Mercado Jr.	100 **r&b**	0.000
Common	Arthur M. Lopez	1 **r&b**	0.000
Common	Dee Hua T. Gatchalian	350,000 **r&b**	0.014
Common	Aristeo Cruz	1000 **r&b**	0.000
Common	Renato C. Francisco	100 **r&b**	0.000
Common	Josaias T. De La Cruz	100 **r&b**	0.000

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

Item 12. Certain Relationships and Related Transactions

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

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

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

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

(a) Exhibits

(b) Reports on SEC Form 17-C

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Manila on JUN 25 2026, 20__.

By:

ELVIRA A. TING
President/Director

ATTY. ARTHUR R. PONSARAN
Corporate Secretary

CHERRYL M. VIDAL
Corporate Finance Director

ATTY. JERRAEMIE NIKKA PATULOT
Compliance Officer

SUBSCRIBED AND SWORN to before me this JUN 25 2026 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 364
PAGE NO 73
BOOK NO XXVIII
SERIES OF 2026

ATTY. GERSON B. GAMAS
Notary Public for the City of Manila
Notarial Commission No. 2025-156 Valid Until Dec. 31, 2026
2nd Floor, Citadel Bldg., Railroad Drive, Brgy. 653, District V.
Port Area, 1018, Manila, Metro Manila
Roll No. 72250
IBP No. 572978; 12-26-2025 until 12-31-26
PTR No. 0367847; 01-05-2026; until 12-31-26 City of Manila
MCLE Compliance No. VIII-0010142, Valid Until April 14, 2028

WATERFRONT PHILIPPINES, INCORPORATED
Stockholder MasterList
As of 12/31/2025

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

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

Count	Name	Holdings
103	GARY GO DYCHIAO	200,000
104	EAST ASIA OIL & MINING COMPANY, INC.	40,000
105	EBC SECURITIES CORPORATION	48,400
106	EDGARDO YAMBAO &/OR MARIA ISABEL YAMBAO	11,000
107	EDILBERTO &/OR ROSITA TANYU &/OR WELLINGTON HO VELASCO	55,000
108	LUCENA B. ENRIQUEZ	552,000
109	LEONARDO ERMITA	2,200
110	MA. ISABEL H. ERMITA	8,800
111	ERVERT AVANZADO &/OR LIAZLE AVANZADO	2,000
112	ERIBERTO E. ESTEBAN	5,500
113	FATIMA A. FARRALES	8,800
114	ARISTEO O. FERAREN, JR	17,600
115	ERIC FILAMOR	1
116	FLORENTINO A. GONZALEZ, JR. &/OR LOURDJEAN T. GONZALEZ	2,200
117	FORUM HOLDINGS CORPORATION	20,626,000
118	RENATO C. FRANCISCO	100
119	MA. ROSARIO FRANCO	3,300
120	FREYSSINET PHILIPPINES, INC.	770,000
121	JOCELYN FULACHE	6,600
122	G & L SECURITIES CO., INC.	10,000
123	GRACE M. GALANG	1,100
124	EUGENE GALICIA	3,300
125	MA. LEYLANI V. GAMBOA	2,500
126	ROGELIO GANZON	2,500
127	IMELDA GAPASIN	100
128	MARIA A. GARCIA	8,000
129	GRACIANO AUDWIN T. GARZON	5,000
130	DEE HUA T. GATCHALIAN	350,000
131	KENNETH T. GATCHALIAN	30,000,100
132	REXLON GATCHALIAN	14,740,000
133	REXLON T. GATCHALIAN	30,000,000
134	WESLIE T. GATCHALIAN	30,000,000
135	GUILLERMO F. GILI, JR	20,000
136	MARVIN J. GIROUARD	330,000
137	ANA L. GO	300,000
138	DOMINGO C GO	275,000
139	RUBY PING GO	20,000
140	EDMUNDO Z. GREGORIO	2,000
141	PATRICK C. GREGORIO	1
142	ARTURO GUANZON	33,000
143	MARLENE S. GUEVARA	11,000
144	GUIDO VILLANUEVA &/OR AMELIA VILLANUEVA	1,000
145	GUILD SECURITIES, INC.	1,100
146	GLORIA GUINTU	2,000
147	ROZANA C. GUTIERREZ	6,600
148	SARAH SAN JOSE HAIN	3,300
149	JOSEPH EDWARD HANNEN	2,200
150	BRENDA SOLIDUM HERNANDEZ	3,300
151	LILY S. HO	36,300
152	LILIAN HONG	34,000
153	HSBC SECURITIES (PHILIPPINES), INC.	5,000

Count	Name	Holdings
154	HUNG CHUEN FEI	11,000
155	I.B. GIMENEZ SEC., INC. A/C DPA-003	2,000
156	ROYC CECIL D. IBAY	11,000
157	LUCILA D. ICBAN	2,200
158	INTERNATIONAL POLYMER CORPORATION	33,000
159	JOSE RENE ITURRALDE	200
160	JAY JACOBS	39,600
161	JAMES O. NG &/OR ELSIE Y. NG	10,000
162	ERIC JAO	16,500
163	JESUS ROBERTO SAENZ &/OR AURORA E.	3,300
164	JORGE P. LONTOC OR PACITA L. LONTOC	4,000
165	JOSE YAP &/OR CONCHITA YAP	330,000
166	AURELIO P. JR	13,200
167	RAPHAEL T. JUAN	7,700
168	KATHERINE LIM &/OR MARSHA LIM	11,000
169	KENSTAR INDUSTRIAL CORPORATION	110,000
170	KERRY SECURITIES (PHILS.), INC. -GJ01	4,400
171	JIM HO KHE BIN	20,000
172	CONSUELO DY KHU	11,000
173	CARMELITA KONG KIAT	16,500
174	PHILIP KIONG	11,000
175	ROBERT KLING	39,600
176	MUI SIN KOH-SEAH	4,400
177	CONSUELO C. KON	5,500
178	ROGELIO G. KWAN	622
179	L.M. GARCIA & ASS., INC. A/C# 160	55,000
180	LOLITA LABACLADO	5,500
181	ALEXANDRIA M. LACSON	5,500
182	RICARDO P. LAZARO	11,000
183	RODOLFO B. LEDESMA	30,000
184	ALEXANDER C. LEE	20,000
185	YVETTE LEE	27,500
186	LEONG JEE VAN	55,000
187	RICHARD ANTHONY Y. LIBORO	200
188	LIM TAY	55,000
189	BETO Y. LIM	150,000
190	CARRIE LIM	100,000
191	CELY S. LIM	112,200
192	EMILY LIM	500,000
193	GIOVANNI JOSEF B. LIM	10,000
194	JAY DEXTER A. LIM	16,200
195	JOCELYN O. LIM	2,200
196	KIRBY YU LIM	55,000
197	MONINA GRACE S. LIM	13,200
198	REBECCA TAN LIM	1,100
199	ROLANDO M. LIM	1,142,500
200	JUANITA LIMCHAYSENG	600
201	ROMEO S. LINDAIN	1,100
202	LIPPO SECURITIES, INC. FAO: SHEN KUO HSU	8,000
203	LIPPO SECURITIES, INC.	56,500
204	KAROLYN LIU	5,500

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

Count	Name	Holdings
256	VICKY ONG	22,000
257	JUANA ONGKA	5,500
258	REMEDIOS S. ORBETA	14,300
259	ORION-SQUIRE CAPITAL, INC. - 0267	200
260	VIRGIE R. ORTEGA	5,500
261	SERGIO R. ORTIZ-LUIS, JR	110
262	CONSUELO G. OSI	2,200
263	DAVID LAO OSMENA	314,600
264	DAVID LAO OSMENA	275,000
265	GLADYS MAY L. OSMENA	39,600
266	HARVEY OSMENA	11,000
267	MANUEL L. OSMENA, II	39,600
268	MANILYNN L. OSMENA	39,600
269	MEGHANN GAIL L. OSMENA	39,600
270	ANTONIO MAPUA OSTREA	5,500
271	VENUS PACIA	11,000
272	PACIFIC CONCORDE CORPORATION	100,000
273	PACIFIC IMAGES, INC.	100,000
274	PACIFIC REHOUSE CORPORATION	100,000
275	PACIFIC WIDE REALTY DEVELOPMENT CORP.	100,000
276	MA. TERESITA M. PALO	4,400
277	GAUDENCIO H. PANALIGAN	11,000
278	VICENTE LIM PANG	1,000
279	PANTALEON NIEVA &/OR ANGELITA NIEVA	3,300
280	ROSE LUZELLE PAPA	200
281	LYDIA C. PASCUA	1,100
282	SANDRA E. PASCUAL	50,000
283	CIRILO E. PASUCAL	11,000
284	PATRICIA MIADO &/OR MARIO ANGEL MIADO	3,300
285	PCD NOMINEE CORP. (FILIPINO)	1,135,464,735
286	PCD NOMINEE CORP. (NON-FILIPINO)	45,401,539
287	MA. THERESA C. PE	11,000
288	ARACELI P. PENAS	1,100
289	PAUL PESTANO	3,300
290	PHILIP NG CLARIN & EVELYN NG LEE	22,000
291	PIERCE INTERLINK SECURITIES, INC.	150,000
292	ELENETTE C. PINGUL	300
293	MABEL POBLETE	1,100
294	ARTHUR R. PONSARAN	110
295	AMANDO J. PONSARAN, JR	16,500
296	PORFIRIO G. MACARAEG &/OR MICHAEL MACARAEG	1,100
297	CHARLES M. PRATT	5,500
298	IMELDA M. PRECION	5,000
299	PRIMARY STRUCTURES CORPORATION	16,212,500
300	PUBLIC SEC. CORP.	800
301	DEREK PUERTOLLANO	5,500
302	WINSTON P. PUNZALAN	1,500
303	QUALITY INVESTMENTS & SECURITIES CORP.	22,000
304	JAIME R. QUIJANO	3,300
305	MAHALIA C. QUINONES	5,000
306	NERISSA C. QUINTANA	11,000

Count	Name	Holdings
307	RICARDA B. QUIROS	22,000
308	R. COYIUTO SECURITIES, INC.	11,000
309	MELITA G. RAGAS	2,200
310	RCBC T/A# 33-398-0	300
311	REGINA CAPITAL DEVT., CORP. A/C#1845	20,000
312	JOHN PATRICK REGNER	2,200
313	BEVERLY G. REJANTE	1,100
314	RENATO C. ALARCON &/OR VIRGINIA M. ALARCON	5,500
315	RENATO C. GENDRANO &/OR GENDRANO BERNADETTE	55,000
316	REXLON INDUSTRIAL CORPORATION	17,000
317	DAISY S.A REYES	1,100
318	FIDELINA B. REYES	1,000
319	JUANA M. REYES	7,700
320	DOMINADOR A. REYNO	500
321	ILDEFONSO REYNOSO, II	8,800
322	SALVADOR T. RIGOR, JR	7,700
323	CARLOS BENEDICT K. RIVILLA, IV	110
324	ROBERTO ABELLO &/OR MA. ANTONIA ABELLO	5,500
325	BING ROJO	6,700
326	ROLANDO I. LOMBOY &/OR MILAGROS R.LOMBOY	10,000
327	NORA ROSS	200
328	LETICIA ROXAS	1,100
329	RODOLFO V. SAEZ	1,000
330	ERNESTO R. SALAS, JR	22,000
331	DONNIE SALVADOR	600
332	MA. TERESA T. SAN AGUSTIN	3,300
333	FRANCISCO C. SAN DIEGO	50,000
334	AURORA V. SAN JOSE	143,000
335	EPIFANIA G. SANTOS	2,750
336	FLORENCIO SANTOS	2,000
337	ROLANDO S. SANTOS, JR	2,200
338	SAPPHIRE SECURITIES, INC.	4,000
339	SEAFRONT RESOURCES CORP.	33,000
340	SEGUNDO SEANGIO &/OR VIRGINIA SEANGIO	297,000
341	SHAREHOLDERS` ASSOCIATION OF THE PHILIPPINES, INC.	1,000
342	PROSERFINA SIGUENZA	6,600
343	SILVER GREEN INVESTMENTS LTD.	230,000
344	SIMEON SAMSON &/OR CHARLIE RAVALO	5,000
345	GLENN ANTHONY O. SOCO	16,500
346	PABLO SON KENG PO	22,000
347	DELFIN R. SUPAPO, JR	27,500
348	LYDIA J. SY	55,000
349	MICHELLE T. SY	2,200
350	RONALD SY	600
351	LEOPOLDO SY-QUIA, JR	5,000
352	IBURI TADAFUMI	13,750
353	SEIICHIRO TAKAHASHI	11,000
354	TAN DAISY TIENG	46,500
355	TAN LIN LAY	30,000
356	DOUGLAS TAN	1,100
357	EDWARD W. TAN	3,300

Count	Name	Holdings
358	FATIMA L. TAN	1,100
359	LINDA TAN	5,500
360	MIRABEL TAN	1,100
361	RAYMOND G. TAN	1,100
362	ROSIE TAN	2,300
363	SUZETTE TAN	1,100
364	STELLA TANSENGCO-SCHAPERO	1,200
365	MACARIO TE	1
366	REYNALDO NAVARRA TECECHIAN	1,000
367	TEE LING KIAT &/OR LEE LIN HO	200
368	FRUTO M. TEODORICO, JR	55,000
369	TERESITA GO &/OR SATURNINA GO	87,000
370	THE WELLEX GROUP, INC.	1,128,466,800
371	RUFINO B. TIANGCO	8,800
372	MERLINDO R. TINAPAY	2,200
373	ELVIRA A. TING	10,000,009
374	ROBERT C. TING	22,000
375	RUBY TING	2,200
376	WILLIE TIO	159,500
377	IRMINIA A. TIPGOS	1,100
378	LEONCIO TIU	33,000
379	LUISIANA DELOS SANTOS TONDO	1,100
380	RAYMOND TONG	23,300
381	RUBEN D. TORRES	1,000
382	TRITON SECURITIES CORPORATION	20,000
383	TOMAS F. TUASON, IV	110
384	ELIZABETH TUBALE	1,100
385	TYBALT INVESTMENT LTD.	10,000
386	ALVIN TAN UNJO	88,000
387	UY TIAK ENG	50,000
388	PHILIP L. UY	11,000
389	ROBERTO S. UY	5,500
390	ROBERTO L. UY	50,000
391	ZITA O. UY-TIOCO	2,200
392	AGAPITO R. VALENCIA	6,600
393	JESUS SAN LUIS VALENCIA	1,000
394	FEDELIZA R. VARGAS	1,100
395	SALUD VELORIA	6,600
396	ANTONIO VERZOSA	2,200
397	BENEDICTO V. VIARDO	2,200
398	MA. SALOME VILLASIS	1,000
399	RIZA C. VILLEGAS	110
400	ROBERTO C. VILLEGAS	4,000
401	WANG YU HUEI	110,000
402	WATERFRONT NOMINEES SDN BHD A/C#6	107,800
403	WATERFRONT NOMINEES SDN BHD A/C#9	20,900
404	WEALTH SECURITIES, INC.	5,500
405	JOHN CRHISTOPHER D. WEIGEL	110,000
406	HELEN F. WILLIMANN	5,000
407	WILSON CHUA &/OR BECKY QUE CHUA	110,000
408	STEVE WOODWARD	39,600

Count	Name	Holdings
409	LUZ YAMANE	38,500
410	JEFFERSON Y. YAO	11,000
411	YEOH CHEAW TAU	1,100
412	CHARISSA YLAYA	8,800
413	CATHERINE LAO YOUNG	19,800
414	GEORGE U. YOUNG, JR	82,500
415	YU PEK KIAN	11,000
416	YU SIOK HUI	22,000
417	CECILIA CO YU	4,000
418	JOHN BENEDICT O. YU	10,000
419	NEIL JOHN A. YU	50,000
420	JOCELYN L. ZARATE	4,000
421	EUFEMIA ZULUAGA	7,700
	Total Stockholders :	2,498,991,753

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

Type of Securities

☒ **Common**

For the period ended	**December 31, 2025**

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

Number of Issued and Outstanding Common Shares	**2,498,991,753**
Number of Treasury Common Shares, if any	**0**
Number of Outstanding Common Shares	**2,498,991,753**
Number of Listed Common Shares	**2,498,991,753**
Number of Lodged Common Shares	**1,180,866,274**
PCD Nominee – Filipino	1,135,464,735
PCD Nominee – Non-Filipino	45,401,539
Number of Certificated Common Shares	**1,318,125,479**

Change from previous submission

WATERFRONT PHILIPPINES, INCORPORATED
List of Top 100 Stockholders
As of 12/31/2025

Rank	Name	Holdings	Percentage
1	PCD NOMINEE CORP. (FILIPINO)	1,135,464,735	45.44%
2	THE WELLEX GROUP, INC.	1,128,466,800	45.16%
3	PCD NOMINEE CORP. (NON-FILIPINO)	45,401,539	01.82%
4	KENNETH T. GATCHALIAN	30,000,100	01.20%
5	REXLON T. GATCHALIAN	30,000,000	01.20%
6	WESLIE T. GATCHALIAN	30,000,000	01.20%
7	FORUM HOLDINGS CORPORATION	20,626,000	00.83%
8	PRIMARY STRUCTURES CORPORATION	16,212,500	00.65%
9	REXLON GATCHALIAN	14,740,000	00.59%
10	METRO ALLIANCE HOLDINGS & EQUITIES, INC.	14,370,000	00.58%
11	ELVIRA A. TING	10,000,009	00.40%
12	CATALINA ROXAS MELENDRES	6,246,000	00.25%
13	MANUEL H. OSMENA &/OR MANUEL L. OSMENA II	1,400,000	00.06%
14	ROLANDO M. LIM	1,142,500	00.05%
15	FELIPE A CRUZ, JR.	1,100,000	00.04%
16	MARIA CONCEPCION CRUZ	876,000	00.04%
17	FREYSSINET PHILIPPINES, INC.	770,000	00.03%
18	BENSON COYUCO	605,000	00.02%
19	LUCENA B. ENRIQUEZ	552,000	00.02%
20	EMILY LIM	500,000	00.02%
21	DEE HUA T. GATCHALIAN	350,000	00.01%
22	ARTHUR H. OSMENA &/OR JANE Y. OSMENA	330,000	00.01%
23	JOSE YAP &/OR CONCHITA YAP	330,000	00.01%
24	MARVIN J. GIROUARD	330,000	00.01%
25	DAVID LAO OSMENA	314,600	00.01%
26	ANA L. GO	300,000	00.01%

WATERFRONT PHILIPPINES, INCORPORATED
List of Top 100 Stockholders
As of 12/31/2025

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

WATERFRONT PHILIPPINES, INCORPORATED
List of Top 100 Stockholders
As of 12/31/2025

Rank	Name	Holdings	Percentage
53	CHESA HOLDINGS, INC.	100,000	00.00%
54	PACIFIC REHOUSE CORPORATION	100,000	00.00%
55	PACIFIC IMAGES, INC.	100,000	00.00%
56	CARRIE LIM	100,000	00.00%
57	ALVIN TAN UNJO	88,000	00.00%
58	TERESITA GO &/OR SATURNINA GO	87,000	00.00%
59	GEORGE U. YOUNG, JR	82,500	00.00%
60	ROLANDO D. DE LEON	66,000	00.00%
61	LIPPO SECURITIES, INC.	56,500	00.00%
62	L.M. GARCIA & ASS., INC. A/C# 160	55,000	00.00%
63	MA. TERESA P. CRUZ	55,000	00.00%
64	PRIMITIVO C. CAL	55,000	00.00%
65	LEONG JEE VAN	55,000	00.00%
66	KIRBY YU LIM	55,000	00.00%
67	LIM TAY	55,000	00.00%
68	FRUTO M. TEODORICO, JR	55,000	00.00%
69	RENATO C. GENDRANO &/OR GENDRANO BERNADETTE	55,000	00.00%
70	LYDIA J. SY	55,000	00.00%
71	EDILBERTO &/OR ROSITA TANYU &/OR WELLINGTON HO VELASCO	55,000	00.00%
72	NEIL JOHN A. YU	50,000	00.00%
73	ROBERTO L. UY	50,000	00.00%
74	UY TIAK ENG	50,000	00.00%
75	SANDRA E. PASCUAL	50,000	00.00%
76	FRANCISCO C. SAN DIEGO	50,000	00.00%
77	VICKY L. CHAN	50,000	00.00%
78	EBC SECURITIES CORPORATION	48,400	00.00%

WATERFRONT PHILIPPINES, INCORPORATED
List of Top 100 Stockholders
As of 12/31/2025

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

Total Top 100 Shareholders :	2,496,974,782	99.92%
Total Issued Shares	2,498,991,753	

WPI000000000 December 29, 2025

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

December 29, 2025

WPI000000000

BPNAME	QUANTITY
UPCC SECURITIES CORP.	65,000
A & A SECURITIES, INC.	525,200
ABACUS SECURITIES CORPORATION	40,054,579
PHILSTOCKS FINANCIAL INC	69,958,154
A. T. DE CASTRO SECURITIES CORP.	34,000
ALL ASIA SECURITIES MANAGEMENT CORP.	202,500
ALPHA SECURITIES CORP.	2,517,000
BA SECURITIES, INC.	1,459,200
AP SECURITIES INCORPORATED	17,709,500
ANSALDO, GODINEZ & CO., INC.	3,125,200
AB CAPITAL SECURITIES, INC.	6,941,062
SB EQUITIES,INC.	2,799,100
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	832,800
ASIASEC EQUITIES, INC.	1,175,000
ASTRA SECURITIES CORPORATION	5,000
BELSON SECURITIES, INC.	3,470,100
JAKA SECURITIES CORP.	15,500
BPI SECURITIES CORPORATION	24,388,252
CAMPOS, LANUZA & COMPANY, INC.	2,442,202
SINCERE SECURITIES CORPORATION	1,045,000
CTS GLOBAL EQUITY GROUP, INC.	669,138
TRITON SECURITIES CORP.	36,009,450
IGC SECURITIES INC.	4,425,000
CUALOPING SECURITIES CORPORATION	105,000
DAVID GO SECURITIES CORP.	1,670,200
DIVERSIFIED SECURITIES, INC.	4,443,800
E. CHUA CHIACO SECURITIES, INC.	7,423,900
EQUITABLE SECURIITES (PHILS.) INC.	27,200
EAST WEST CAPITAL CORPORATION	400,000
EASTERN SECURITIES DEVELOPMENT CORPORATION	2,821,200
EQUITIWORLD SECURITIES, INC.	325,600
EVERGREEN STOCK BROKERAGE & SEC., INC.	3,769,100
FIRST ORIENT SECURITIES, INC.	1,367,100
FIRST INTEGRATED CAPITAL SECURITIES, INC.	100
F. YAP SECURITIES, INC.	290,000
AURORA SECURITIES, INC.	676,700
GLOBALINKS SECURITIES & STOCKS, INC.	384,000
JSG SECURITIES, INC.	128,150
GOLDSTAR SECURITIES, INC.	4,363,100
GUILD SECURITIES, INC.	121,000
CNN SECURITIES, INC.	28,792,500

H. E. BENNETT SECURITIES, INC.	2,180,000
HK SECURITIES, INC.	9,100
I. ACKERMAN & CO., INC.	30,000
I. B. GIMENEZ SECURITIES, INC.	224,185
INVESTORS SECURITIES, INC,	1,217,000
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	119,800
INTRA-INVEST SECURITIES, INC.	176,400
ASIAN CAPITAL EQUITIES, INC.	56,100
STRATEGIC EQUITIES CORP.	1,006,400
LARRGO SECURITIES CO., INC.	122,000
LUCKY SECURITIES, INC.	263,500
LUYS SECURITIES COMPANY, INC.	1,154,500
MANDARIN SECURITIES CORPORATION	2,103,200
COL Financial Group, Inc.	100,027,103
DA MARKET SECURITIES, INC.	222,200
MERCANTILE SECURITIES CORP.	129,800
MERIDIAN SECURITIES, INC.	2,132,700
MDR SECURITIES, INC.	70,000
REGIS PARTNERS, INC.	6,300
MOUNT PEAK SECURITIES, INC.	60,000
NEW WORLD SECURITIES CO., INC.	2,263,000
OPTIMUM SECURITIES CORPORATION	2,879,650
RCBC SECURITIES, INC.	3,878,300
PAN ASIA SECURITIES CORP.	30,000
PAPA SECURITIES CORPORATION	1,150,200
MAYBANK SECURITIES, INC.	2,752,900
PLATINUM SECURITIES, INC.	23,000
PNB SECURITIES, INC.	1,764,260
PREMIUM SECURITIES, INC.	1,753,600
PRYCE SECURITIES, INC.	12,124
SALISBURY SECURITIES CORPORATION	15,300
QUALITY INVESTMENTS & SECURITIES CORPORATION	14,822,000
R & L INVESTMENTS, INC.	42,000
R. COYIUTO SECURITIES, INC.	7,063,200
REGINA CAPITAL DEVELOPMENT CORPORATION	6,735,100
R. NUBLA SECURITIES, INC.	4,020,000
AAA SOUTHEAST EQUITIES, INCORPORATED	2,216,200
R. S. LIM & CO., INC.	1,048,400
RTG & COMPANY, INC.	149,600
S.J. ROXAS & CO., INC.	1,003,500
SECURITIES SPECIALISTS, INC.	2,200
FIDELITY SECURITIES, INC.	75,500
SUMMIT SECURITIES, INC.	707,300
STANDARD SECURITIES CORPORATION	1,376,200
SUPREME STOCKBROKERS, INC	31,350
TANSENGCO & CO., INC.	596,500
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	37,200

TOWER SECURITIES, INC.	8,322,600
APEX PHILIPPINES EQUITIES CORPORATION	5,000
TRENDLINE SECURITIES CORPORATION	11,200
DRAGONFI SECURITIES, INC.	28,462
LANDBANK SECURITIES, INC.	2,327,700
UOB KAY HIAN SECURITIES (PHILS.), INC.	3,330,000
E.SECURITIES, INC.	3,300
VENTURE SECURITIES, INC.	136,900
FIRST METRO SECURITIES BROKERAGE CORP.	32,593,828
WEALTH SECURITIES, INC.	7,033,840
WESTLINK GLOBAL EQUITIES, INC.	630,183,440
BERNAD SECURITIES, INC.	164,100
WONG SECURITIES CORPORATION	27,500
YAO & ZIALCITA, INC.	321,000
META CAPITAL SECURITIES INC	2,036,000
BDO SECURITIES CORPORATION	19,317,419
EAGLE EQUITIES, INC.	570,300
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	2,161,576
SOLAR SECURITIES, INC.	6,330,600
G.D. TAN & COMPANY, INC.	6,764,300
PHILIPPINE EQUITY PARTNERS, INC.	3,514,950
UNICAPITAL SECURITIES INC.	1,039,900
SunSecurities, Inc.	400,000
ARMSTRONG SECURITIES, INC.	5,300
TIMSON SECURITIES, INC.	8,196,000
VC SECURITIES CORPORATION	100,600
CITIBANK N.A.	100,000
STANDARD CHARTERED BANK	705,000
SEEDBOX SECURITIES, INC.	400,000
Total Lodged Shares	**1,180,866,274**

Gmail **WPI EAFS <wpieafs20@gmail.com>**

Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph> Sat, Jun 27, 2026 at 5:28 PM
To: WPIEAFS20@gmail.com
Cc: WPIEAFS20@gmail.com

Hi WATERFRONT PHILIPPINES, INC.,

Valid files

- EAFS003978254AFSTY122025.pdf
- EAFS003978254ITRTY122025.pdf
- EAFS003978254OTHTY122025.pdf
- EAFS003978254RPTTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-PPMN4Z2104RMQV3WYMSMS4WQ30PTY2NT1S**
Submission Date/Time: **Jun 27, 2026 05:28 PM**
Company TIN: **003-978-254**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

Outlook

FW: SEC eFast Initial Acceptance

From Waterfront Philippines Inc. <wpi@waterfronthotels.net>
Date Sat 6/27/2026 5:44 PM
To Aiza Pasayloon <a.pasayloon@waterfronthotels.net>; Rhea Hinampas <r.hinampas@waterfronthotels.net>; Irish Chara Lawas <i.lawas@waterfronthotels.net>; Jerraemie Nikka Patulot <j.patulot@waterfronthotels.net>; Aiza Pasayloon <a.pasayloon@waterfronthotels.net>; Judith Riann Fernandez <jt.fernandez@waterfronthotels.net>; Cherryl Vidal <c.vidal@waterfronthotels.net>

From: noreply-cifssost@sec.gov.ph <noreply-cifssost@sec.gov.ph>
Sent: Saturday, June 27, 2026 5:44:14 PM (UTC+08:00) Taipei
Subject: SEC eFast Initial Acceptance

Dear **WATERFRONT PHILIPPINES INC.**,

Greetings!

This serves as a temporary receipt of your submission, subject to verification of the form and the quality of the image of the submitted report.

SEC Registration No: AS94008678
Company Name: WATERFRONT PHILIPPINES INC.
Document Code: AFS

A separate email will be sent as proof of review and/or final acceptance.

Thank you.

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

REMINDER:

TO ALL FILERS OF REPORTS IN THE e-FAST

Please strictly follow the instructions stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer: 1. General Information Sheet (GIS-Stock); 2.

General Information Sheet (GIS-Non-stock); 3. General Information Sheet (GIS- Foreign stock & non-stock); 4. Broker Dealer Financial Statements (BDFS); 5. Financing Company Financial Statements (FCFS); 6. Investment Houses Financial Statements (IHFS); 7. Publicly – Held Company Financial Statement; 8. General Form for Financial Statements; 9. Financing Companies Interim Financial Statements (FCIF;) 10. Lending Companies Interim Financial Statements (LCIF).

Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFAST, if the filed report is compliant with the existing requirements. A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the report's rejection in the remarks box.

THIS IS AN AUTOMATED MESSAGE - PLEASE DO NOT REPLY DIRECTLY TO THIS EMAIL

C O V E R S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	4	-	8	6	7	8	

COMPANY NAME

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

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

N	o	.	1		W	a	t	e	r	f	r	o	n	t		D	r	i	v	e									
O	f	f		S	a	l	i	n	a	s		D	r	i	v	e	,		L	a	h	u	g						
C	e	b	u		C	i	t	y	,		P	h	i	l	i	p	p	i	n	e	s								

Form Type	Department requiring the report	Secondary License Type, If Applicable
A F S 2 5	N A	N A

COMPANY INFORMATION

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

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
423	September 21	December 31

CONTACT PERSON INFORMATION

The designated contact person *MUST* be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Cherryl M. Vidal	c.vidal@waterfronthotels.net	(032) 232-6888	09985948555

CONTACT PERSON's ADDRESS

No. 1 Waterfront Drive, Off Salinas Drive, Lahug

Note 1: *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2: *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

WATERFRONT PHILIPPINES, INCORPORATED

SEPARATE FINANCIAL STATEMENTS
December 31, 2025 and 2024

With Independent Auditors' Report

WATERFRONT
PHILIPPINES, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of **Waterfront Philippines, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2025 and 2024,** 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.

SUBSCRIBED AND SWORN TO BEFORE ME
THIS ___ DAY OF ___ IN CEBU CITY PHILIPPINES
29 JUN 2026

Signed under oath by the following:

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

Elvira A. Ting
President

Cherryl M. Vidal
Corporate Finance Director

Dee Hua T. Gatchalian
Treasurer

Signed this 17th day of June 2026

ATTY. MANUEL ZOSIMO M. OZOA
NOTARY PUBLIC FOR CEBU CITY
ROLL OF ATTORNEY'S NO. 67670
NOTARIAL COMMISSION NO. 062-2025
IBP NO. 385516 - 01/04/2026
PTR NO. 8461790 - 12/26/2025
MCLE EXEMPTION NO. VIII-BEP000132 - 05/31/22
VALID UNTIL APRIL 14, 2028

Doc.No. 161
Page No. 34
Book No. 12
Series of 2026

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

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Waterfront Philippines, Incorporated (the Company), which comprise the separate statements of financial position as at December 31, 2025 and 2024, and separate statements of profit or loss and other comprehensive income, separate statements of changes in equity and separate statements of cash flows for each of the three years in the period ended December 31, 2025, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at December 31, 2025 and 2024, and its unconsolidated financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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 until the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025, and Certificate of Accreditation issued on March 19, 2026, valid for five (5) years covering the audit of 2026 to 2030 financial statements
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

Basis for Opinion

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 parent company financial statements.

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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, related safeguards.

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

R.G. Manabat & Co.

KPMG

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

Our audits was conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 19 to the basic separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic separate financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic separate financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditors' report is Diana Rose A. De Mesa.

R.G. MANABAT & CO.

DIANA ROSE A. DE MESA
Partner
CPA License No. 0125748
SEC Accreditation No. 125748-SEC, Group A, valid for five (5) years
covering the audit of 2021 to 2025 financial statements
Tax Identification No. 274-514-989
BIR Accreditation No. 08-001987-052-2025
Issued June 9, 2025; effectivity January 7, 2025; validity January 6, 2028
PTR No. MKT 10764390
Issued January 5, 2026 at Makati City

June 26, 2026
Makati City, Metro Manila

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

R.G. Manabat & Co.

KPMG

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

We have audited the accompanying separate financial statements of Waterfront Philippines, Incorporated (the Company) as at and for the year ended December 31, 2025, on which we have rendered our report dated June 26, 2026.

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

R.G. MANABAT & CO.

DIANA ROSE A. DE MESA
Partner
CPA License No. 0125748
SEC Accreditation No. 125748-SEC, Group A, valid for five (5) years covering the audit of 2021 to 2025 financial statements
Tax Identification No. 274-514-989
BIR Accreditation No. 08-001987-052-2025
Issued June 9, 2025; effectivity January 7, 2025; validity January 6, 2028
PTR No. MKT 10764390
Issued January 5, 2026 at Makati City

June 26, 2026
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 until the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025, and Certificate of Accreditation issued on March 19, 2026, valid for five (5) years covering the audit of 2026 to 2030 financial statements
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

WATERFRONT PHILIPPINES, INCORPORATED
SEPARATE STATEMENTS OF FINANCIAL POSITION

		December 31		
	Note	**2025**	2024 As restated (Note 18)	2023 As restated (Note 18)
ASSETS				
Current Assets				
Cash in banks	*4, 13*	**P64,016,136**	P63,996,481	P64,764,064
Due from related parties - current portion	*6, 13*	**628,722,836**	1,342,160,960	1,495,065,978
Other current assets		**625,978**	2,166,734	3,205,559
Total Current Assets		**693,364,950**	1,408,324,175	1,563,035,601
Noncurrent Assets				
Equity securities - at fair value through other comprehensive income	*6, 13*	**50,000,000**	50,000,000	50,000,000
Investments and advances to subsidiaries	*5, 13*	**4,840,690,562**	4,834,212,030	4,833,058,756
Due from related parties - noncurrent portion	*6, 13*	**2,021,289,665**	1,234,815,914	1,212,415,914
Deferred tax asset	*10,18*	**196,339,468**	196,339,468	193,677,198
Other noncurrent assets	*7*	**23,424,608**	23,002,124	23,579,319
Total Noncurrent Assets		**7,131,744,303**	6,338,369,536	6,312,731,187
		P7,825,109,253	P7,746,693,711	P7,875,766,788
LIABILITIES AND EQUITY				
Current Liabilities				
Accrued expenses and other payables	*8, 18*	**P65,002,304**	P55,784,864	P42,852,847
Due to related parties - current portion	*6, 13, 18*	**679,078,669**	1,580,433,671	1,196,561,487
Loans payable - current portion	*9, 13, 15, 17, 18*	**240,000,000**	295,000,000	340,000,000
Total Current Liabilities		**984,080,973**	1,931,218,535	1,579,414,334
Noncurrent Liabilities				
Loans payable - net of current portion	*9, 15*	**1,900,000,000**	2,140,000,000	2,435,000,000
Provision	*9, 15, 17, 18*	**902,240,126**	902,240,126	1,149,708,795
Due to related parties - noncurrent portion	*6, 13*	**2,083,240,282**	847,574,557	482,517,884
Total Noncurrent Liabilities		**4,885,480,408**	3,889,814,683	4,067,226,679
Total Liabilities		**5,869,561,381**	5,821,033,218	5,646,641,013
Equity				
Capital stock	*13*	**2,498,991,753**	2,498,991,753	2,498,991,753
Additional paid-in capital		**706,364,357**	706,364,357	706,364,357
Accumulated deficit	*18*	**(1,249,808,238)**	(1,279,695,617)	(976,230,335)
Net Equity		**1,955,547,872**	1,925,660,493	2,229,125,775
		P7,825,109,253	P7,746,693,711	P7,875,766,788

See Notes to the Separate Financial Statements.

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

		Years Ended December 31		
	Note	**2025**	2024 As restated (Note 18)	2023 As restated (Note 18)
REVENUE				
Interest income	*4, 6*	**P69,733,343**	P74,611,480	P69,255,625
GENERAL AND ADMINISTRATIVE EXPENSES				
Personnel		**8,308,595**	9,608,961	9,191,501
Taxes and licenses		**6,088,979**	26,864,421	13,916,422
Professional fees		**5,027,313**	5,423,521	2,432,944
Representation and entertainment		**4,503,031**	61,962,341	16,810,218
Annual meeting expenses		**92,772**	285,364	293,649
Others		**580,366**	458,180	2,691,433
		24,601,056	104,602,788	45,336,167
INCOME (LOSS) BEFORE OTHER CHARGES (INCOME) - Net AND INCOME TAX		**45,132,287**	(29,991,308)	23,919,458
OTHER CHARGES (INCOME) - Net				
Interest expense	*6, 9, 15, 18*	**19,297,944**	284,976,428	314,362,484
Reversal of impairment losses on investments in subsidiaries	*5*	**(5,446,551)**	-	-
Miscellaneous income		**-**	(10,332,414)	(11,226,564)
		13,851,393	274,644,014	303,135,920
INCOME (LOSS) BEFORE INCOME TAX EXPENSE		**31,280,894**	(304,635,322)	(279,216,462)
INCOME TAX EXPENSE (BENEFIT)	*10*	**1,393,515**	(1,170,040)	(4,048,751)
NET INCOME (LOSS)/TOTAL COMPREHENSIVE INCOME (LOSS)		**P29,887,379**	(P303,465,282)	(P275,167,711)

See Notes to the Separate Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED
SEPARATE STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31		
	Note	**2025**	2024 As restated (Note 17)	2023 As restated (Note 17)
CAPITAL STOCK	*13*	**P2,498,991,753**	P2,498,991,753	P2,498,991,753
ADDITIONAL PAID-IN CAPITAL		**706,364,357**	706,364,357	706,364,357
ACCUMULATED DEFICIT				
Balance at beginning of year as previously presented		**(1,279,695,617)**	(976,230,335)	(684,200,642)
Restatements	*18*	**-**	-	(16,861,982)
Balance at beginning of year, as restated		**(1,279,695,617)**	(976,230,335)	(701,062,624)
Net income (loss) for the year, as restated		**29,887,379**	(303,465,282)	(275,167,711)
Balance at end of year		**(1,249,808,238)**	(1,279,695,617)	(976,230,335)
		P1,955,547,872	P1,925,660,493	P2,229,125,775

See Notes to the Separate Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED
SEPARATE STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	**2025**	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax		**P31,280,894**	(P304,635,322)	(P279,216,462)
Adjustments for:				
Interest income	*4, 6*	**(69,733,343)**	(74,611,480)	(69,255,625)
Interest expense	*6, 9, 15*	**19,297,944**	284,976,428	218,972,281
Impairment losses	*15,18*	**(5,446,551)**	-	-
Reversal of accrual	*9*	**-**	-	(95,390,203)
Operating loss before working capital changes		**(24,601,056)**	(94,270,374)	(224,890,009)
Decrease (increase) in:				
Due from related parties		**233,932,212**	112,727,524	(83,525,364)
Other current assets		**1,540,756**	1,038,825	(3,205,559)
Increase (decrease) in:				
Changes in accrued expenses and other payables		**7,182,638**	44,913,847	238,035,649
Due to related parties		**95,125,460**	125,754,433	-
Cash generated from (absorbed by) operations		**313,180,010**	190,164,255	(73,585,283)
Interest received	*4*	**8,303,488**	8,888,747	7,134,870
Income taxes paid	*10*	**(1,393,515)**	(1,450,399)	(1,392,767)
Net cash provided by (used in) operating activities		**320,089,983**	197,602,603	(67,843,180)
CASH FLOWS FROM INVESTING ACTIVITIES				
Due from related parties		**78,036,831**	83,500,226	76,390,494
Other noncurrent assets		**(422,484)**	535,365	(1,019,240)
Total cash provided by investing activities		**77,614,347**	84,035,591	75,371,254
CASH FLOWS FROM FINANCING ACTIVITIES				
Due to related parties	*5, 6*	**(85,421,534)**	344,605,456	529,327,090
Payment of loans	*15*	**(295,000,000)**	(340,000,000)	(220,000,000)
Interest paid on loans		**(17,263,141)**	(287,011,232)	(316,397,288)
Net cash used in financing activities		**(397,684,675)**	(282,405,776)	(7,070,198)
NET INCREASE (DECREASE) IN CASH IN BANK		**19,655**	(767,582)	457,876
CASH IN BANK AT BEGINNING OF YEAR		**63,996,481**	64,764,063	64,306,188
CASH IN BANK AT END OF YEAR	*4, 13*	**P64,016,136**	P63,996,481	P64,764,064

See Notes to the Separate Financial Statements.

1. Reporting Entity

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

Management has determined that TWGI is the Company's ultimate parent company. This control is exercised through common directorship, active involvement in operations, and oversight of the group's strategic decision-making processes.

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

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

The details of the equity interest of the Company in its subsidiaries as at December 31, 2025 and 2024 are as follows:

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

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

The Company's percentages of ownership for the above subsidiaries are the same in 2025, 2024 and 2023.

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

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

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

In April 2024, in accordance with the Compromise Agreement, Fort Ilocandia Property Holdings & Development Corporation undertakes to revert the property to Grand Ilocandia Resort and Development, Inc. with the latter to refund the purchase price to GIRDI.

In May 2024, after execution of a Compromise Agreement with the Buyer, GIRDI regained possession of the Subject Property and resumed the hotel's operations.

GIRDI was incorporated and registered with the SEC on December 18, 1990 to engage in the hotel and resort business. The registered office of GIRDI is located at located at No. 37 Calayab, Laoag City, Ilocos Norte.

*Status of APHC Operation*s
On March 18, 2018, a fire broke out in APHC's hotel property damaging the podium and hotel building and suspending its hotel operations. Based on the Fire Certification issued by the Bureau of Fire Protection - National Headquarters on April 23, 2018, the cause of the subject fire was declared and classified as "accidental in nature". APHC incurred casualty losses due to damage of inventories and hotel property. APHC filed for property damage and business insurance claims which were finalized in 2020 amounting to P1.72 billion. APHC received approximately P1.5 billion from insurance carriers as complete settlement of the claim.

Because of this fire incident in 2018, the APHC's operations remain suspended as at date. The redevelopment of the property had been ongoing since 2018 but the project completion has been extended due to some construction delays and structural reinforcements to adapt to the condition of the existing foundation and are critical to ensuring safety of the building. In 2025, construction has been suspended as management reassessed its future plans considering current market conditions relevant to hospitality industry and tourism in the Philippines which includes the Chinese gaming market, the rising popularity of online gaming vis-à-vis land-based casinos, and the high oil prices from the United States of America - Iran war. APHC's current liabilities exceeded its current assets by P900.75 million as at reporting date, and has incurred net losses for the years 2023, 2024 and 2025 amounting to P107.4 million, P77.2 million and P74.9 million, respectively. These events and conditions, among others, indicate that a material uncertainty exists which may cast significant doubt on the APHC's ability to continue as a going concern, and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

2. Basis of Preparation

Statement of Compliance

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

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

Details of the Company's material accounting policies are included in Note 16.

Users of these separate financial statements should read them together with the consolidated financial statements as at and for the years ended December 31, 2025 and 2024 in order to obtain full information on the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company and its subsidiaries as a whole. The consolidated financial statements can be obtained from the SEC and from the website of the PSE (www.pse.com.ph).

Authorization for Issuance of the Financial Statements

They were authorized for issue by the Company's Board of Directors (BOD) on June 17, 2026.

Basis of Measurement

These separate financial statements have been prepared on the historical cost basis except for financial assets and financial liabilities measured at fair value.

Functional and Presentation Currency

These separate financial statements are presented in Philippine peso, which is the Company's functional currency. All amounts have been rounded to the nearest peso, unless otherwise indicated.

3. Use of Judgments and Estimates

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

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

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

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

Classifying Financial Instruments
The Company exercises judgment in classifying financial instruments in accordance with PFRS 9. The Company classifies a financial instrument, or its component parts, on initial recognition as a financial asset, financial liability, or an equity instrument in accordance with the substance of the contractual agreement and the definition of a financial asset, financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statements of financial position.

Evaluating Control over Investee
The Company refers to the guidance in PFRS 10 when determining whether the Company controls an investee. Particularly, the Company controls an investee when it is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company considers the purpose and design of the investee, its relevant activities and how decisions about those activities are made and whether the rights give it the current ability to direct the relevant activities.

The Company controls an investee if and only if it has all the following:

a. power over the investee;
b. exposure or rights, to variable returns from its involvement with the investee, and
c. the ability to use its power over the investee to affect the amount of the investor's return.

Assumptions and Estimation Uncertainties
Information about assumptions and estimation uncertainties at December 31, 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

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

Further details on the carrying amounts of financial instruments are disclosed in Note 13.

Provision for Expected Credit Losses on Financial Assets
The Company uses the expected credit loss (ECL) model in estimating the level of allowance which includes forecasts of future events and conditions. A credit loss is the difference between the cash flows expected to be received discounted at the original effective interest rate. The model represents a probability-weighted estimate of the difference over the remaining life of the receivables. The maturity of the Company's receivables is less than one (1) year so the lifetime ECL and the 12-month ECL are similar. In addition, management assessed the credit risk of the receivables and due from related parties as at the reporting date as low, therefore the Company did not have to assess whether a significant increase in credit risk has occurred.

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

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

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

Impairment of Nonfinancial Assets
The Company's policy on estimating the impairment of nonfinancial assets is discussed in Note 16. The Company assesses at each reporting date whether there is an indication that the carrying amount of nonfinancial assets may be impaired. If such indication exists, the Company makes an estimate of the asset's recoverable amount. Though management believes that the assumptions used in the estimation of the recoverable amounts reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the results of operations of the Company.

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

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

In 2025, the Company performed assessment over its investments in subsidiaries and have recognized reversal of impairment losses on investments in subsidiaries amounting to P5.45 million after considering the status of operations of each subsidiary.

No provision for impairment was recognized over other nonfinancial assets in 2025 and 2024.

The carrying amounts of the Company's nonfinancial assets are as follows:

	Note	**2025**	2024
Investments and advances to subsidiaries	*5*	**P4,840,690,562**	P4,834,212,030
Other noncurrent assets	*7*	**23,424,608**	23,002,124
		P4,864,115,170	P4,857,214,154

Deferred Tax Asset
The Company reviews its deferred tax assets at each reporting date and reduces the deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. The deferred tax assets include an amount which relates to the carried forward tax losses, excess MCIT over RCIT and other deductible temporary differences of the Company and its subsidiaries. The Company has incurred tax losses and excess MCIT over RCIT. The Company has concluded that they will not benefit from the said tax losses and excess MCIT over RCIT before they eventually expire. Deferred tax assets were recognized only up to the extent of forecasted taxable income in subsequent periods. Each forecast was based on Company's past results and future expectations of revenue and expenses. The Company has unrecognized deferred income tax assets in respect of its net operating loss carryover (NOLCO) and excess MCIT over RCIT.

The outcomes within the next financial year with respect to the results of operations of the Company and subsidiaries that are different from the assumption could require a material adjustment to the carrying amount of the Company's deferred income tax assets.

Further details on deferred tax assets are disclosed in Note 10.

4. Cash in Banks

Cash in banks amounting to P64.02 million and P64.00 million in 2025 and 2024, respectively, is unrestricted and immediately available for use.

Interest income earned from cash in banks amounted to P0.06 million and P0.06 million in 2025 and 2024, respectively, is presented as part of "Interest income" account under "Revenue" in the separate statements of profit or loss and other comprehensive income.

5. Investments and Advances to Subsidiaries

Investments and advances to subsidiaries consist of:

2025

(amounts in thousands)

	WCCCHI	**WMCHI**	**WIHI**	**WPPHI**	**DIHCI**	**APHC**	**GIRDI**	**WWGI**	**MBI**	**WFC**	**WHMC**	**WHC**	**WCVI**	**Total**
Investment cost	**P1,013,800**	**P13,800**	**P25,000**	**P6,250**	**P584,363**	**P479,228**	**P253,666**	**P625**	**P25**	**P125**	**P125**	**P125**	**P1,250**	**P2,378,382**
Advances	**-**	**-**	**663**	**2,755**	**-**	**188,172**	**-**	**1,054**	**4,948**	**1,930**	**99,302**	**-**	**321**	**299,145**
Deposits for stock subscription	**-**	**-**	**125,000**	**90,620**	**-**	**-**	**-**	**13,000**	**35,000**	**6,000**	**204,252**	**2,100,000**	**100**	**2,573,972**
Total	**1,013,800**	**13,800**	**150,663**	**99,625**	**584,363**	**667,400**	**253,666**	**14,679**	**39,973**	**8,055**	**303,679**	**2,100,125**	**1,671**	**5,251,499**
Allowance for impairment losses	**-**	**-**	**(150,000)**	**(96,870)**	**-**	**-**	**-**	**(15,687)**	**(39,771)**	**(8,065)**	**(99,065)**	**-**	**(1,350)**	**(410,808)**
	P1,013,800	**P13,800**	**P663**	**P2,755**	**P584,363**	**P667,400**	**P253,666**	**(P1,008)**	**P202**	**(P10)**	**P204,614**	**P2,100,125**	**P321**	**P4,840,691**

2024

(amounts in thousands)

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

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

Advances to Subsidiaries
Advances to subsidiaries mainly represent funds provided to primarily support the subsidiaries' daily operations. The advances to subsidiaries are annually renegotiated and repriced based on the agreement entered by the Company and subsidiaries.

Allowance for Impairment Losses
In 2025, the management has undertaken review and reassessment of the investments and advances certain subsidiaries considering the current of the operations of each subsidiary which resulted to reversal of allowance for impairment losses - net amounting to P5.45 million recognized in the separate statements of profit or loss and other comprehensive income amounted to nil in 2025, 2024 and 2023.

Roll-forward of allowance for impairment (amount in thousands) as follows:

	2025	2024
Balance as at beginning of year	**P416,254**	P416,254
Provisions:		
WIHI	**150,000**	-
WPPHI	**96,870**	-
WCVI	**1,350**	-
Reversals - GIRDI	**(253,667)**	-
	(5,447)	-
Balance as at end of year	**P410,807**	P416,254

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

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

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

Summarized financial information of WCCCHI (in thousands) is as follows:

	2025	2024
Total current assets	**P2,218,752**	P2,399,317
Total assets	**7,452,962**	7,012,531
Total current liabilities	**557,159**	892,958
Total liabilities	**2,038,999**	1,955,750
Revenue	**1,220,602**	1,202,334
Net income	**52,007**	240,927

WMCHI

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

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

Summarized financial information of WMCHI (in thousands) is as follows :

(in thousands)

	2025	2024
Total current assets	**P1,679,255**	P1,598,610
Total assets	**2,738,296**	2,592,084
Total current liabilities	**224,699**	197,666
Total liabilities	**638,193**	600,453
Revenue	**397,889**	386,044
Net income	**27,353**	44,763

WIHI

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

As at December 31, 2025, WIHI has not yet started its commercial operations.

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

The allowance for impairment losses on its investment and advances amounted to P150 million as at December 31, 2025 and nil as at December 31, 2024 and 2023. Impairment losses recognized in the separate statements of profit or loss and other comprehensive income amounted to nil in 2025, 2024 and 2023.

Summarized financial information (in thousands) of WIHI is as follows:

	2025	2024
Total current assets	**P71**	P71
Total assets	**150,071**	150,071
Total current liabilities	**77**	672
Total liabilities	**125,740**	125,672
Net loss	**(68)**	(70)

WPPHI

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

As at December 31, 2025, WPPHI has not yet started its commercial operations.

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

The allowance for impairment losses on its investment and advances amounted to P96.87 million as at December 31, 2025 and nil as at December 31, 2025 and 2024. Impairment losses recognized in the separate statements of profit or loss and other comprehensive income amounted to nil in 2025, 2024 and 2023.

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

	2025	2024
Total current assets	**P115**	P124
Total assets	**96,985**	96,994
Total current liabilities	**4,565**	6,354
Total liabilities	**98,117**	96,974
Net loss	**(1,152)**	(1,020)

DIHCI

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

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

Summarized information of DIHCI (in thousands) is as follows:

	2025	2024
Total current assets	**P302,172**	P286,614
Total assets	**4,018,203**	3,643,733
Total current liabilities	**97,147**	112,876
Total liabilities	**1,023,009**	936,240
Revenue	**253,666**	258,592
Net Income	**595**	11,624

APHC

APHC was incorporated and registered with the SEC on October 10, 1952 primarily to engage in the business of operating a hotel, or other accommodations, for the general public and to construct such facilities as may be reasonably necessary or useful in connection with the same.

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

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

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

Summarized financial information (in thousands) of consolidated financial statements of APHC is as follows:

	2025	2024
Total current assets	**P48,150**	P251,000
Total assets	**2,868,625**	2,877,482
Total current liabilities	**948,902**	876,845
Total liabilities	**1,228,170**	1,154,045
Net loss	**(107,451)**	(67,343)

GIRDI

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

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

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

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

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

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

Summarized financial information (in thousands) of GIRDI is as follows:

	2025	2024
Total assets	**P2,207,027**	P2,238,098
Total liabilities	**73,869**	96,228
Revenue	**139,756**	90,693
Net loss	**(8,712)**	(1,691,176)

WWGI

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

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

Due to accumulated losses which resulted in capital deficiency of P53.80 million, the Company has provided an allowance for impairment losses on its investment in and advances to WWGI. The allowance for impairment losses on its investment and advances amounted to P15.69 million as at December 31, 2025, 2024 and 2023. Impairment losses recognized in the separate statements of profit or loss and other comprehensive income amounted to nil in 2025, 2024 and 2023.

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

	2025	2024
Total current assets	**P25,294**	P30,295
Total assets	**32,910**	39,842
Total current liabilities	**58,342**	61,992
Total liabilities	**85,713**	91,041
Revenue	**14,019**	13,153
Net loss	**(1,592)**	(517)

WPL and CWIL

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

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

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

In 2024, WPL's BOD approved the cessation of its business operations.
Summarized consolidated financial information (in thousands) of WPL is as follows:

	2025	2024
Total assets	**$3,726**	$3,778
Total liabilities	**1,473**	1,448
Net loss	**(77)**	(180)

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

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

Due to accumulated losses which resulted in capital deficiency of P44.17 million, the Company has provided an allowance for impairment losses on its investment and advances to MBI. The allowance for impairment losses on its investment and advances amounted to P39.77 million as at December 31, 2025, 2024 and 2023. Impairment losses recognized in the separate statements of profit or loss and other comprehensive income amounted to nil in 2025, 2024 and 2023.

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

Summarized financial information (in thousands) of MBI is as follows:

	2025	2024
Total assets	**P133**	P132
Total current liabilities	**4,397**	9,278
Total liabilities	**44,346**	44,278
Net loss	**(68)**	(70)

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

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

Due to accumulated losses which resulted in capital deficiency of P71.87 million, the Company has provided an allowance for impairment losses on its investment in and advances to WFC. The allowance for impairment losses on its investment and advances amounted to P8.07 million as at December 31, 2025, 2024 and 2023. Impairment losses recognized in the separate statements of profit or loss and other comprehensive income amounted to nil in 2025, 2024 and 2023.

Summarized financial information (in thousands) of WFC is as follows:

	2025	2024
Total current assets	**P13,927**	P14,303
Total assets	**15,987**	15,872
Total current liabilities	**75,889**	74,888
Total liabilities	**87,859**	85,844
Revenue	**1,040**	724
Net loss	**(1,899)**	(2,512)

WHMC

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

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

In 2014, WHMC's BOD approved the cessation of its business operations. The Company has provided an allowance for impairment losses on its investment and advances to WHMC. The allowance for impairment losses on its investment and advances amounted to P99.07 million as at December 31, 2025, 2024 and 2023. Impairment losses recognized in the separate statements of profit or loss and other comprehensive income amounted to nil in 2025, 2024 and 2023.

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

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

Summarized financial information (in thousands) of WHMC is as follows :

	2025	2024
Total assets	**P204,919**	P204,917
Total current liabilities	**20,573**	122,286
Total liabilities	**326,681**	326,539
Net loss	**(140)**	(139)

WHC

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

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

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

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

	2025	2024
Total current assets	**P14,636**	P20,286
Total assets	**2,121,812**	2,122,086
Total current liabilities	**14,480**	15,038
Total liabilities	**2,115,745**	2,116,526
Revenue	**-**	-
Net income (loss)	**177**	(170)

WCVI

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

As at December 31, 2025, WCVI has not yet started its commercial operations.

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

Summarized financial information (in thousands) of WCVI is as follows :

	2025	2024
Total assets	**P1,355**	P1,354
Total liabilities	**499**	431
Net loss	**(68)**	(70)

6. Related Party Transactions

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

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

Transactions with Related Parties

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

Category/Transaction	Year	*Note*	Amount of Transaction	Outstanding Balance: Due from Related Parties Current	Due from Related Parties Noncurrent	Equity Securities - at FVOCI	Due to Related Parties Current	Due to Related Parties Noncurrent	Investments and Advances to Subsidiaries	Terms and Conditions
Parent										
▪ TWGI										Unsecured; interest-bearing;
Advances, interest and	**2025**	*6a*	**P223,020**	**P -**	**P617,854**	**P -**	**P -**	**P258,118**	**P -**	subject to repricing;
settlement	2024	*6a*	(101,606)	652,952	-	-	-	-	-	due in five years
	2023	*6a*	(27,053)	754,559	-	-	-	-	-	
Stockholders/Under Common Control										
▪ PRC										Secured; interest-bearing;
Advances, interest and	**2025**	*6a*	**10,652**	**627,177**	**-**	**-**	**-**	**-**	**-**	due in one year subject to
settlement	2024	*6a*	10,652	616,526	-	-	-	-	-	renewal; not impaired
	2023	*6a*	10,652	605,874	-	-	-	-	-	
▪ CRDC										
Advances and interest	**2025**	*6a*	**30,104**	**-**	**719,802**	**-**	**-**	**-**	**-**	Unsecured; interest-bearing;
	2024	*6a*	30,104	130,757	558,941	-	-	-	-	subject to repricing;
	2023	*6a*	20,771	100,652	558,941	-	-	-	-	due in five years; not impaired
▪ WPPC										
Advances and interest	**2025**	*6a*	**22,400**	**-**	**698,275**	**-**	**-**	**-**	**-**	Unsecured;
	2024	*6a*	22,400	-	675,875	-	-	-	-	noninterest-bearing;
	2023	*6a*	22,400	-	653,475	-	-	-	-	subject to repricing; not impaired
▪ ALEC										
Advances and settlement	**2025**	*6d*	**-**	**-**	**-**	**-**	**-**	**-**	**-**	Unsecured;
	2024	*6d*	-	-	-	-	-	-	-	noninterest-bearing;
	2023	*6d*	-	-	-	-	-	-	-	due on demand
▪ WMPD										
Equity securities - at	**2025**	*6g*	**-**	**-**	**-**	**50,000**	**-**	**-**	**-**	Unsecured;
FVOCI	2024	*6g*	-	-	-	50,000	-	-	-	not impaired
	2023	*6g*	-	-	-	50,000	-	-	-	
▪ Other										
Advances and interest	**2025**	*6b*	**-**	**1,546**	**-**	**-**	**-**	**-**	**-**	Unsecured; noninterest-
	2024	*6b*	(92,055)	1,546	-	-	-	-	-	bearing; subject to
	2023	*6b*	-	93,600	-	-	-	-	-	repricing; due on demand; not impaired

Forward

Category/Transaction	Year	Note	Amount of Transaction	Outstanding Balance: Due from Related Parties Current	Due from Related Parties Noncurrent	Equity Securities - at FVOCI	Due to Related Parties Current	Due to Related Parties Noncurrent	Investments and Advances to Subsidiaries	Terms and Conditions
Subsidiaries										
▪ WCCCHI										
Advances and settlement	**2025**	*5, 6c*	**P260,799**	**P -**	**P -**	**P -**	**P527,564**	**P1,086,745**	**P -**	Unsecured;
	2024	*5, 6c*	386,670	-	-	-	505,950	847,560	-	interest-bearing; due on
	2023	*5, 6c*	(156,746)	-	-	-	484,337	482,503	-	demand (527M); noncurrent (1,086B) Unsecured; interest-bearing; due in three years; not impaired
▪ WMCHI										
Advances and settlement	**2025**	*5, 6d*	**(29,238)**	**-**	**-**	**-**	**-**	**500,170**	**-**	Unsecured; noninterest-bearing
	2024	*5, 6d*	(165,049)	-	-	-	470,932	-	-	
	2023	*5, 6d*	(6,154)	-	-	-	305,882	-	-	
▪ DIHCI										
Advances and settlement	**2025**	*5, 6d*	**(195)**	**-**	**-**	**-**	**-**	**14,264**	**-**	Unsecured; noninterest-bearing; not impaired
	2024	*5, 6d*	-	-	-	-	14,053	15	-	
	2023	*5, 6d*	-	-	-	-	14,053	15	-	
▪ APHC										
Advances and settlement	**2025**	*5, 6e*	**(531)**	**-**	**-**	**-**	**-**	**-**	**188,172**	Unsecured; noninterest-bearing; not impaired
	2024	*5, 6e*	752	-	-	-	-	-	188,703	
	2023	*5, 6e*	731	-	-	-	-	-	187,950	
▪ GIRDI										
Advances and settlement	**2025**	*5, 6d*	**764**	**-**	**19,986**	**-**	**151,515**	**-**	**-**	Unsecured; noninterest-bearing; due on demand (151M); noncurrent due from (19M); not impaired
	2024	*5, 6d*	61,773	-	-	-	132,293	-	-	
	2023	*5, 6d*	3,120	-	-	-	193,066	-	-	
▪ WWGI										
Advances and settlement	**2025**	*5, 6e*	**(1,007)**	**-**	**-**	**-**	**-**	**-**	**1,054**	Unsecured; noninterest-bearing; fully impaired
	2024	*5, 6e*	-	-	-	-	-	-	2,061	
	2023	*5, 6e*	-	-	-	-	-	-	2,061	
Deposits for future stock subscription	**2025**	*5, 6f*	**-**	**-**	**-**	**-**	**-**	**-**	**13,000**	
	2024	*5, 6f*	-	-	-	-	-	-	13,000	
	2023	*5, 6f*	-	-	-	-	-	-	13,000	
▪ MBI										
Advances and settlement	**2025**	*5, 6e*	**68**	**-**	**-**	**-**	**-**	**-**	**4,948**	Unsecured; noninterest-bearing; fully impaired
	2024	*5, 6e*	67	-	-	-	-	-	4,881	
	2023	*5, 6e*	68	-	-	-	-	-	4,814	
Deposits for future stock subscription	**2025**	*5, 6f*	**-**	**-**	**-**	**-**	**-**	**-**	**35,000**	
	2024	*5, 6f*	-	-	-	-	-	-	35,000	
	2023	*5, 6f*	-	-	-	-	-	-	35,000	
▪ WIHI										
Advances and settlement	**2025**	*5, 6e*	**68**	**-**	**-**	**-**	**-**	**-**	**663**	Unsecured; noninterest-bearing; fully impaired
	2024	*5, 6e*	67	-	-	-	-	-	595	
	2023	*5, 6e*	85	-	-	-	-	-	528	
Deposits for future stock subscription	**2025**	*5, 6f*	**-**	**-**	**-**	**-**	**-**	**-**	**125,000**	
	2024	*5, 6f*	-	-	-	-	-	-	125,000	
	2023	*5, 6f*	-	-	-	-	-	-	125,000	

Forward

Category/Transaction	Year	Note	Amount of Transaction	Outstanding Balance: Due from Related Parties Current	Due from Related Parties Noncurrent	Equity Securities - at FVOCI	Due to Related Parties Current	Due to Related Parties Noncurrent	Investments and Advances to Subsidiaries	Terms and Conditions
▪ WPPHI										
Advances and settlement	**2025**	*5, 6e*	**P2,239**	**P -**	**P -**	**P -**	**P -**	**P -**	**P2,755**	Unsecured; noninterest-
	2024	*5, 6e*	64	-	-	-	-	-	516	bearing; fully impaired
	2023	*5, 6e*	64	-	-	-	-	-	451	
Deposits for future stock subscription	**2025**	*5, 6f*	**-**	**-**	**-**	**-**	**-**	**-**	**90,620**	
	2024	*5, 6f*	-	-	-	-	-	-	90,620	
	2023	*5, 6f*	-	-	-	-	-	-	90,620	
▪ WCVI										
Advances and settlement	**2025**	*5, 6e*	**68**	**-**	**-**	**-**	**-**	**-**	**321**	Unsecured; noninterest-
	2024	*5, 6e*	67	-	-	-	-	-	254	bearing; fully impaired
	2023	*5, 6e*	64	-	-	-	-	-	187	
Deposits for future stock subscription	**2025**	*5, 6f*	**-**	**-**	**-**	**-**	**-**	**-**	**100**	
	2024	*5, 6f*	-	-	-	-	-	-	100	
	2023	*5, 6f*	-	-	-	-	-	-	100	
▪ WFC										
Advances and settlement	**2025**	*5, 6e*	**(1)**	**-**	**-**	**-**	**-**	**-**	**1,930**	Unsecured; noninterest-
	2024	*5, 6e*	(1)	-	-	-	6	-	1,937	bearing; fully impaired
	2023	*5, 6e*	(5)	-	-	-	5	-	1,937	
Deposit	**2025**	*5, 6f*	**-**	**-**	**-**	**-**	**-**	**-**	**6,000**	
	2024	*5, 6f*	-	-	-	-	-	-	6,000	
	2023	*5, 6f*	-	-	-	-	-	-	6,000	
▪ WHMC										
Advances and settlement	**2025**	*5, 6e*	**135**	**-**	**-**	**-**	**-**	**-**	**99,302**	Unsecured; noninterest-
	2024	*5, 6e*	136	-	-	-	-	-	99,166	bearing; fully impaired
	2023	*5, 6e*	90	-	-	-	-	-	99,030	
Deposits for future stock subscription	**2025**	*5, 6f*	**-**	**-**	**-**	**-**	**-**	**-**	**204,253**	
	2024	*5, 6f*	-	-	-	-	-	-	204,253	
	2023	*5, 6f*	-	-	-	-	-	-	204,253	
▪ WHC										
Advances and settlement	**2025**	*5, 6d*	**(5)**	**-**	**-**	**-**	**-**	**4,840**	**-**	Unsecured; noninterest-
	2024	*5, 6d*	-	-	-	-	4,835	-	-	bearing; not impaired
	2023	*5, 6d*	(8)	-	-	-	4,835	-	-	
Deposits for future stock subscription	**2025**	*5, 6f*	**-**	**-**	**-**	**-**	**-**	**-**	**2,100,000**	
	2024	*5, 6f*	-	-	-	-	-	-	2,100,000	
	2023	*5, 6f*	-	-	-	-	-	-	2,100,000	
▪ WPL										
Advances and settlement	**2025**	*5, 6d*	**136**	**-**	**24,992**	**-**	**-**	**219,103**	**-**	Unsecured; noninterest-
	2024	*5, 6d*	136	-	-	-	194,247	-	-	bearing
	2023	*5, 6d*	129	-	-	-	194,383	-	-	
Allowance for impairment losses	**2025**	*6i*	**-**	**-**	**(59,619)**	**-**	**-**	**-**	**(410,809)**	
	2024	*6i*	-	(59,619)	-	-	-	-	(416,255)	
	2023	*6i*	-	(59,619)	-	-	-	-	(416,255)	
TOTAL	**2025**			**P628,723**	**P2,021,290**	**P50,000**	**P679,079**	**P2,083,240**	**P2,462,309**	
TOTAL	2024			P1,342,160	P1,234,816	P50,000	P1,322,316	P847,575	P2,455,831	

a. Interest-bearing Advances to Related Parties

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

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

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

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

As at December 31, 2025 and 2024, the fair value of PRC's land based on valuation performed by an accredited independent appraiser, with a recognized and relevant professional qualification and with recent experience in the locations and categories of the land being valued, amounted to P7.76 billion.

On December 31, 2025, the Company's information on PRC's land parcels is limited to it being classified as their inventory and recorded at their cost. Management has no knowledge of any fair market value disclosures pertaining to these assets.

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

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

By virtue of the above MOAs, advances were granted to TWGI and PRC to finance the acquisition or development of real properties for the Company. These advances are due in one (1) year, subject to renewal.

In 2025, the Company extended the term of the total accumulated advances and interest to another 5 years ending 2030 subject to renewal.

The advances to TWGI charge interest at 4% per annum in 2025 and 2024, while the advances to PRC charge interest at 2% per annum in 2025 and 2024. TWGI paid nil in 2025, 2024 and 2023 respectively, while PRC made no payments in 2025, 2024 and 2023.

No payments collected from TWGI and PRC in 2025, 2024 and 2023. Interest receivable from TWGI amounted to P335.66 million and P320.78 million as at December 31, 2025 and 2024, respectively, while interest receivable from PRC amounted to P151.66 million and P141.01 million as at December 31, 2025 and 2024, respectively.

Interest income recognized in the separate statements of profit or loss and other comprehensive income amounted to P28.71 million, P31.00 million, P29.66 million in 2025, 2024 and 2023, respectively. Allowance for impairment losses on receivables from TWGI amounted to P59.62 million as at December 31, 2025 and 2024.

Further, in 2024, TWGI tendered payment amounting to P258.12 million on behalf of the Company to SSS related to Company's original loan with SSS. This has been recognized as part of the advances of TWGI to the Company. (see Notes 9 and 18).

CRDC
On December 21, 2015, the Company granted advances to CRDC with an interest of 2% per annum and maturity on December 21, 2020. At the end of 2020, the Company extended the maturity of the advances for a period of 5 years up to December 31, 2025 at an increased rate of 2.55% per annum. Subsequently, on December 31, 2025, the Company further extended the maturity for an additional five (5) years up until December 31, 2030, with the interest rate increased to 3% per annum.

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

Interest receivable from CRDC amounted to P160.86 million and P130.76 million as at December 31, 2025 and 2024, respectively.

It was agreed that CRDC has the option to pay the balance before maturity date without payment of penalty fees and in case the latter refuses or fails to pay the principal and interest within the time agreed upon, the same shall be due and demandable.

Interest income recognized in the separate statements of profit or loss and other comprehensive income amounted to P26.88 million, P26.88 million, P19.54 million in 2025, 2024 and 2023, respectively while accretion income amounted to nil in 2025, 2024, and 2023.

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

On December 31, 2018, the Company granted additional advances to WPPC amounting to P33.83 million for general corporate purposes which was also paid in 2019. The advances bear interest at 7.5% per annum and repayable in lump-sum at maturity.

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

Subsequently, the Company further extended the maturity for an additional five (5) years up until December 21, 2030, with the interest rate decreased to 3% per annum.

Interest receivable from WPPC amounted to P198.28 million and P175.88 million as at December 31, 2025 and 2024, respectively.

Interest income recognized in the separate statements of profit or loss and other comprehensive income amounted to P20.00 million (net of VAT amounting to P2.40 million) in 2025, 2024, and 2023. Interest receivable from WPPC amounted to P198.28 million and P175.88 million as at December 31, 2025 and 2024, respectively.

b. Noninterest-bearing Advances to Related Parties

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

PHES, FHC, PCIC and East Asia
The Company has noninterest-bearing, collateral-free advances to PHES, FHC, PCIC and East Asia with no fixed term of repayment. The said advances are due on demand. The collectability of the aforementioned advances is unconditionally recognized and guaranteed by TWGI, representing the majority stockholder.

c. Interest-bearing Advances from a Related Party

On June 1, 2018, the Company received advances from WCCCHI with an interest of 7.5% per annum and maturity on June 1, 2021. In 2021, WCCCHI extended the maturity of the advances for a period of 2.5 years up to December 31, 2023. Subsequently, the Company further extended the maturity for an additional three (3) years up until June 1, 2026, with the interest rate maintained at 7.5% per annum.

Accrued interest payable to WCCCHI amounted to P270.26 million and P248.64 million as at December 31, 2025 and 2024, respectively. Interest expense related to the advances recognized in the separate statements of profit or loss and other comprehensive income amounted to P19.30 million, P19.30 million and P19.30 million in 2025, 2024 and 2023, respectively.

d. Noninterest-bearing Advances from Related Parties

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

In the ordinary course of business, the Company obtains noninterest-bearing, collateral-free cash and non-cash advances from related parties for working capital purposes.

On December 28, 2025, the Company signed an agreement with the related parties to document the nature, terms, and conditions of the outstanding balance. The parties agreed that the outstanding balance is noncurrent in nature, with no fixed maturity date, and may be settled, in whole or in part, at any time without penalty.

e. Advances to Subsidiaries

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

f. Deposits to Subsidiaries

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

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

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

As at December 31, 2025 and 2024, the Company holds 5% interest over WMPD.

h. Key Management Personnel

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

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

	2025	2024
WHMC	**P98,940,208**	P98,940,208
TWGI	**59,619,429**	59,619,429
MBI	**39,746,418**	39,746,418
WWGI	**15,061,497**	15,061,497
WFC	**7,940,491**	7,940,491
	P221,308,043	P221,308,043

The outstanding balances of related party transactions are generally settled in cash. Certain due to and due from related parties were being set-off as agreed by both parties when management intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Total interest income on the abovementioned advances recognized in the separate statements of profit or loss and other comprehensive income amounted to P69.68 million, P74.55 million and P69.20 million in 2025, 2024 and 2023, respectively.

7. Other Noncurrent Assets

This account consists of:

	Note	**2025**	2024
Deferred input VAT	*10*	**P20,885,607**	P20,885,607
Others		**2,539,001**	2,116,517
	13	**P23,424,608**	P23,002,124

The Company's cost of fully depreciated property and equipment consisting of office furniture and fixtures, leasehold improvement and office equipment amounted to P6.58 million is still being used, as at December 31, 2025 and 2024, respectively.

8. Accrued Expenses and Other Payables

This account consists of:

	Note	**2025**	2024 (As restated)
Output VAT	*10*	**P60,509,710**	P52,148,623
Others		**4,492,594**	3,636,241
	13	**P65,002,304**	P55,784,864

Others include accruals for interest from loans payable and professional fees.

9. Provision

Social Security System (SSS) Loan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Company is hereby ordered to:

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

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

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

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

On April 17, 2023, the Company filed a Manifestation with Motion to Approve Proposed Set-off and Schedule of Reconveyance with the RTC of Quezon City to comply with the orders set out in the SC decision. On August 17, 2023 the RTC ordered the company to pay SSS the amount of P258.12 million, representing the remaining loan balance after the set-off. SSS filed a Motion for Reconsideration of the said Order, but the same was denied by the Court. On April 23, 2024, SSS filed a petition for certiorari under Rule 65 before the Court of Appeals (CA G.R. SP No. 183716), challenging the Order dated August 17, 2023.

On May 27, 2024, WPI, WIN, and TWGI tendered Manager's Checks totaling P258.12 million to SSS. On July 16, 2024, SSS filed its Manifestation of Conditional Acceptance, acknowledging receipt of the tendered amount as partial and initial payment only, subject to the outcome of the pending case before the Court of Appeals (CA G.R. SP No. 183716). As a result, the principal balance of the SSS loan was reduced to P116.88 million

WPI, WIN and TWGI then filed a Motion to Direct the Register of Deeds of Quezon City to cancel TCT Nos. N-281261 and N-281262 and to reinstate TC Nos. N-153395 and N-153396 to which the Court granted in its Order dated August 6, 2024.

Subsequently, SSS filed its Urgent Omnibus Motion for Reconsideration of the August 6, 2024 and for Inhibition of Hon. Pambid. The said Motion was denied by the Court on October 3, 2024.

On December 3, 2024, SSS filed a Petition for Certiorari (with Application for Temporary Restraining Order and/or Preliminary Injunction) against Hon. Pambid, WPI, TWGI and WIN before the CA, docketed as CA G.R. SP No.187166

This is awaiting the order of the Court of Appeals to file comment on the Petition for Certiorari as at December 31, 2025.

Interest expense - net incurred from the SSS loan is recognized in the separate statements of profit or loss and other comprehensive income amounted to nil, P10.65 million and P20.35 million in 2025, 2024 and 2023, respectively (see Note 18).

Further, in relation to the SC decision declaring the SSS loan as null and void, the Company reclassified the outstanding balance of the loan and the related accrued interest amounting to P116.80 million and P785.36 million, respectively, as provision as at December 31, 2025 and 2024. The management considered the requirements under PAS 37 as basis for the reclassification (see Note 18).

10. Income Taxes

Components of income tax expense are as follows:

	2025	2024 (As restated) Note 18	2023 (As restated) Note 18
Current income tax	**P1,393,515**	P1,492,230	P1,038,834
Deferred income tax	**-**	(2,662,270)	(5,087,585)
	P1,393,515	(P1,170,040)	(P4,048,751)

The Company's current income tax expense in 2025, 2024 and 2023 pertains to Minimum Corporate Income Tax (MCIT).

Deferred Taxes

The roll-forward of the Company's deferred tax assets as follows:

2025

	January 1, 2025 As restated	**Movement in 2025**	**Restatements**	**December 31, 2025**
Charged to Profit or Loss				
Accrued interest recorded under provision	**P193,677,198**	**P -**	**P2,662,270**	**P196,339,468**

2024

	January 1, 2024 As restated	Movement in 2024	Restatements	December 31, 2024 As restated
Charged to Profit or Loss				
Accrued interest recorded under provision	P193,677,198	P -	P2,662,270	P193,677,198

Deferred income tax assets have not been recognized in respect of the following temporary difference after the management assessed that each entity may not be able to generate sufficient taxable income and income tax from which the deferred income tax assets can be applied in future periods:

	2025	2024
NOLCO	**P470,381,300**	P544,830,301
MCIT	**3,924,579**	8,326,900
	P474,305,879	P553,157,201

The details of the Company's NOLCO and MCIT, which can be claimed as deductions from future taxable income and as tax credits against future Regular Corporate Income Tax (RCIT), respectively, are as follows:

NOLCO

Inception Year	Amount	Incurred	Applied/ Expired	Balance	Expiry Year
2024	P228,253,485	P -	P -	P228,253,485	2027
2023	242,127,815	-	-	242,127,815	2026
2022	74,449,001	-	(74,449,001)	-	2025
	P544,830,301	P -	(P74,449,001)	P470,381,300	

Under Revenue Regulations No. 25-2020, NOLCO incurred for the taxable years 2021 and 2020 will be carried over for the next five (5) consecutive taxable years immediately following the year of such loss and NOLCO incurred for taxable year 2022 and beyond can be carried over for the next three consecutive years.

MCIT

Inception Year	Amount	Incurred	Expired/ Applied	Balance	Expiry Year
2025	P -	P1,393,515	P -	P1,393,515	2027
2024	1,492,230	-	-	1,492,230	2027
2023	1,038,834	-	-	1,038,834	2026
2022	4,402,321	-	(4,402,321)	4,402,321	2025
	P6,933,385	P1,393,515	(P4,402,321)	P3,924,579	

Under the "Corporate Recovery and Tax Incentives for Enterprises (the "Act") which took effect on July 1, 2020, domestic corporations are subject to 25% or 20% RCIT depending on the amount of total assets and total amount of taxable income. In addition, MCIT shall be computed at 1% of gross income for a period of three years until June 30, 2023 and will revert to 2% starting July 1, 2023.

The reconciliation of income tax expense (benefit) computed at the statutory income tax rate and at effective income tax rate is as follows:

	2025	2024 As restated (Note 18)	2023 As restated (Note 18)
Income (loss) before income tax expense (benefit)	**P31,280,895**	(P304,635,322)	(P279,216,462)
Income tax at statutory rate of 25%	**P7,820,224**	(P76,158,831)	(P69,804,116)
Tax effects of:			
Changes on unrecognized deferred tax asset	**(6,180,029)**	59,516,239	66,658,373
Nondeductible expenses	**1,129,358**	15,490,585	4,202,555
Nontaxable reversal of impairment losses	**(1,361,638)**	-	-
Income not subjected to income tax	**(14,400)**	(18,033)	(17,978)
	P1,393,515	(P1,170,040)	(P1,038,834)

11. Right to Provide Venue for Land-based Casinos

PAGCOR has granted the Company the right to provide venue for land-based casinos. By virtue of this right, the Company's subsidiaries, namely WCCCHI and WMCHI, have existing lease agreements with PAGCOR.

The lease agreement of WCCCHI with PAGCOR covered the Main Area (8,123.60 sq.m.), Slot Machine Expansion Area (883.38 sq.m.), Mezzanine (2,335 sq.m.) and 5th Floor Junket Area (2,336 sq.m.) for a total area of 13,677.98 sq.m. which commenced on March 3, 2011 and March 16, 2011, for the Main Area and Slot Machine Expansion Area, respectively. The lease agreement of WMCHI with PAGCOR covered the Main Area (4,076.24 sq.m.) and Chip Washing Area (1,076 sq.m.) for a total area of 5,152.24 sq.m. which was renewed on March 21, 2011. Both leases expired on August 2, 2016. Thereafter, PAGCOR paid the WCCCHI and WMCHI rental on a month-to-month basis. The leases were renewed on February 15, 2018, for a period of 1 year. On May 29, 2019, the leases were further renewed until the year 2032 covering the Main Area (8,123.60 sq.m.), Slot Machine Expansion Area (883.38 sq.m.) and Mezzanine (2,152.35 sq.m.) for a total area of 11,159.33 sq.m.

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

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

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

As at December 31, 2025, there were no updates or developments relating to the PAGCOR lease agreements and the Entertainment City Casino license application/litigation.

12. Equity

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

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

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

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

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

In 2009, the BOD passed a resolution temporarily suspending the implementation of the above proposed increase in the authorized capital stock of the Company. As at December 31, 2025, the Company has no plans to increase its authorized capital stock, or to modify any issued shares or to exchange them to another class.

The Company has not sold any unregistered securities for the past 3 years. As at December 31, 2025 and 2024, the Company has 2.50 billion shares listed on the PSE and has a total of 421 shareholders and 426 shareholders, respectively.

Capital Management

The primary objective of the Company's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. Capital is defined as the invested money or invested purchasing power, the net assets or equity of the entity. The Company's overall strategy remains unchanged from 2025 and 2024.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to its shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes in 2025 and 2024.

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

The Company's capital management, among other things, aims to ensure that it meets financial covenants attached to the Omnibus Loan and Security Agreement (the Agreement) (see Note 15). Breaches in meeting the financial covenants would permit the bank to immediately call the loans.

As at December 31, 2025 and 2024, the Company complied with the minimum debt service coverage ratio of 1.25:1 as described in Section 4.4 Debt Service Coverage Ratio of the Agreement (see Note 15).

13. Financial Instruments - Fair Values and Risk Management

Risk Management Structure

BOD

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

Risk Management Committee

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

Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash in bank, advances to subsidiaries, due from related parties, equity securities - at FVOCI, accrued expenses and other payables, loan payable and due to related parties. These financial instruments arise directly from operations.

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

Credit Risk

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

The table below shows the credit quality of the Company's financial assets based on their historical experience with the corresponding debtors and subsidiaries (in thousands):

	2025		
	At Amortized Cost		
	12-month ECL	**Lifetime ECL - not credit impaired**	**Lifetime ECL - credit impaired**
Grade A	**P3,175,620**	**P -**	**P -**
Grade B	**1,930,213**	**-**	**-**
Grade C	**61,996**	**-**	**-**
Gross carrying amount	**5,167,829**	**-**	**-**
Loss allowance	**61,996**	**-**	**-**
Carrying amount	**P5,105,833**	**P -**	**P -**

	2024		
	At Amortized Cost		
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P3,175,620	P -	P -
Grade B	1,887,279	-	-
Grade C	314,189	-	-
Gross carrying amount	5,377,088	-	-
Loss allowance	314,189	-	-
Carrying amount	P5,062,899	P -	P -

Credit Quality Rating

The credit grades used by the Company in evaluating the credit quality of its receivables to customers and other parties are the following:

Grade A financial assets pertain to financial assets that are neither past due nor impaired which have good collection status. These financial assets are those which have high probability of collection, as evidenced by counterparties having ability to satisfy their obligations.

Grade B financial assets are those past due but not impaired financial assets and with fair collection status. These financial assets include those for which collections are probable due to the reputation and the financial ability to pay of the counterparty but have been outstanding for a length of time.

Grade C financial assets are those which have continuous default collection issues. These financial assets have counterparties that are most likely not capable of honoring their financial obligations.

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

	Note	**2025**	2024
Cash in banks	*4*	**P64,016,136**	P63,996,481
Advances to subsidiaries	*5*	**2,677,526,372**	2,676,494,394
Due from related parties	*6*	**2,709,631,931**	2,636,596,303
		P5,451,174,439	P5,377,087,178

Except for the impaired advances to subsidiaries amounting to P161.69 million and due from related parties amounting to P59.62 million, management believes that all its financial assets are of good credit quality. Cash in banks, advances to subsidiaries and due from related parties were classified under “Grade A” as the management considering the profile and relationship of these counterparties having good credit standing and collection experience.

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

		Neither	**Past Due but not Impaired**				
2025	**Total**	**Past Due nor Impaired**	**<30 Days**	**31 - 60 Days**	**61 - 90 Days**	**>90 Days**	**Impaired**
Cash in bank	**P64,016**	**P64,016**	**P -**	**P -**	**P -**	**P -**	**P -**
Advances to subsidiaries	**2,677,525**	**2,669,126**	**-**	**-**	**-**	**-**	**8,399**
Due from related parties	**2,709,632**	**719,802**	**-**	**-**	**-**	**1,930,211**	**59,619**
	P5,451,173	**P3,452,944**	**P -**	**P -**	**P -**	**P1,930,211**	**P68,018**

		Neither	Past Due but not Impaired				
2024	Total	Past Due nor Impaired	<30 Days	31 - 60 Days	61 - 90 Days	>90 Days	Impaired
Cash in bank	P63,996	P63,996	P -	P -	P -	P -	P -
Advances to subsidiaries	2,676,494	2,421,928	-	-	-	-	254,566
Due from related parties	2,636,596	689,698	-	-	-	1,887,279	59,619
	P5,3727,086	P3,175,622	P -	P -	P -	P1,887,279	P314,185

Allowance for impairment losses amounted to P221.31 and P221.31 million on the Company’s advances to subsidiaries and due from related parties as at December 31, 2025 and 2024, respectively (see Notes 5 and 6).

Concentration Risk
Concentration of credit risk may arise from exposure to a single debtor or a group of debtors having similar characteristics such that their ability to meet their obligations are expected to be affected in a like manner by changes in economic or other conditions.

In 2025, 2024 and 2023, revenue from a related party represents 19.05%, 24.35%, 29.09%, of the revenues, respectively.

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

The Company monitors and maintains a level of cash deemed adequate by the management to finance its activities. Additional short-term funding is obtained from related party advances and bank loans, when necessary.

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

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

		Total	**Contractual Undiscounted Payments**				
2025	***Note***	**Carrying Amount**	**Total**	**On Demand**	**< 1 Year**	**1 to 5 Years**	**> 5 Years**
Accrued expenses and other payables	*8*	**P65,002**	**P65,002**	**P65,002**	**P -**	**P -**	**P -**
Loan payable:	*15*						
Principal		**2,140,000**	**2,140,000**	**-**	**240,000**	**1,900,000**	**-**
Future interest		**-**	**-**	**-**	**-**	**-**	**-**
Provision	*15*	**902,240**	**902,240**	**-**	**-**	**902,240**	**-**
Due to related parties:	*6*						
Principal		**2,762,319**	**2,762,319**	**679,079**	**-**	**2,083,240**	**-**
Future interest		**-**	**-**	**-**	**-**	**-**	**-**
		P5,869,561	**P5,869,561**	**P744,081**	**P240,000**	**P4,885,480**	**P -**

Excluding statutory payables

		Total	Contractual Undiscounted Payments				
2024	*Note*	Carrying Amount	Total	On Demand	< 1 Year	1 to 5 Years	> 5 Years
Accrued expenses and other payables	*8*	P55,784	P55,784	P55,784	P -	P -	P -
Loan payable	*15*	2,435,000	2,435,000	-	295,000	2,140,000	-
Provision	*15*	902,240	902,240	-	-	902,240	-
Due to related parties	*6*	2,428,009	2,428,009	1,580,434	-	847,575	-
		P5,821,033	P5,821,033	P1,636,219	P295,000	P3,889,815	-

Excluding statutory payables

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes 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.

The sensitivity analyses in the following sections relate to the separate statements of financial position as at December 31, 2025 and 2024.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The primary source of the Company's interest rate risk relates to its cash in banks, advances to subsidiaries, loans payable and due to related parties as follows:

(amounts in thousands)

	Note	**2025**	2024
Cash in bank	*4*	**P64,016**	P63,996
Advances to subsidiaries	*5*	**2,677,525**	2,676,494
Loans payable	*15*	**(2,140,000)**	(2,435,000)
Due to related parties	*6*	**(2,762,319)**	(2,428,008)
		(P2,160,778)	(P2,122,518)

The interest rates on these financial liabilities are disclosed in Notes 13 and 17.

The following table demonstrates the sensitivity of the Company's income before income tax to a reasonably possible change in interest rates of its financial liabilities as at December 31, with all variables held constant:

	Increase (decrease) in Interest Rate	**Increase (Decrease) in Income Before Income Tax**
2025	**+100 basis points**	**P21,608**
	-100 basis points	**(21,608)**
2024	+100 basis points	(21,225)
	-100 basis points	21,225

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 WMPD which are listed on the PSE totaling 50 million shares as at December 31, 2025 and 2024.

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

This investment is measured at cost due to the lack of reliable estimates of unobserved inputs, less impairment, if any.

Fair Value of Financial Instruments

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

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

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

The face value of the provision approximates the fair value considering that this provision relates to a previous interest-bearing loan from SSS. The effect of discounting on outstanding balance is immaterial (see Note 15).

The table below summarizes the carrying amounts and fair values of the Company's financial assets and liabilities as at December 31, 2025 and 2024 (in thousands):

	2025		2024	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Assets				
Cash in banks	**P64,016**	**P64,016**	P63,996	P63,996
Advances to subsidiaries - net	**2,677,525**	**2,677,525**	2,676,494	2,676,494
Due from related parties - net	**2,709,632**	**2,709,632**	2,636,596	2,636,596
Equity securities - at FVOCI	**50,000**	**50,000**	50,000	50,000
	P5,501,173	**P5,501,173**	P5,427,086	P5,427,086

	2025		2024	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Liabilities				
Accrued expenses and other payables*	**P65,002**	**P65,002**	P55,785	P55,785
Loan payable	**2,140,000**	**2,140,000**	2,435,000	2,435,000
Provision	**902,240**	**902,240**	902,240	902,240
Due to related parties	**2,762,319**	**2,762,319**	2,428,008	2,428,008
	P5,869,561	**P5,869,561**	P5,821,033	P5,821,033

**Excluding statutory payables*

The approximation of the fair values of the Company's financial assets and liabilities are based on Level 3, except for equity securities - at FVOCI which is based on Level 1 of the fair value hierarchy.

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.

14. BIR Assessment

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

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

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

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

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

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

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

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

15. Omnibus Loan and Security Agreement

Original Loan Agreement

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

Roll-forward of the loans from PBCOM as follows:

	2025	2024
Balances at beginning of year	**P2,435,000,000**	P2,775,000,000
Payments	**(295,000,000)**	(340,000,000)
Balances at end of year	**P2,140,000,000**	P2,435,000,000

The loans presented as follows:

	2025	2024
Current	**P240,000,000**	P295,000,000
Non-current	**1,900,000,000**	2,140,000,000
	P2,140,000,000	P2,435,000,000

The Loan Facilities consists of the following:

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

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

On August 27, 2025, the Company executed a supplemental agreement with PBCOM covering the outstanding PHP 2.24 billion 5-year Term Loan, revising the interest terms from the higher of the 5-year Bloomberg Valuation (BVAL) rate plus 3.25% or a 7.75% floor, floating and repriced quarterly, to a fixed rate equivalent to the 2-year BVAL rate of 5.4959% plus a 2.75% spread, resulting in 8.2459% per annum until maturity.

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

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

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

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

1. Debt to Equity Ratio of not higher than 2.5:1;

2. Debt Service Coverage Ratio of at least 1.25x;

3. To appoint PBCOM's nominees as Corporate Secretary in WCCCHI and DIHCI and nominate and elect such number of PBCOM's nominees as will comprise the majority of the Board of Directors in WCCCHI and DIHCI, provided however, that the exercise of the abovementioned proxy and/or voting rights granted to PBCOM shall be exercised solely for the purpose of protecting, preserving, and enforcing its rights and interests under the Agreement and shall not be used by the latter to effect any takeover of the day-to-day operations of said corporations; and

4. Negative covenants which prohibit each of the Borrowers to:

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

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

Supplemental Loan Agreement

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

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

The New Loan Facilities consists of the following:

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

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

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

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

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

All drawdowns were made by the Company.

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

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

2025

Loan Facility	Current Portion	Noncurrent Portion	Outstanding Balance
New Facility 1	**P -**	**P -**	**P -**
New Facility 2	**96,000,000**	**760,000,000**	**856,000,000**
New Facility 3	**57,600,000**	**456,000,000**	**513,600,000**
New Facility 4	**86,400,000**	**684,000,000**	**770,400,000**
	P240,000,000	**P1,900,000,000**	**P2,140,000,000**

2024

Loan Facility	Current Portion	Noncurrent Portion	Outstanding Balance
New Facility 1	P55,000,000	P -	P55,000,000
New Facility 2	96,000,000	856,000,000	952,000,000
New Facility 3	57,600,000	513,600,000	571,200,000
New Facility 4	86,400,000	770,400,000	856,800,000
	P295,000,000	P2,140,000,000	P2,435,000,000

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

2025

Loan Facility	Drawdown Date	Maturity Date	Payment Terms	Monthly Amortization	Principal	Principal Payments	Outstanding Balance
New Facility 1	9/13/2022	3/13/2025	3 months	**P18,333,333**	**P55,000,000**	**P55,000,000**	**P -**
New Facility 2	6/16/2022	6/4/2027	60 months	**8,000,000**	**952,000,000**	**96,000,000**	**856,000,000**
New Facility 3	6/6/2022	6/4/2027	60 months	**4,800,000**	**571,200,000**	**57,600,000**	**513,600,000**
New Facility 4	6/8/2022	6/4/2027	60 months	**7,200,000**	**856,800,000**	**86,400,000**	**770,400,000**
					P2,435,000,000	**P295,000,000**	**P2,140,000,000**

2024

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

Total interest incurred by the Company arising for the Loan Facilities amounted to nil, P255.03 million and P274.71 million in 2025, 2024 and 2023, respectively.

On December 18, 2025, the Company entered into an agreement with related parties for the allocation of interest expense based on actual funds paid or funded by each property for loan servicing during 2025, as supported by bank records and intercompany schedules. Interest expense amounting to P149 million and 54 million was allocated to WCCCHI and WMCHI, respectively.

The allocation represents a pure cost recharge, with no markup, and does not constitute interest income, lending or financing activity between the parties.

16. Summary of Material Accounting Policies

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

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, except for the adoption of amendment to a standard as discussed below.

Changes in Accounting Policies
The accounting policies set out below have been applied consistently to all years presented in these separate financial statements, except for the changes in accounting policies as follows:

Amendments to a Standard
The accounting policies adopted in the preparation of the Company's separate financial statements are consistent with those of the previous financial year, except for the adoption of the following new and amended accounting pronouncements which became effective January 1, 2025. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Company.

The nature and impact of each new standard and amendment are described below:

- *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.

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.

The standard has no impact on the Company's financial reporting.

Standards Issued But Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2025. However, the Group has not early adopted the following new or amended standards in preparing these financial statements. The Group is currently assessing the impact of these changes.

Except as otherwise indicated, none of these are expected to have a significant impact on the Company's separate financial statements.

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*)

- Annual Improvements to PFRS Accounting Standards - Volume 11

    a. Hedge Accounting by a First-time Adopter (Amendments to PFRS 1, *First-time Adoption of International Financial Reporting Standards*)
    b. Gain or Loss on Derecognition (Amendments to PFRS 7)
    c. Introduction, Disclosure of Difference Between Fair Value and Transaction Price, and Credit Risk Disclosures (Amendments to Guidance on implementing PFRS 7)
    d. Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9)
    e. Determination of 'De Facto Agent' (Amendments to PFRS 10, *Consolidated Financial Statements*)
    f. Cost Method (Amendments to PAS 7)

- Contracts Referencing Nature-dependent Electricity (Amendments to PFRS 9 and PFRS 7)

Effective January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*

  PFRS 18 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 requires goodwill to be presented as a line item in the statement of financial position. Consequential amendments to PAS 7, *Statement of Cash Flows*, require 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*

Deferred Local Implementation

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to PFRS 10 and PAS 28, *Investments in Associates and Joint Ventures*)

Amendments to IFRS not yet adopted by the FSRSC as part of PFRS Accounting Standards

- Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)
- Disclosures about Uncertainties in the Financial Statements (Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36, *Impairment of Assets*, and IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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

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

Debt Instruments
Financial Assets at Amortized Cost
A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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

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

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

There is no financial asset that is a debt instrument measured at FVOCI as at December 31, 2025 and 2024.

FVTPL
All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

There are no financial assets at FVTPL as at the date of initial application and as at December 31, 2025 and 2024.

Equity Instruments
Financial assets that are equity instruments shall be classified under any of the following categories:

- Financial assets measured at FVTPL which shall include financial assets held for trading; or
- Financial assets at FVOCI which shall consist of equity instruments that are irrevocably designated at FVOCI at initial recognition that are neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which PFRS 3, *Business Combinations*, applies. This election is made on an instrument-by-instrument basis.

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

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

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

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

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

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

a. the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
b. how the performance of the portfolio is evaluated and reported to the Company's management;
c. the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
d. how managers of the business are compensated - e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
e. the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified asset.

Prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired for a discount or premium to its contractual face amount, a feature that permit or requires prepayment that an amount that substantially represents the contractual face amount plus accrued (but unpaid) contractual interest (which may include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent Measurement of Financial Assets
Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Amounts recognized in OCI are not classified to profit or loss. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial Liabilities

Classification, Subsequent Measurement and Gains and Losses

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

As at December 31, 2025 and 2024, other financial liabilities at amortized cost include accrued expenses and other payables, due to related parties, provision and loan payable (see Notes 6, 8 and 9).

There are no financial liabilities measured at FVTPL.

Derecognition of Financial Instruments

Financial Assets

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

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

Financial Liabilities

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

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset, and the net amount is reported in the separate statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is generally not the case with master netting agreements, thus, the related assets and liabilities are presented at gross amounts in the separate statements of financial position.

As at December 31, 2025 and 2024, only certain due to and due from related parties were offset in the separate financial statements. The said accounts were being set-off because the management intends either to settle on a net basis or to realize the asset and settle the liability simultaneously (see Note 6 and 17).

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

The different levels of fair value of financial instruments carried at fair value, by valuation method have been defined as follows:

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

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

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

Impairment of Financial Assets
At the date of initial application of PFRS 9, the Company uses reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that a financial instrument was initially recognized and compared that to the credit risk at the date of initial application. Lifetime ECLs result from all possible default events over the expected life of a financial instruments while 12-month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period of the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECL
ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECL are discounted at the effective interest rate of the financial assets.

Credit-impaired Financial Assets
At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Objective evidence that financial assets were impaired included:

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

Presentation of Allowance for ECL
Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt investments at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Investments in Subsidiaries
Subsidiaries are entities controlled by the Company. The Company controls an entity if, and only if, the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the 3 elements of control.

The Company carries its investments in shares of stock of its subsidiaries under the cost method of accounting. Under this method, investments are carried at cost less impairment losses. The Company 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.

When the Company loses control over a subsidiary, any interest retained in the former subsidiary is measured at fair value.

Property and Equipment
Measurement at Recognition
Upon recognition, items of property and equipment are measured at cost which comprises the purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use.

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

Subsequent Costs
Subsequent costs that can be measured reliably are added to the carrying amount of the asset when it is probable that future economic benefits associated with the asset will flow to the Company. The costs of day-to-day servicing of an asset are recognized as an expense in the period in which they are incurred.

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

The estimated useful lives and the depreciation method are reviewed at each reporting date to ensure that these are consistent with the expected pattern of economic benefits from those assets.

Fully depreciated assets are retained in the accounts until they are no longer in use, no further charges for depreciation are made in respect of those assets.

When an asset is disposed of, or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and related accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal is recognized in profit or loss.

Impairment of Nonfinancial Assets
The carrying amounts of the Company's nonfinancial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the impaired asset is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. Impairment losses on assets recognized at cost are recognized in the profit or loss. However, impairment losses on revalued assets are recognized in the separate statements of changes in equity as a reduction of revaluation surplus to the extent that the impairment losses do not exceed the amount in the revaluation surplus.

The recoverable amount is the higher of the asset's fair value less costs of disposal and value-in-use (VIU). Fair value less costs of disposal is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, less the costs of disposal. In assessing VIU, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset being evaluated. If an asset does not generate cash inflows that are largely independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the carrying amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized. Reversals of impairments are recognized in profit or loss, unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Equity

Capital Stock and Additional Paid-in Capital

Capital stock and additional paid-in capital are classified as equity. Capital stock is recognized as issued when the stock is paid for or subscribed under a binding subscription agreement and is measured at par value. The transaction costs incurred as a necessary part of completing an equity transaction are accounted for as a part of that transaction and are deducted from additional paid-in capital, net of related tax benefits.

When the shares are sold at premium, the difference between the proceeds and the par value is credited to “Additional paid-in capital” (APIC) account.

Retained Earnings

Retained earnings represent the accumulated results of operations as reported in the separate statements of comprehensive income, less any dividends declared. Dividends are recorded in the period in which the dividends are approved by the BOD.

When the balance of retained earnings becomes negative, it is presented as accumulated deficit in the separate statements of financial position.

Dividends are recognized as a liability and deducted from retained earnings when declared and approved by the BOD and the shareholders of the Company. Dividends for the year that are declared and approved after the reporting date, if any, are dealt with as an event after the reporting date and disclosed accordingly.

Revenue Recognition

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

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

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

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

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

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

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

Miscellaneous Income
Other income is recognized when earned.

Revenue from Other Sources

Interest Income
Interest income is recognized as it accrues using the effective interest method under PFRS 9.

Expense Recognition
Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in profit or loss on the basis of : (i) a direct association between the costs incurred and the earning of specific items of income; (ii) systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or (iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not quality or cease to qualify for recognition in the separate statements of financial position as an asset.

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

Income Taxes
Income tax expense comprises current income tax and deferred income tax. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income, in which case it is recognized in equity or OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

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

Deferred Tax
Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused net operating loss carryover (NOLCO) and unused tax credits from the excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carryforward benefits of NOLCO and excess MCIT over RCIT can be utilized within the period allowed by the tax regulations.

The carrying amount of a deferred tax asset 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 income tax asset to be utilized within the period allowed by the tax regulations. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow all or part of the deferred income tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rate and tax law that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.
The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The income tax effects from an uncertain tax position are recognized when it is not probable that the position will be accepted based on its technical merits and assuming that the tax authorities will examine the uncertain tax treatments and have full knowledge of all relevant information. They are measured by either determining the single most likely amount or the sum of the probability-weighted amounts in a range of possible outcomes depending on which method the Company expects to better predict the resolution of the uncertainty. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set-off current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, and they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

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

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

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

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

17. Notes to Separate Statements of Cash Flows

The Company's non-cash transactions include:

- In 2024 and 2023, the Company restated and its outstanding loan with SSS amounting to P116.88 million and P375.00 million, and related accrued interest amounting to P785.36 million and 774.71 million as at December 31, 2024 and 2023, respectively, as "provision" in accordance with PAS 37 (see Notes 9 and 18).

- In 2025, 2024 and 2023, the Company recognized reversal of impairment losses - net amounting to P5.45 million, nil and nil, respectively over its investments in subsidiaries.

- In 2025, 2024 and 2023, the Company recognized reversal on accrual amounting to nil, nil and P95.39 million (see Note 9).

- In 2025, 2024 and 2023, the Company offset certain due to and from related parties amounting to P419.73 million, P575.45 million and P157 million, respectively (see Note 6).

Supplemental information with respect to the statements of cash flows arising from financing activities are as follows:

	Due to Related Parties	Interest Payable
Balance as at January 1, 2024	P482,517,884	P224,995,817
Accrual of interest	616,469,171	21,613,698
Changes from financing cash flows:		
Payment of interest	-	-
Offsetting of advances from related parties	(251,412,498)	-
Payment of advances from related parties	-	-
Balance as at December 31, 2024	847,574,557	246,609,515
Accrual of interest	**787,344,312**	**21,613,698**
Reclassification	**738,362,713**	**-**
Changes from financing cash flows:	**-**	**-**
Payment of interest	**(290,041,298)**	**-**
Payment of advances from related parties	**-**	**-**
Balance as at December 31, 2025	**P2,083,240,282**	**P268,223,213**

Reconciliation of financing cash flows arising from loans payable is presented in Note 15.

18. Reclassifications and Restatements

In 2024 and 2023, certain accounts were reclassified and restated to correct errors in the comparative figures as at and for the years ended December 31, 2024 and 2023 summarized as follows:

2024	*Note*	Balances as Previously Stated	Restatements	Balances as Restated
Separate Statements of Financial Position				
Deferred tax asset		P182,968,952	P13,370,516	P196,339,468
Accrued expenses and other payables	*a, b, c*	783,846,983	(728,062,119)	55,784,864
Due to related parties - current portion	*b*	1,322,315,921	258,117,750	1,580,433,671
Loans payable - current portion	*b, c*	670,000,000	(375,000,000)	295,000,000
Provision	*c*	-	902,240,126	902,240,126
Accumulated deficit	*a*	(1,235,770,376)	(43,925,241)	(1,279,695,617)
Separate Statements of Financial Performance				
General and administrative expenses	*d*	100,789,094	3,813,694	104,602,788
Other charges (income) - net	*d*	263,994,933	10,649,081	274,644,014

2023	Note	Balances as Previously Stated	Restatements	Balances as Restated
Separate Statements of Financial Position				
Deferred tax assets		P182,968,952	P10,708,246	P193,677,198
Accrued expenses and other payables	*d, c*	P774,728,660	(P731,875,813)	P42,852,847
Loans payable - current portion	*c*	715,000,000	(375,000,000)	340,000,000
Provision	*c*	-	1,149,708,795	1,149,708,795
Accumulated deficit		(944,105,599)	(32,124,737)	(976,230,335)
Separate Statements of Financial Performance				
Other charges (income) - net	*d*	282,785,582	20,350,338	303,135,920

Reclassifications

a. The above reclassifications are the results of the review by the Company of the effects of the Supreme Court ruling on the case of the Company with SSS as discussed in Note 13 and the subsequent proceedings and transactions that include the tender of payment made to SSS under Manager's Checks totaling P258.12 million, which SSS acknowledged with the filing of its Manifestation of Conditional Acceptance, acknowledging receipt of the tendered amount as partial and initial payment.

   To present faithfully the effects of said events, the Company reclassified the outstanding loan with SSS amounting to P116.88 million and P375.00 million, and related accrued interest amounting to P785.36 million and P774.71 million as at December 31, 2024 and 2023, respectively, to "Provision" after considering that the Company's contractual liability from SSS has been effectively extinguished following the SC's decision over the loan with SSS (see Note 9).

Restatements
The restatements to correct identified errors pertain to the following:

b. In relation to the effects of the review and the reclassification discussed in the paragraph above, it was determined that a payment made by the ultimate parent company amounting to P258.12 million on behalf of the Company which was tendered to SSS in 2024, must be recognized in the separate financial statements of the Company (see Note 9).

c. Accrual of interest from the original loan with SSS which the Company erroneously omitted in 2024 and 2023 amounting to P10.65 million and P42.83 million, respectively (see Note 9).

   The restatements resulted to deferred tax effect amounting to P2.67 million and P5.09 million in 2024 and 2023, respectively.

d. Erroneous recording of taxes and licenses relating to the documentary stamp taxes paid for advances made in 2024 amounting to P3.81 million.

19. 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 financial statements, certain supplementary information for the taxable year. The amounts relating to such information may not necessarily be the same with those amounts disclosed in the financial statements which were prepared in accordance with PFRS Accounting Standards.

The following are the supplementary tax information required for the taxable year ended December 31, 2025.

A. Withholding Taxes

During the year, the Company withheld expanded withholding tax amounting to P4,213,313.

B. All Other Taxes (Local and National)

Other taxes paid during the year recognized as "Taxes and licenses" under General and Administrative Expenses	
Gross receipt tax	**P3,847,985**
License and other fees	**227,818**
Documentary stamp tax	**2,013,176**
	P6,088,979

C. Documentary Stamp Taxes

In 2025, the Company paid documentary stamp taxes amounting to P2,013,176.

D. Deficiency Tax Assessments

As at December 31, 2025, the Company is still awaiting SC's decision on its appeal related to the VAT assessment covering taxable year 2006. The Company has no other deficiency tax assessments nor pending tax court cases.

Information on the amount of custom duties and tariff fees and excise taxes, paid or accrued, is not applicable since there are no transactions that the Company would be subject to these taxes for the year ended December 31, 2025.

Outlook

FW: SEC eFast Initial Acceptance

From Waterfront Philippines Inc. <wpi@waterfronthotels.net>
Date Sat 6/27/2026 5:45 PM
To Aiza Pasayloon <a.pasayloon@waterfronthotels.net>; Rhea Hinampas <r.hinampas@waterfronthotels.net>; Irish Chara Lawas <i.lawas@waterfronthotels.net>; Jerraemie Nikka Patulot <j.patulot@waterfronthotels.net>; Aiza Pasayloon <a.pasayloon@waterfronthotels.net>; Judith Riann Fernandez <jt.fernandez@waterfronthotels.net>; Cherryl Vidal <c.vidal@waterfronthotels.net>

From: noreply-cifssost@sec.gov.ph <noreply-cifssost@sec.gov.ph>
Sent: Saturday, June 27, 2026 5:45:06 PM (UTC+08:00) Taipei
Subject: SEC eFast Initial Acceptance

Dear **WATERFRONT PHILIPPINES INC.**,

Greetings!

This serves as a temporary receipt of your submission, subject to verification of the form and the quality of the image of the submitted report.

SEC Registration No: AS94008678
Company Name: WATERFRONT PHILIPPINES INC.
Document Code: AFS

A separate email will be sent as proof of review and/or final acceptance.

Thank you.

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

REMINDER:

TO ALL FILERS OF REPORTS IN THE e-FAST

Please strictly follow the instructions stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer: 1. General Information Sheet (GIS-Stock); 2.

General Information Sheet (GIS-Non-stock); 3. General Information Sheet (GIS- Foreign stock & non-stock); 4. Broker Dealer Financial Statements (BDFS); 5. Financing Company Financial Statements (FCFS); 6. Investment Houses Financial Statements (IHFS); 7. Publicly – Held Company Financial Statement; 8. General Form for Financial Statements; 9. Financing Companies Interim Financial Statements (FCIF;) 10. Lending Companies Interim Financial Statements (LCIF).

Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFAST, if the filed report is compliant with the existing requirements. A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the report's rejection in the remarks box.

THIS IS AN AUTOMATED MESSAGE - PLEASE DO NOT REPLY DIRECTLY TO THIS EMAIL

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	4	-	0	0	8	6	7	8

COMPANY NAME

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES

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

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

Form Type	Department requiring the report	Secondary License Type, If Applicable
AFS23		

COMPANY INFORMATION

Company's email Address	Company's Telephone Number/s	Mobile Number

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
		December 31

CONTACT PERSON INFORMATION

The designated contact person *MUST* be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Cherryl M. Vidal	c.vidal@waterfronthotels.net	032 687-0888	09985948555

CONTACT PERSON's ADDRESS

No. 1 Waterfront Drive, Off Salinas Drive, Lahug

Note 1: *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2: *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025, 2024 and 2023

With Independent Auditors' Report

WATERFRONT
PHILIPPINES, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of **Waterfront Philippines, Inc.** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended **December 31, 2025 and 2024,** in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

R.G. Manabat & Co., appointed by the stockholders, has audited the financial statements of the company in accordance with the Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed under oath by the following:

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

Elvira A. Ting
President

Cherryl M. Vidal
Corporate Finance Director

Dee Hua T. Gatchalian
Treasurer

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC FOR AND IN THE CITY OF CEBU PERSONALLY APPEARED THE AFFIANT/S AND EXHIBITING TO ME [ ]HIS/[ ]HER/[ ]THEIR COMPETENT EVIDENCE OF IDINTITY THIS JUN 26 2026 DAY OF _____.

Signed this 26th day of June 2026

ATTY. RENGIE C GALO, CPA, J.D.
Notary Public for and in the City of Cebu
Notarial Commission No. 190-23 Until December 31, 2026
Roll of Attorney's No. 85786 IBP No. 582677 / 01-01-2026 / Cebu City
PTR No. 8555189 / 01-05-2026 / Cebu City
CTC No. 25740828 / 01-05-2026 / Cebu City
MCLE Compliance - New Lawyer
Hotel De Mercedes, Pelaez Street, Kalubihan, Cebu City
Contact No. 0917 771 9935

Doc.No. 184
Page No. 38
Book No. V
Series of 2026

R.G. Manabat & Co.
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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
Waterfront Philippines, Incorporated
No. 1 Waterfront Drive
Off Salinas Drive, Lahug
Cebu City, Philippines

Opinion

We have audited the consolidated financial statements of Waterfront Philippines, Incorporated and its Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2025, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of the consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities 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 until the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025, and Certificate of Accreditation issued on March 19, 2026, valid for five (5) years covering the audit of 2026 to 2030 financial statements
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

Key Audit Matters

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

Revenue Recognition - Room and Food and Beverage Revenues
(P1.36 billion, see consolidated statements of profit or loss and other comprehensive income and Note 29 to the consolidated financial statements).

The Risk

Revenue is an important measure used to evaluate the performance of the Group. It is accounted for when the sales transactions have been completed and control over the goods and services has been transferred to guests and customers.

While the revenue recognition processes, and measurement are not complex and do not require significant judgment and high estimation uncertainty across the Group, there may be pressure for management to achieve certain targets and budgets which increase the risk of fraudulent premature revenue recognition. There is a risk of fraud relating to room revenue and food and beverage sales as these revenue streams involve high volume of daily transactions through overstatement of revenue by recording of fictitious and inexistent sales in the current period.

In addition, there are monthly manual adjustments booked to these revenue accounts which increases the risk of revenue being overstated or invalid through unauthorized revenue transactions to meet expected financial results.

Our Response

We performed the following audit procedures to address the risk of fraud revenue recognition specific to existence of room and food and beverage revenues:

- We evaluated the appropriateness of the revenue recognition policies in accordance with PFRS 15, *Revenue from Contracts with Customers* for room revenues and food and beverage revenues.

- We evaluated the design and implementation of key control over the revenue process.

- We vouched, on a statistical sampling basis, revenue transactions throughout the period by inspecting underlying documentation such as guest folio, statements of accounts, and payment receipts to ascertain that the revenue recognition criteria is met and the revenue transactions are recorded correctly.

- We tested monthly manual revenue journal entries and assessed whether these are authorized and properly recorded.

- We also evaluated the appropriateness and adequacy of the relevant disclosures in the consolidated financial statements.

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Valuation of Property and Equipment
(P12.93 billion, see consolidated statements of financial position and Note 9 to the consolidated financial statements).

The Risk

The Group's hotel properties represent 47% of the total consolidated assets, with certain assets such as (land, land improvements, hotel buildings and improvements, furniture, fixtures and equipment, and transportation equipment) measured at fair value using the revaluation model.

Management engaged an external appraiser to determine the fair value of these properties. We focused on this area due to the significant judgment and estimation uncertainty involved in the valuation process, including the selection of appropriate valuation techniques and key inputs influenced by market conditions and comparable transactions.

The valuation is sensitive to changes in assumptions, which may materially affect the reported fair values.

Our Response

Our audit work over the valuation of property and equipment included the following:

- We evaluated the appropriateness of the methodology applied in the valuation process review in accordance with PAS 16, *Property , Plant and Equipment.*

- We evaluated the design and implementation key control over management valuation process of property and equipment.

- We obtained the latest appraisal reports, property engineers' area certifications and involved our Valuation Specialist to assist in our evaluation of assumption and valuation method used and completeness of the information relied upon in the reports.

- We also evaluated the independence, competence and objectivity of the external expert engaged by the management to appraise the Group's properties, including the verification and confirmation that the said expert is an accredited appraiser by the Securities and Exchange Commission. We also evaluated the knowledge, skills and ability of the Group's property area engineers.

- On a sampling basis, we traced items of property and equipment from the lapsing schedules to the appraisal report to validate accuracy and completeness of the items of property and equipment covered in the report.

- We also evaluated the appropriateness and adequacy of the relevant disclosures in the consolidated financial statements.

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Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025, 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, 2025 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 audits 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 PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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 consolidated 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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.

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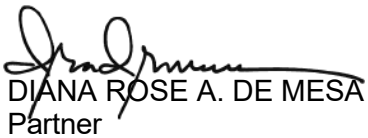
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe those matters in our auditors' report unless law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

The engagement partner on the audit resulting in this independent auditors' report is Diana Rose A. De Mesa.

R.G. MANABAT & CO.



DIANA ROSE A. DE MESA
Partner
CPA License No. 0125748
SEC Accreditation No. 125748-SEC, Group A, valid for five (5) years
covering the audit of 2021 to 2025 financial statements
Tax Identification No. 274-514-989
BIR Accreditation No. 08-001987-052-2025
Issued June 9, 2025; effectivity January 7, 2025; validity January 6, 2028
PTR No. MKT 10764390
Issued January 5, 2026 at Makati City

June 26, 2026
Makati City, Metro Manila

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

R.G. Manabat & Co.

KPMG

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Philippines 1209
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Fax +63 (2) 8894 1985
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
Waterfront Philippines, Incorporated
No. 1 Waterfront Drive
Off Salinas Drive, Lahug
Cebu City, Cebu

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Waterfront Philippines, Incorporated and its Subsidiaries (the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, included in this Form 17-A, on which we have rendered our report thereon dated June 26, 2026.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements of the Group taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards 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 until the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025, and Certificate of Accreditation issued on March 19, 2026, valid for five (5) years covering the audit of 2026 to 2030 financial statements
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

R.G. Manabat & Co.

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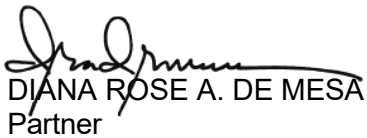
The above schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not a required part of the Group's consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the years ended December 31, 2025 and 2024 and no material exceptions were noted.

R.G. MANABAT & CO.



DIANA ROSE A. DE MESA
Partner
CPA License No. 0125748
SEC Accreditation No. 125748-SEC, Group A, valid for five (5) years
covering the audit of 2021 to 2025 financial statements
Tax Identification No. 274-514-989
BIR Accreditation No. 08-001987-052-2025
Issued June 9, 2025; effectivity January 7, 2025; validity January 6, 2028
PTR No. MKT 10764390
Issued January 5, 2026 at Makati City

June 26, 2026
Makati City, Metro Manila

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

R.G. Manabat & Co.

KPMG

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

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Waterfront Philippines, Incorporated and its Subsidiaries (the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, included in this Form 17-A, on which we have rendered our report thereon dated June 26, 2026.

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

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

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 until the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025, and Certificate of Accreditation issued on March 19, 2026, valid for five (5) years covering the audit of 2026 to 2030 financial statements
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

R.G. Manabat & Co.

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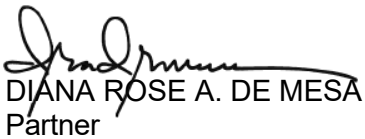
The above supplementary information is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not a required part of the Group's consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit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

R.G. MANABAT & CO.



DIANA ROSE A. DE MESA
Partner
CPA License No. 0125748
SEC Accreditation No. 125748-SEC, Group A, valid for five (5) years
covering the audit of 2021 to 2025 financial statements
Tax Identification No. 274-514-989
BIR Accreditation No. 08-001987-052-2025
Issued June 9, 2025; effectivity January 7, 2025; validity January 6, 2028
PTR No. MKT 10764390
Issued January 5, 2026 at Makati City

June 26, 2026
Makati City, Metro Manila

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2025	December 31 2024 As restated (Note 27)	January 1, 2024 As restated (Note 27)
ASSETS				
Current Assets				
Cash and cash equivalents	*4, 21*	**P359,545,436**	P393,356,310	P475,947,998
Short-term investments	*21*	**906,620**	2,856,000	1,277,615
Receivables - net	*5, 21*	**1,098,656,816**	1,582,470,997	903,674,116
Notes receivable	*8, 21*	**138,693,473**	271,702,728	267,553,447
Due from related parties - current portion	*8, 21*	**994,987,715**	2,210,869,398	2,936,358,422
Inventories	*6*	**32,095,706**	31,251,767	24,950,383
Prepaid expenses and other current assets	*7*	**78,861,296**	69,487,919	248,457,059
Total Current Assets		**2,703,747,062**	4,561,995,119	4,858,219,040
Noncurrent Assets				
Equity securities - at fair value through other comprehensive income	*8, 21*	**72,544,600**	68,382,520	70,255,800
Due from related parties - noncurrent portion	*8, 21*	**6,497,858,120**	4,823,173,674	3,591,306,466
Property and equipment - net	*9*	**14,038,875,338**	11,675,078,943	11,705,835,715
Right-of-use assets - net	*24*	**113,254,273**	121,087,451	133,800,348
Deferred tax assets	*15, 19, 27*	**205,622,724**	200,786,751	259,307,772
Retirement benefits asset	*18, 27*	**78,452,381**	64,130,728	69,452,981
Other noncurrent assets - net	*10, 21*	**880,240,509**	901,695,131	728,655,722
Total Noncurrent Assets		**21,886,847,945**	17,854,335,198	16,558,614,804
		P24,590,595,007	P22,416,330,317	P21,416,833,844
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued expenses	*11, 27*	**P1,021,566,440**	P984,066,408	P1,186,973,421
Loans payable - current portion	*21, 26, 27*	**241,000,000**	296,000,000	340,000,000
Lease liabilities - current portion	*21, 24*	**2,787,936**	3,944,388	2,795,134
Due to related parties - current portion	*8, 27*	**283,057,897**	263,131,359	30,000
Income tax payable	*19, 27*	**38,069,886**	65,805,063	76,473,704
Other current liabilities	*12, 21*	**54,161,373**	72,525,683	63,488,720
Total Current Liabilities		**1,640,643,532**	1,685,472,901	1,669,760,979
Noncurrent Liabilities				
Loans payable - noncurrent portion	*21, 26*	**1,900,000,000**	2,140,000,000	2,435,000,000
Provision	*13,27*	**902,240,126**	902,240,126	1,149,708,795
Lease liabilities - net of current portion	*21, 24*	**144,210,217**	148,117,668	146,114,456
Deferred tax liabilities	*19, 27*	**2,886,737,222**	2,374,782,141	2,453,336,808
Other noncurrent liabilities	*14, 21, 23*	**509,680,853**	482,580,221	474,314,210
Total Noncurrent Liabilities		**6,342,868,418**	6,047,720,156	6,658,474,269
		7,983,511,950	7,733,193,057	8,328,235,248

Forward

	Note	December 31 2025	December 31 2024 As restated (Note 27)	January 1, 2024 As restated (Note 27)
Equity Attributable to Equity Holders of the Parent Company				
Capital stock	*16*	**P2,498,991,753**	P2,498,991,753	P2,498,991,753
Additional paid-in capital		**706,364,357**	706,364,357	706,364,357
Revaluation surplus on property and equipment	*9*	**6,739,420,208**	5,571,304,631	5,778,561,874
Retirement benefits reserve		**161,026,043**	148,325,721	151,384,105
Foreign currency translation adjustment		**76,931,874**	75,088,486	68,945,429
Fair value reserve		**5,733,830**	3,415,552	4,284,906
Retained earnings	*27*	**3,535,033,826**	3,336,914,972	2,280,725,875
Total Equity Attributable to Equity Holders of the Parent Company		**13,723,501,891**	12,340,405,472	11,489,258,299
Noncontrolling Interests	*16*	**2,883,581,166**	2,342,731,788	1,599,340,297
Total Equity		**16,607,083,057**	14,683,137,260	13,088,598,596
		P24,590,595,007	P22,416,330,317	P21,416,833,844

See Notes to the Consolidated Financial Statements.

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

		Years Ended December 31		
	Note	**2025**	2024 (As restated) Note 27	January 1, 2024 As restated (Note 27)
REVENUES				
Rent and related income	*23, 24*	**P625,352,030**	P625,689,821	P618,256,151
Food and beverage		**765,614,942**	736,170,148	673,544,166
Rooms		**597,225,172**	545,899,121	472,469,953
Others		**45,496,494**	43,781,042	39,316,103
	15	**2,033,688,638**	1,951,540,132	1,803,586,373
COSTS AND EXPENSES OTHER THAN DEPRECIATION, INTEREST, GAINS AND INCOME TAX EXPENSE				
Energy costs	*15*	**292,226,446**	250,587,510	222,505,747
Food and beverage	*6, 15*	**253,463,240**	243,094,371	244,142,783
Personnel costs	*15, 18*	**306,318,664**	236,301,823	160,124,546
Repairs and maintenance	*6, 15*	**61,270,493**	63,851,040	60,472,333
Rooms		**47,926,433**	23,659,630	25,162,207
Rent	*15, 24*	**20,017,907**	19,368,301	17,527,739
Others	*15, 17, 27*	**717,674,799**	598,163,381	413,697,247
	15	**1,698,897,982**	1,435,026,056	1,143,632,602
INCOME BEFORE DEPRECIATION, INTEREST, GAINS AND INCOME TAX EXPENSE		**334,790,656**	516,514,076	659,953,771
DEPRECIATION, INTEREST AND (LOSSES) GAINS				
Depreciation	*9, 15, 24*	**(327,141,461)**	(362,303,023)	(333,404,053)
Interest expense	*13, 15, 23, 24, 26, 27*	**(229,211,318)**	(320,650,882)	(320,171,941)
Interest income	*4, 15, 8*	**119,467,498**	123,229,442	141,173,479
Foreign exchange losses - net		**(2,635,082)**	(8,540,083)	(12,144,791)
Gain on sale of property and equipment	*9*	**-**	1,761,454,396	-
Gain from insurance claims	*1*	**-**	30,401,133	-
Impairment losses	*5, 15, 8, 10*	**-**	-	(9,572,112)
Others	*15*	**(23,922,802)**	4,484,769	-
	27	**(463,443,165)**	1,228,075,752	(534,119,418)
INCOME (LOSS) BEFORE INCOME TAX EXPENSE		**(128,652,509)**	1,744,589,828	125,834,353
INCOME TAX EXPENSE	*19, 27*	**(22,887,530)**	151,703,603	102,540,385
NET INCOME (LOSS)		**(105,764,979)**	1,592,886,225	23,293,968

Forward

		Years Ended December 31		
	Note	**2025**	2024 (As restated) Note 27	January 1, 2024 As restated (Note 27)
OTHER COMPREHENSIVE INCOME				
Items that will never be reclassified to profit or loss				
Appraisal increase on property and equipment	*9, 28*	**P2,579,205,047**	P -	P911,673,363
Remeasurement gains (losses) on defined benefit plan	*18*	**17,035,036**	(3,861,823)	4,089,691
Fair value reserve		**4,162,080**	-	-
Unrealized gains on equity securities at fair value through other comprehensive income	*8*	**-**	(1,560,780)	-
Deferred tax effect	*19*	**(649,060,021)**	931,976	(227,918,340)
		1,951,342,142	(4,490,627)	687,844,714
Item that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations		**1,843,389**	6,143,057	935,085
		1,953,185,531	1,652,430	688,779,799
TOTAL COMPREHENSIVE INCOME		**P1,847,420,552**	P1,594,538,655	P712,073,767
Net income attributable to:				
Equity holders of the Parent Company		**(P54,168,257)**	P848,931,850	P53,581,007
Noncontrolling interests	*16*	**(51,596,722)**	743,954,375	(30,287,039)
		(P105,764,979)	P1,592,886,225	P23,293,968
Total comprehensive income attributable to:				
Equity holders of the Parent Company		**P1,327,291,952**	P851,147,165	P334,347,621
Noncontrolling interests	*16*	**520,128,600**	743,391,490	377,726,146
		P1,847,420,552	P1,594,538,655	P712,073,767
EARNINGS PER SHARE -				
Basic and diluted	*20*	**0.022**	0.34	P0.021

See Notes to the Consolidated Financial Statements.

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

Year Ended December 31

	Equity Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 16)	**Additional Paid-in Capital**	**Revaluation Surplus on Property and Equipment**	**Retirement Benefits Reserve**	**Foreign Currency Translation Adjustment**	**Fair Value Reserve**	**Retained Earnings**	**Total**	**Non-controlling Interests** (Note 16)	**Total Equity**
As at January 1, 2025, as restated	**P2,498,991,753**	**P706,364,357**	**P5,571,304,631**	**P148,325,721**	**P75,088,486**	**P3,415,552**	**P3,336,914,972**	**P12,340,405,472**	**P2,342,731,788**	**P14,683,137,260**
Total Comprehensive Income for the Year										
Net income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**22,356,988**	**22,356,988**	**(51,596,722)**	**(29,239,734)**
Other comprehensive income - net of tax effect	**-**	**-**	**1,343,877,443**	**12,700,322**	**1,843,388**	**2,318,278**	**-**	**1,360,739,431**	**592,446,100**	**1,953,185,531**
	-	**-**	**1,343,877,443**	**12,700,322**	**1,843,388**	**2,318,278**	**22,356,988**	**1,383,096,419**	**540,849,378**	**1,923,945,797**
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	**-**	**-**	**(175,761,866)**	**-**	**-**	**-**	**175,761,866**	**-**	**-**	**-**
As at December 31, 2025	**P2,498,991,753**	**P706,364,357**	**P6,739,420,208**	**P161,026,043**	**P76,931,874**	**P5,733,830**	**P3,535,033,826**	**P13,723,501,891**	**P2,883,581,166**	**P16,607,083,057**

See Notes to the Consolidated Financial Statements.

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

Year Ended December 31

	Equity Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 16)	Additional Paid-in Capital	Revaluation Surplus on Property and Equipment	Retirement Benefits Reserve	Foreign Currency Translation Adjustment	Fair Value Reserve	Retained Earnings	Total	Non-controlling Interests (Note 16)	Total Equity
As at January 1, 2024, as restated	P2,498,991,753	P706,364,357	P5,778,561,874	P151,384,105	P68,945,429	P4,284,906	P2,280,725,875	P11,489,258,299	P1,599,340,297	P13,088,598,596
Total Comprehensive Income for the Year										
Net income for the year:										
As previously stated	-	-	-	-	-	-	860,732,358	860,732,358	743,954,376	1,604,686,734
Restatements	-	-	-	-	-	-	(11,800,504)	(11,800,504)	-	(11,800,504)
As restated	-	-	-	-	-	-	848,931,854	848,931,854	743,954,376	1,592,886,230
Other comprehensive income - net of tax effect	-	-	-	(3,058,384)	6,143,057	(869,354)	-	2,215,319	(562,885)	1,652,434
	-	-	-	(3,058,384)	6,143,057	(869,354)	848,931,854	851,147,173	743,391,491	1,594,538,664
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	-	(207,257,243)	-	-	-	207,257,243	-	-	-
As at December 31, 2024	P2,498,991,753	P706,364,357	P5,571,304,631	P148,325,721	P75,088,486	P3,415,552	P3,336,914,972	P12,340,405,472	P2,342,731,788	P14,683,137,260

See Notes to the Consolidated Financial Statements.

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

Year Ended December 31

	Equity Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 16)	Additional Paid-in Capital	Revaluation Surplus on Property and Equipment	Retirement Benefits Reserve	Foreign Currency Translation Adjustment	Fair Value Reserve	Retained Earnings	Total	Non-controlling Interests (Note 16)	Total Equity
As at January 1, 2023, as previously stated	P2,498,991,753	P706,364,357	P5,528,893,756	P154,436,033	P70,558,260	P4,284,906	P2,051,797,945	P11,015,327,010	P1,251,901,190	P12,267,228,200
Restatements	-	-	-	-	-	-	(16,861,983)	(16,861,983)	-	(16,861,983)
As at January 1, 2023, as restated	2,498,991,753	706,364,357	5,528,893,756	154,436,033	70,558,260	4,284,906	2,034,935,962	10,998,465,027	1,251,901,190	12,250,366,217
Total Comprehensive Income for the Year										
Net income for the year:										
As previously stated	-	-	-	-	-	-	68,843,761	68,843,761	(30,287,039)	38,556,722
Restatements	-	-	-	-	-	-	(15,262,753)	(15,262,753)	-	(15,262,753)
As restated	-	-	-	-	-	-	53,581,008	53,581,008	(30,287,039)	23,293,969
Other comprehensive income - net of tax effect	-	-	441,877,023	(3,051,928)	(1,612,831)	-	-	437,212,264	377,726,146	814,938,410
	-	-	441,877,023	(3,051,928)	(1,612,831)	-	53,581,008	490,793,272	347,439,107	838,232,379
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	-	(192,208,905)	-	-	-	192,208,905	-	-	-
As at December 31, 2023	P2,498,991,753	P706,364,357	P5,778,561,874	P151,384,105	P68,945,429	P4,284,906	P2,280,725,875	P11,489,258,299	P1,599,340,297	P13,088,598,596

See Notes to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	**2025**	2024 As restated (Note 27)	2023 As restated (Note 27)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax expense		**(P128,652,509)**	P1,744,589,828	P125,834,353
Adjustments for:				
Depreciation	*9, 24, 27*	**327,141,461**	362,303,023	327,077,010
Impairment losses	*5, 10*	**311,403,413**	17,050,056	18,585,407
Interest expense	*13, 23, 26*	**229,211,318**	320,650,882	320,171,941
Interest income	*4, 8*	**(119,467,498)**	(123,229,442)	(141,173,479)
Loss on restructuring of due from related parties		**21,088,989**	-	-
Retirement benefits expense (income)	*18*	**2,711,723**	1,153,664	(198,032)
Unrealized foreign exchange losses (gains) - net		**2,641,571**	(850,958)	(2,349,483)
Income (loss) due to rent concession and modification	*24*	**(1,398,170)**	(1,030,729)	(1,814,550)
Gain on sale of property and equipment	*9*	**-**	(1,761,454,396)	-
Gain from insurance claims	*1*	**-**	(30,401,133)	-
Income before working capital changes		**644,680,298**	528,780,795	646,133,167
Decrease (increase) in:				
Receivables	*5, 27*	**431,697,105**	(680,141,271)	29,808,625
Inventories	*6*	**(843,939)**	(6,301,384)	(4,939,298)
Prepaid expenses and other current assets		**(9,373,377)**	178,969,140	208,347
Increase (decrease) in:				
Accounts payable and accrued expenses	*27*	**73,797,874**	(116,235,813)	334,132,308
Other noncurrent liabilities	*14*	**-**	8,266,011	11,225,826
Other current liabilities	*12*	**(18,364,309)**	9,248,075	30,537,348
Cash generated from (absorbed by) operations		**1,121,593,652**	(77,414,447)	1,047,106,323
Interest received		**14,173,391**	4,384,031	6,785,285
Interest paid	*27*	**(203,700,664)**	(257,606,809)	(14,076,283)
Income taxes paid		**(144,126,912)**	(199,760,569)	(85,484,722)
Net cash provided by (used in) operating activities		**787,939,467**	(530,397,794)	954,330,603
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition (payments) of:				
Notes receivable		**133,009,255**	(4,149,281)	20,171,262
Due from related parties		**(636,530,734)**	(506,378,184)	(712,157,886)
Short-term investment	*21, 27*	**1,949,380**	(1,578,385)	1,277,615
Additions to property and equipment	*9, 27, 28*	**(43,258,767)**	(806,737,872)	(120,129,047)
Cash receipt from (cash paid for) contractors and other deposits		**(11,857,475)**	(173,039,409)	(3,100,151)
Proceeds from sale of property and equipment	*9, 27*	**-**	2,241,703,400	-
Proceeds from insurance claims on property damages	*1, 27*	**-**	48,795,579	-
Net cash provided by (used in) investing activities		**(556,688,341)**	798,615,848	(813,938,207)

Forward

		Years Ended December 31		
	Note	**2025**	2024 As restated (Note 27)	2023 As restated (Note 27)
CASH FLOWS FROM FINANCING ACTIVITIES				
Loan payments	*26*	**(P295,000,000)**	(P340,000,000)	(P220,000,000)
Receipt from concessionaire deposits	*24*	**27,100,634**	-	-
Payment of lease liabilities	*24*	**(15,326,044)**	(15,793,351)	(28,363,258)
Proceeds from advances from related party	*8*	**18,159,942**	4,983,609	30,000
Net cash used in financing activities		**(265,065,468)**	(350,809,742)	(248,333,258)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(33,814,342)**	(82,591,688)	(107,940,862)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**393,356,310**	475,947,998	583,888,860
EFFECT OF CHANGES IN FOREIGN EXCHANGE IN CASH CASH AND CASH EQUIVALENTS		**3,468**	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	*4*	**P359,545,436**	P393,356,310	P475,947,998

See Notes to the Consolidated Financial Statements.

1. Reporting Entity

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

Management has determined that TWGI is the Group's ultimate parent company. This control is exercised through common directorship, active involvement in operations, and oversight of the group's strategic decision-making processes.

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

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

The details of the equity interest of the Parent Company in its subsidiaries as at December 31, 2025 and 2024 are as follows:

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

All of the above subsidiaries were incorporated and registered in the Philippines except for WPL and its subsidiary, CWIL, which were registered in the Cayman Islands. Management decided to temporarily cease the operations of MBI, WHMC, WPL, CWIL and GIRDI in 2016, 2014, 2003, 2001 and 2000, respectively, due to unfavorable economic conditions.

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

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

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

In April 2024, in accordance with the Compromise Agreement, Fort Ilocandia Property Holdings & Development Corporation undertakes to revert the property to Grand Ilocandia Resort and Development, Inc. with the latter to refund the purchase price to GIRDI.

In May 2024, after execution of a Compromise Agreement with the Buyer, GIRDI regained possession of the Subject Property and resumed the hotel's operations.

GIRDI was incorporated and registered with the SEC on December 18, 1990 to engage in the hotel and resort business. The registered office of GIRDI is located at located at No. 37 Calayab, Laoag City, Ilocos Norte.

Status of APHC's Operations
On March 18, 2018, a fire broke out in the APHC's hotel property damaging the podium and hotel building and suspending its hotel operations. Based on the Fire Certification issued by the Bureau of Fire Protection - National Headquarters on April 23, 2018, the cause of the subject fire was declared and classified as "accidental in nature". The APHC incurred casualty losses due to damage of inventories and hotel property. The APHC filed for property damage and business insurance claims which were finalized in 2020 amounting to P1.72 billion. APHC received approximately P1.5 billion from insurance carriers as complete settlement of the claim.

Because of this fire incident in 2018, APHC's operations remain suspended as at date. The redevelopment of the property had been ongoing since 2018 but the project completion has been extended due to some construction delays and structural reinforcements to adapt to the condition of the existing foundation and are critical to ensuring safety of the building. In 2025, construction has been suspended as management reassessed its future plans considering current market conditions relevant to hospitality industry and tourism in the Philippines which includes the Chinese gaming market, the rising popularity of online gaming vis-à-vis land-based casinos, and the high oil prices from the Iranian war.

2. Basis of Preparation

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

Authorization for Issuance of the Financial Statements
These consolidated financial statements were approved and authorized for issue by the Parent Company's Board of Directors (BOD) on June 17, 2026.

Details of the Group's material accounting policies are discussed in Note 29.

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

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

Functional and Presentation Currency
These consolidated financial statements are presented in Philippine peso (PHP), which is the Group's functional currency except for WPL and CWIL, the functional currency of which is the United States dollar (USD). All amounts presented in PHP have been rounded to the nearest peso, unless otherwise indicated.

Basis of Consolidation
The consolidated financial statements of the Group comprise the financial statements of the Parent Company and its subsidiaries.

Subsidiaries are all entities in which the Group has control. The Parent Company controls an entity when the Parent Company is exposed, 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. Control is generally accompanied by a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are substantive are considered when assessing whether the Group controls an entity. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The assets, liabilities, income and expenses of subsidiaries are consolidated from the date when the Parent Company obtains control and continue to be consolidated until the date when such control ceases. The results of operations of the subsidiaries acquired or disposed of are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

The financial statements of the subsidiaries are prepared using the same reporting period of the Parent Company. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intercompany balances and transactions, including intercompany profits and unrealized profits and losses, are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the equity holders of the Parent Company. Upon the loss of control, the Group derecognizes the related assets (including goodwill), liabilities, any non-controlling interest and the other components of equity related to the subsidiary. Gain or loss arising from the loss of control is recognized in profit or loss. If the Group retains an interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity-accounted investee or as financial assets at FVOCI depending on the level of interest retained.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not wholly-owned and are presented in the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of financial position, separately from the equity attributable to the Parent. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent and to the non-controlling interests, even if this results in the non-controlling interests having deficit balance.

3. Use of Judgments and Estimates

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

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

Judgments

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

Classifying Financial Instruments

The Group exercises judgment in classifying financial instruments in accordance with PFRS 9. The Group classifies a financial instrument, or its component parts, on initial recognition as a financial asset, financial liability, or an equity instrument in accordance with the substance of the contractual agreement and the definition of a financial asset, financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated 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 services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property.

The Group has classified its properties as owner-occupied (see Notes 9, 23 and 24).

Taxability of Transactions with PAGCOR

The Group has significant transactions with PAGCOR. Under Presidential Decree (PD) No. 1869, otherwise known as the PAGCOR Charter, PAGCOR is exempted from payment of any form of taxes other than the 5.00% franchise tax imposed on the gross revenue or earnings derived by PAGCOR from its operations under the franchise. The amended Revenue Regulations (RR) No. 16-2005 which became effective in 2006, however, provides that gross receipts of PAGCOR shall be subject to the 12.00% value-added tax (VAT). In February 2007, the Philippine Congress amended PD No. 1869 to extend the franchise term of PAGCOR for another twenty-five (25) years but did not include any revocation of PAGCOR's tax exemption privileges as previously provided for in PD No. 1869.

In accounting for the Group's transactions with PAGCOR, the Group's management and its legal counsel have made a judgment that the amended PD No. 1869 prevails over the amended RR No. 16-2005 (see Note 23).

Leases

Group as a Lessee

i. *Determining the Lease Term of Contracts with Renewal and Termination Options*
   The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

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

ii. Estimating the Incremental Borrowing Rate

The Group used its incremental borrowing rate (IBR) to measure lease liabilities as the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimated the IBR using observable inputs (such as market interest rates) and the Group's estimated stand-alone credit rating.

Operating Lease Commitments - Group as a Lessor

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

Provisions and Contingencies

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

Classifying Receivables from Related Parties

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

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

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

Assessment of Control and Consolidation of Entities
The Group determines control when it is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. The Group controls an entity if and only if the Group has all of the following:

a. power over the entity;
b. exposure, or rights, to variable returns from its involvement with the entity; and
c. the ability to use its power over the entity to affect the amount of the investee's returns.

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

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

The Group owns 60.00%, 60.00% and 50.00% of the voting rights of WCCCHI, WMCHI and DIHCI, respectively. The remaining 40.00%, 40.00% and 50.00% of the voting rights of WCCCHI, WMCHI and DIHCI, respectively, is held by Philippine Bank of Communications (PBCOM) in accordance with the Omnibus Loan and Security Agreement (the Agreement) (see Note 26).

The Group assessed that control still exists despite the voting rights percentage by sufficiently having substantial voting power to control the operational and financial decisions of WCCCHI, WMCHI and DIHCI subject to the Agreement because the Group is the single largest shareholder of WCCCHI, WMCHI and DIHCI with 100.00%, 100.00% and 98.00% equity interest, respectively.

Determining Reportable Operating Segments
The Group has determined that it has reportable segments based on the following thresholds:

a. Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments.

b. The absolute amount of its reported profit or loss is 10% or more, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss.

c. Its assets are 10% or more of the combined assets of all operating segments.

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:

Allowance for Impairment Losses on Financial Instruments
The Group uses the expected credit loss (ECL) model in estimating the level of allowance which includes forecasts of future events and conditions. A credit loss is the difference between the cash flows that are expected to be received discounted at the original effective interest rate (EIR). PFRS 9 requires the Group to record ECL on all of its financial instruments, either on a 12-month or lifetime basis.

The Group applied the simplified approach to receivables from third parties and its related parties and recorded the lifetime ECL. The model represents a probability-weighted estimate of the difference over the remaining life of the receivables. Lifetime ECL is calculated by multiplying the lifetime Probability of Default by Loss Given Default (LGD) and Exposure at Default (EAD). LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty. The EAD of a financial asset is its gross carrying amount at the time of default.

In addition, management assessed the credit risk of the financial assets as at the reporting date as low, therefore the Group did not have to assess whether a significant increase in credit risk has occurred.

The provision for impairment of financial assets including receivable balances is based on the Group's assessment of the collectability of payments from its debtors. This assessment requires judgment based on available facts and circumstances regarding the ability of the debtors to pay the amounts owed to the Group such as financial condition, the length of relationship with a counterpary, current credit status based on known market factors and availability of assets that may be secured as collateral, and the outcome of any disputes

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

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

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

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

Revaluation of Property and Equipment
The Group carries certain classes of property and equipment at fair value under the revaluation method, 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 using different valuation techniques either through referencing to transactions involving properties of a similar nature, location and condition or based on the discounted cash flows using observable inputs as at the valuation date.

The key methods and assumptions used to determine the fair value of properties are provided in Note 9.

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

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

Impairment of Nonfinancial Assets
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;
- obsolescence or physical damage of an asset; and
- significant negative industry or economic trends

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. Recoverable amount represents the greater of the fair value less costs of disposal and the value in use.

The Group believes that the carrying amounts of its nonfinancial assets (including property and equipment carried using cost method) approximate their recoverable amounts, except for advances to contractors. The Group's policy on estimating the impairment of nonfinancial assets is discussed in Note 29.

Further details on the carrying amounts of nonfinancial assets are disclosed in Notes 6, 7, 9 and 10.

Retirement Benefits Obligation
The cost of the defined benefit retirement plan and the present value of the retirement obligation are determined using actuarial valuations. The 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 discount rate assumption is based on the Bankers Association of the Philippines PHP Bloomberg Valuation (PHBVAL) 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. The mortality rate is based on 1994 Group Annuity Mortality Table and is modified accordingly with estimates of mortality improvements. Future salary increases are based on expected future inflation rates.

While the Group believe that the assumptions are reasonable and appropriate, significant changes in assumptions could materially affect the cost of employee benefits and related obligations.

The amount of retirement benefits cost recognized and the carrying amount of net retirement benefits liability are disclosed in Note 18.

Deferred Tax Assets
Deferred tax assets are recognized for consolidated financial statements and tax differences to the extent that it is probable that taxable profit will be available against which these differences can be utilized. 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.

The Group has unrecognized deferred tax assets in respect of its NOLCO, excess MCIT over RCIT and other deductible temporary differences disclosed in Note19. The outcomes within the next financial year with respect to the results of operations of the Parent Company and subsidiaries that are different from the assumption could require a material adjustment to the carrying amount of the Group's deferred tax assets.

Further details on deferred taxes are disclosed in Note 19.

4. Cash and Cash Equivalents

This account consists of:

	Note	**2025**	2024
Cash on hand		**P3,992,021**	P4,718,153
Cash in banks	*21*	**333,275,002**	361,152,779
Short-term placements	*21*	**22,278,413**	27,485,378
		P359,545,436	P393,356,310

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

Short-term placements earn interest at annual average rate of 0.75% to 6%, 0% to 6.0% and 0% to 4.50% in 2025, 2024 and 2023 with average maturities ranging from 30 to 90 days or less.

Related interest income recognized in the consolidated statements of profit or loss and other comprehensive income amounted to P5.94 million, P4.46 million and P8.21 million, in 2025, 2024 and 2023, respectively.

5. Receivables - net

This account consists of:

	Note	**2025**	2024
Trade receivables		**P629,995,078**	P1,107,750,532
Advances to employees		**4,491,899**	2,326,949
Others		**562,482,584**	546,815,856
	21	**1,196,969,561**	1,656,893,337
Less allowance for impairment losses		**98,312,745**	74,422,340
		P1,098,656,816	P1,582,470,997

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

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

In assessing the lifetime ECL of the Group's receivables, the Group excluded in its assessment of all receivables that are related to long outstanding third party accounts as these were already specifically identified as uncollectible, hence, impaired. Receivables from related parties amounting to P7,492.85 million, net of impairment are also deemed to have low credit risk (see Note 8).

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

	2025	2024	2023
Beginning balance	**P74,422,340**	P59,336,676	P43,248,691
Impairment losses during the year	**23,890,405**	17,050,056	18,272,907
Write-offs during the year	**-**	(1,964,392)	-
Ending balance	**P98,312,745**	P74,422,340	P61,521,598

6. Inventories

This account consists of:

	2025	2024
Food and beverage	**P18,488,490**	P17,275,177
Operating supplies	**10,915,830**	11,126,686
Engineering and maintenance supplies	**2,691,386**	2,849,904
	P32,095,706	P31,251,767

The Group's inventories are carried at cost, which is lower than the NRV, as at December 31, 2025 and 2024.

The cost of food and beverage charged to profit or loss amounted to P253.46 million and P243.10 million, P244.14 million in 2025, 2024 and 2023, respectively, and is presented as "Food and beverage" account in the consolidated statements of profit or loss and other comprehensive income.

The Group recognized expenses for operating supplies amounting to P19.91 million, P17.65 million, and P16.32 million in 2025, 2024 and 2023, respectively, and are presented as "Supplies" under "Other costs and expenses" account in the consolidated statements of profit or loss and other comprehensive income while the expenses for engineering and maintenance supplies amounting to P61.27 million, P63.85 million, and P60.47 million in 2025, 2024 and 2023, respectively, are included under "Repairs and maintenance" account in the consolidated statements of profit or loss and other comprehensive income (see Note 17).

7. Prepaid Expenses and Other Current Assets

This account consists of:

	2025	2024
Prepaid taxes	**P36,876,248**	P36,446,426
Advances to suppliers	**20,337,620**	20,192,908
Input VAT	**15,342,631**	5,849,168
Prepaid expenses	**5,964,270**	3,171,994
Others	**340,527**	3,827,423
	P78,861,296	P69,487,919

Prepaid taxes pertain to primarily creditable withholding taxes withheld by the Group's customers on income payments subject to withholding taxes, in accordance with Philippine tax regulations and excess income tax payments from prior years, which are carried forward and applied against future tax liabilities.

Advances to suppliers pertain to advance payments for the purchase of goods and supplies.

Prepaid expenses pertain to prepaid insurance for transportation and general insurance.

Others include prepayments for maintenance services, subscriptions and association dues.

8. Related Party Transactions

The Group's related party transactions include transactions with its key management personnel (KMP) and related parties in the table below.

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

Transactions with Related Parties

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

Category/Transaction	Year	*Note*	Amount of the Transaction	Due from Related Parties		Notes Receivable	Due to Related Parties	Equity at FVOCI	Terms and Conditions
				Current	Noncurrent				
Stockholders									
§ TWGI									
Net Advances and Interest	**2025**	*8a*	**P178,200**	**P -**	**P1,951,564**	**P -**	**P258,118**	**P -**	**Secured; interest-bearing; subject to repricing;**
	2024	*8a*	(15,013)	719,518	1,053,846	-	258,118	-	**due in five years**
	2023	*8a*	483,040	1,530,289	-	-	30	-	
§ PRC									
Advances, interest and settlement	**2025**	*8a*	**10,651**	**627,177**	**-**	**-**	**-**	**-**	**Secured; interest-bearing; due in one year subject to renewal; not impaired**
	2024	*8a*	10,652	616,526	-	-	-	-	
	2023	*8a*	10,651	605,874	-	-	-	-	
Payment for purchase of land	**2025**	*8a*	**-**	**-**	**150,000**	**-**	**-**	**-**	**No fixed maturity date; settlement is not demandable within 12 months from the reporting date; noninterest-bearing; unsecured; no impairment**
	2024	*8a*	-	-	150,000	-	-	-	
	2023	*8a*	-	-	150,000	-	-	-	
§ CRDC									
Advances and interest	**2025**	*8a*	**30,104**	**-**	**719,802**	**-**	**-**	**-**	**Unsecured; interest-bearing; subject to re-pricing; due in five years**
	2024	*8a*	162,398	130,757	558,941	-	-	-	
	2023	*8a*	(111,522)	200,652	326,648	-	-	-	
§ PHES									
Advances	**2025**	*8b*	**-**	**-**	**-**	**-**	**-**	**-**	**Unsecured; noninterest-bearing; subject to re- pricing; due on demand**
	2024	*8b*	(92,054)	-	-	-	-	-	
	2023	*8b*	-	92,054	-	-	-	-	
§ WPPC									
Advances and interest	**2025**	*8a*	**22,400**	**-**	**698,275**	**-**	**-**	**-**	**Unsecured; interest-bearing; due in five years, term extended by 5 years in 2025; not impaired,**
	2024	*8a*	20,305		675,875	-	-	-	
	2023	*8a*	24,495	-	655,570	-	-	-	
§ REXLON									
Advances and interest	**2025**	*8a*	**42,000**	**318,500**	**500,000**	**-**	**-**	**-**	**Due on demand; interest-bearing; unsecured; not impaired**
	2024	*8a*	276,500	776,500	-	-	-	-	
	2023	*8a*	(192,500)	500,000	-	-	-	-	
§ Others									
Advances	**2025**	*8b*	**-**	**-**	**1,543**	**-**	**-**	**-**	**Unsecured; noninterest-bearing; due on demand; not impaired**
	2024	*8b*	(69,234)	1,543	-	-	5,013	-	
	2023	*8b*	2,124	65,763	-	-	-	-	

Forward

Category/Transaction	Year	*Note*	Amount of the Transaction	Due from Related Parties		Notes Receivable	Due to Related Parties	Equity Securities at FVOCI	Terms and Conditions
				Current	Noncurrent				
§ WMPD									
Equity security at FVOCI	**2025**	*8c*	**P -**	**P -**	**P -**	**P -**	**P -**	**P50,000**	**Unsecured; not impaired**
	2024	*8c*	-	-	-	-	-	50,000	
	2023	*8c*	-	-	-	-	-	50,000	
Purchase of option contract	**2025**	*8e*	**-**	**-**	**2,100,000**	**-**	**-**	**-**	
	2024	*8e*	-	-	2,100,000	-	-	-	Unsecured; not impaired
	2023	*8e*	-	-	2,100,000	-	-	-	
§ WII									
Equity security at FVOCI	**2025**	*8c*	**4,162**	**-**	**-**	**-**	**-**	**22,545**	**Unsecured; not impaired**
	2024	*8c*	(1,873)	-	-	-	-	18,383	
	2023	*8c*	-	-	-	-	-	20,256	
Net Advances	**2025**	*8b*	**9,552**	**-**	**33,884**	**-**	**-**	**-**	**Noninterest- bearing; unsecured**
	2024	*8b*	(43,503)	-	24,332	-	-	-	
	2023	*8b*	67,835	-	67,835	-	-	-	
Other Related Parties									
§ ALEC									
Notes receivable	**2025**	*8d*	**11,751**	**-**	**-**	**283,454**	**-**	**-**	**Due in two year; interest-bearing; unsecured; impaired**
	2024	*8d*	4,150	-	-	271,703	-	-	
	2023	*8d*	20,171	-	-	267,553	-	-	
Advances	**2025**	*8b*	**283,694**	**-**	**309,340**	**-**	**-**	**-**	**Non-demandable; noninterest-bearing; unsecured**
	2024	*8b*	24,299	25,644	-	-	-	-	
	2023	*8b*	20,171	1,345	-	-	-	-	
§ IIHRI									
Advances	**2025**	*8b*	**24,371**	**49,311**	**-**	**-**	**24,940**	**-**	**Unsecured, noninterest-bearing, due on demand, no impairment, no guarantee, repayable in cash**
	2024	*8b*	37,282	-	-	-	-	-	
	2023	*8b*	-	-	-	-	-	-	
§ FHCI	**2025**	*8b*	**1,927**	**-**	**66,144**	**-**	**-**	**-**	**Unsecured; noninterest-bearing; no fixed maturity; not impaired**
Advances	2024	*8b*	64,217	-	64,217	-	-	-	
	2023	*8b*	-	-	-	-	-	-	
§ PWHI	**2025**	*8f*	**-**	**-**	**204,253**	**-**	**-**	**-**	
Deposit for the acquisition of land	2024	*8f*	-	-	204,253	-	-	-	
	2023	*8f*	-	-	204,253	-	-	-	
			-	-	-	-	-	-	
			-	-	-	-	-	-	

Forward

Category/Transaction	Year	Amount of the Transaction	Due from Related Parties		Notes Receivable	Due to Related Parties	Equity Securities at FVOCI	Terms and Conditions
			Current	Noncurrent				
KMP								
Short-term employee benefits	**2025**	P**24,784**	**P -**	**P -**	**P -**	**P -**	**P -**	
	2024	32,355	-	-	-	-	-	
	2023	23,299	-	-	-	-	-	
Post-employment benefits	**2025**	**2,416**	**-**	**-**	**-**	**-**	**-**	
	2024	421	-	-	-	-	-	
	2023	17,802	-	-	-	-	-	
Allowance for impairment losses	**2025**	**(237,314)**	**-**	**(236,947)**	**(144,761)**	**-**	**-**	
	2024	(8,290)	(59,619)	(8,290)	-	-	-	
	2023	-	(59,619)	-	-	-	-	
TOTAL	**2025**		**P994,988**	**P6,497,858**	**P138,693**	**P283,058**	**P72,545**	
TOTAL	2024		P2,210,869	P4,823,174	P271,703	P263,131	P68,383	

The following related party transactions and balances were eliminated as part of the consolidation process:

For purposes of consolidation, the following transaction were eliminated as at December 31, 2025 and 2024:

Category/Transaction	Year	*Note*	Amount of the Transaction	Due from Related Parties	Deposits to Subsidiaries	Note Receivable	Due to Subsidiaries	Terms and Conditions
Subsidiaries								
WCCCHI								
Advances and settlement	**2025**	*8g*	**P209,164**	**P1,381,154**	**P -**	**P -**	**P479,000**	**Unsecured; noninterest-bearing; no fixed maturity; not impaired**
	2024	*8g*	(273,853)	1,137,914	-	-	444,924	
Note receivable	**2025**	*8i*	**21,614**	**-**	**-**	**527,564**	**-**	**Due on demand; interest-bearing; unsecured; no impairment**
	2024	*8i*	-	-	-	505,950	-	
WIHI								
Advances and settlement	**2025**	*8g*	**(68)**	**-**	**-**	**-**	**663**	**Unsecured; noninterest-bearing; no fixed maturity; not impaired**
	2024	*8g*	(67)	-	-	-	595	
Deposits for future stock subscription	**2025**	*8h*	**-**	**-**	**125,000**	**-**	**-**	
	2024	*8h*	-	-	125,000	-	-	
WCVI						-		
Advances and settlement	**2025**	*8g*	**(67)**	**-**	**-**	**-**	**321**	**Unsecured; noninterest-bearing; no fixed maturity; not impaired**
	2024	*8g*	-	-	-	-	254	
Deposits for future stock subscription	**2025**	*8h*	**-**	**-**	**100**	**-**	**-**	
	2024	*8h*	-	-	100	-	-	
WPPHI								
Advances and settlement	**2025**	*8g*	**(1,054)**	**-**	**-**	**-**	**7,335**	**Unsecured; noninterest-bearing; no fixed maturity;**
	2024	*8g*	65	-	-	-	6,281	**not impaired**
Deposits for future stock subscription	**2025**	*8h*	**-**	**-**	**90,620**	**-**	**-**	
	2024	*8h*	-	-	90,620	-	-	
DIHCI								
Advances and settlements	**2025**	*8g*	**71,748**	**190,431**	**-**	**-**	**688**	**Unsecured; noninterest-bearing; no fixed maturity; not impaired**
	2024	*8g*	-	121,649	-	-	3,654	
APHC								
Advances and settlements	**2025**	*8g*	**(36,774)**	**2,731**	**-**	**-**	**717,132**	**Unsecured; noninterest-bearing; no fixed maturity; not impaired**
	2024	*8g*	753	2,731	-	-	680,358	
GIRDI								
Advances and settlements	**2025**	*8g*	**6,567**	**156,515**	**-**	**-**	**18,138**	**Unsecured; noninterest-bearing; no fixed maturity; not impaired**
	2024	*8g*	60,773	193,066	-	-	61,256	

Forward

Category/Transaction	Year	*Note*	Amount of the Transaction	Due from Related Parties	Deposits to Subsidiaries	Note Receivable	Due to Subsidiaries	Terms and Conditions
WHMC								
Advances and settlements	**2025**	*8g*	**(P136)**	**P -**	**P -**	**P -**	**P101,855**	**Unsecured; noninterest-bearing; no fixed maturity; not impaired**
	2024	*8g*	-	-	-	-	101,719	
Deposit for future stock	**2025**	*8h*	**-**	**-**	**204,253**	**-**	**-**	
subscription	2024	*8h*	-	-	204,253	-	-	
MBI								
Advances and settlements	**2025**	*8g*	**(68)**	**-**	**-**	**-**	**4,949**	**Unsecured; noninterest-bearing; no fixed maturity; not impaired**
	2024	*8g*	(67)	-	-	-	4,881	
Deposit for future stock	**2025**	*8h*	**-**	**-**	**35,000**	**-**	**-**	
subscription	2024	*8h*	-	-	35,000	-	-	
WWGI								
Advances and settlements	**2025**	*8g*	**3,053**	**15,339**	**-**	**-**	**53,511**	**Unsecured; noninterest-bearing; no fixed maturity; not impaired**
	2024	*8g*	-	15,536	-	-	56,761	
Deposit for future stock	**2025**	*8h*	**-**	**-**	**13,000**	**-**	**-**	
subscription	2024	*8h*	-	-	13,000	-	-	
WMCHII								
Advances and settlements	**2025**	*8g*	**36,080**	**1,144,558**	**-**	**-**	**36,825**	**Unsecured; noninterest-bearing; no fixed maturity; not impaired**
	2024	*8g*	(165,049)	1,104,807	-	-	33,154	
WHC								
Advances and settlements	**2025**	*8g*	**(260)**	**9,20**8	**-**	**-**	**13,809**	**Unsecured; noninterest-bearing; no fixed maturity; not impaired**
	2024	*8g*	-	8,807	-	-	13,148	
Deposit for future stock	**2025**	*8h*	**-**	**-**	**2,100,000**	**-**	**-**	
subscription	2024	*8h*	-	-	2,100,000	-	-	
WFC								
Advances and settlements	**2025**	*8g*	**51**	**3,348**	**-**	**-**	**65,766**	**Unsecured; noninterest-bearing; no fixed maturity; not impaired**
	2024	*8g*	-	1,727	-	-	64,196	
Deposit for future stock	**2025**	*8h*	**-**	**-**	**6,000**	**-**	**-**	
subscription	2024	*8h*	-	-	6,000	-	-	
WPL								
Advances and settlements	**2025**	*8g*	**(136)**	**219,103**	**-**	**-**	**24,992**	**Unsecured; noninterest-bearing; no fixed maturity; not impaired**
	2024	*8g*	136	219,172	-	-	24,925	
TOTAL	**2025**			**P3,122,387**	**P2,573,973**	**P527,564**	**P1,524,984**	
TOTAL	2024			P2,805,409	P2,573,973	P505,950	P1,496,106	

a. Interest-bearing Advances to Related Parties

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

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

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

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

As at December 31, 2025 and 2024, the fair value of PRC's land based on valuation performed by an accredited independent appraiser, with a recognized and relevant professional qualification and with recent experience in the locations and categories of the land being valued, amounted to P7.76 billion.

On December 31, 2025, the Parent Company's information on PRC's land parcels is limited to it being classified as their inventory and recorded at their cost. Management has no knowledge of any fair market value disclosures pertaining to these assets.

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

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

By virtue of the above MOAs, advances were granted to TWGI and PRC to finance the acquisition or development of real properties for the Parent Company. These advances are due in one (1) year, subject to renewal.

In 2025, the Parent Company extended the term of the total accumulated advances and interest to another 5 years ending 2030 subject to renewal.

The advances to TWGI charge interest at 4% per annum in 2025 and 2024, while the advances to PRC charge interest at 2% per annum in 2025 and 2024. TWGI paid nil in 2025 and 2024, respectively, while PRC made no payments in 2025 and 2024.

No payments collected from TWGI and PRC in 2025 and 2024.

Interest receivable from TWGI amounted to P335.66 million and P320.78 million as at December 31, 2025 and 2024, respectively, while interest receivable from PRC amounted to P151.66 million and P141.01 million as at December 31, 2025 and 2024, respectively.

Interest income recognized in the consolidated statements of profit or loss and other comprehensive income amounted to P28.71 million, P31.00 million, P29.66 million in 2025, 2024 and 2023, respectively. Allowance for impairment losses on receivables from TWGI amounted to P59.62 million as at December 31, 2025 and 2024.

Further, in 2024, TWGI tendered payment amounting to P258.12 million on behalf of the Group to SSS related to Group's original loan with SSS (see Notes 13 and 27). This has been recognized as part of the advances of TWGI to the Group.

CRDC
On December 21, 2015, the Group granted advances to CRDC with an interest of 2% per annum and maturity on December 21, 2020. At the end of 2020, the Group extended the maturity of the advances for a period of 5 years up to December 31, 2025 at an increased rate of 2.55% per annum. Subsequently, at the end of 2025, the Group further extended the maturity for an additional five (5) years up until December 31, 2030, with the interest rate increased to 3% per annum.

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

Interest receivable from CRDC amounted to P160.86 million and P130.76 million as at December 31, 2025 and 2024, respectively.

It was agreed that CRDC has the option to pay the balance before maturity date without payment of penalty fees and in case the latter refuses or fails to pay the principal and interest within the time agreed upon, the same shall be due and demandable.

Interest income recognized in the consolidated statements of profit or loss and other comprehensive income amounted to P26.88 million, P26.88 million, P19.54 million in 2025, 2024 and 2023, respectively while accretion income amounted to nil in 2025, 2024, and 2023.

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

On December 31, 2018, the Group granted additional advances to WPPC amounting to P33.83 million for general corporate purposes which was also paid in 2019. The advances bear interest at 7.5% per annum and repayable in lump-sum at maturity.

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

Subsequently on December 21, 2025, the Group further extended the maturity for an additional five (5) years up until December 21, 2030, with the interest rate decreased to 3% per annum.

Interest receivable from WPPC amounted to P198.28 million and P175.88 million as at December 31, 2025 and 2024, respectively.

Interest income recognized in the consolidated statements of profit or loss and other comprehensive income amounted to P20.00 million (net of VAT amounting to P2.40 million) in 2025, 2024, and 2023. Interest receivable from WPPC amounted to P198.28 million and P175.88 million as at December 31, 2025 and 2024, respectively.

RRGI
On June 1, 2018, WCCCHI extended advances to RRGI amounting to P500.00 million for general corporate purposes. The advances bear interest at 7.5% per annum and repayable in lump-sum at maturity date on June 1, 2021. In 2021, WCCCHI extended the maturity of the advances for a period of 2.50 years up to December 31, 2023. In 2023, WCCCHI extended the maturity of the advances for a period of 3 years up to 2026. Interest receivable from RRGI amounted to P318.5 million and P276.50 million as at December 31, 2025 and 2024, respectively. Interest income recognized in the consolidated statements of profit or loss and other comprehensive income amounted to P37.50 million, P37.50 million, P47.50 million in 2025, 2024 and 2023, respectively. No settlement for the advances and interest has been made as at December 31, 2025.

b. Noninterest-bearing Advances to Related Parties

The Group has noninterest-bearing, collateral-free advances to PHES, FHC, PCIC, and WII with no fixed term of repayment. The said advances are due and demandable at anytime.

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

c. Financial Assets at FVOCI - Equity Securities

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

As at December 31, 2025 and 2024, the Group holds 5% interest over WMPD.

Moreover, in July and August 2005, the BOD approved the conversion of the Group 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, 2025 and 2024 amounted to P22.54 million and P18.38 million, resulting in a valuation gain (loss) of P4.16 million, (P1.56) million, and nil in 2025, 2024 and 2023, respectively.

	2025	2024
Cost	**P12,250,470**	P12,250,470
Unrealized Gain		
Balance at beginning of year	**6,132,050**	7,692,830
Unrealized gain during the year	**4,162,080**	(1,560,780)
	10,294,130	6,132,050
	P22,544,600	P18,382,520

d. Notes Receivable

In 2017, the APHC extended a loan to ALEC payable on December 31, 2018, and bear interest at 4% per annum. From 2018 to 2023, APHC extended another interest-bearing loan at 4% per annum to ALEC. In 2024, the APHC 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 P6.40 million, P8.20 million, P8.10 million in 2024, 2023 and 2022, respectively (see Note 13).

In 2025, the APHC and ALEC entered into a consolidated agreement governing the outstanding loans, which stipulates that the balances shall be non-interest-bearing effective December 2025. Concurrently, in a formal letter of commitment issued by ALEC management to the APHC, ALEC committed to settle the balances as follows: (i.) 50% upon the commencement of its commercial operations, and (ii.) 50% within the two (2) years from December 2025. As a result, the APHC recognized allowance for impairment losses amounting to P62.21 million presented under "Others" account in the consolidated statements of profit or loss and other comprehensive income (see Note 12). Consequently, the Parent Company recognized loss on discounting amounting to P6.01 million (see Note 13).

Further in 2018, APHC 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). The effectivity of the agreement was moved subject to the resumption of APHC's operations.

e. Purchase of Option Contract

On February 17, 2022 the BOD authorized the Group to acquire an Option to Purchase (the Option Contract) four (4) hectares of reclaimed land in the Manila Waterfront City at an Option price of P50,000 per square meter and a strike price of P300,000 per square meter. In June 2022, the Group advanced P2.10 billion to WMPD for the Option Contract. No purchase was made on the period ended December 31, 2025.

f. Deposit for Acquisition of Land

On February 17, 2022 the BOD authorized the acquisition of certain parcels of land located in Ternate, Cavite to be used as the future site of a hotel and residential condominiums. On February 23, 2022, the Group entered into memorandum of agreement (the Agreement) with PWHI to purchase the said parcels of land for a total consideration of P204.25 million. In June 2022, the Group paid the amount in full. The legal title and the risks and rewards of ownership over the parcels of land have not yet been transferred to the Group as at December 31, 2025 as the object of the purchase is a reclaimed land that was subjected to government regulation that was put on hold by the Office of President.

g. Advances from and to Subsidiaries

In the ordinary course of business, the Group obtains non-interest-bearing, collateral-free cash and non-cash advances from related parties for working capital purposes. These mainly represent funds provided to support subsidiaries' daily operations and to finance the construction and completion of certain hotel projects.

On December 28, 2025, the Group signed an agreement with the related parties to document the nature, terms, and conditions of the outstanding balance. The parties agreed that the outstanding balance is noncurrent in nature, with no fixed maturity date, and may be settled, in whole or in part, at any time without penalty.

h. Deposits to Subsidiaries

These represent amounts set aside that will be used as subscription payments by the Parent Company once the planned increase in the authorized capital stock of the subsidiaries materialize (see Note 20).

i. Note Receivable

On June 1, 2018, the Parent Company received advances from WCCHI amounting to P689.15 million for general corporate purposes. amounting to P689.15 million for general corporate purposes. The advances bear interest at 7.5% per annum and repayable in lump-sum at maturity date. The advances and interest matured on June 1, 2021.

On May 24, 2021, WCCHI and the Parent Company mutually agreed to extend the maturity date of the promissory note until December 31, 2023.

On June 1, 2023, the advances amounting to P257.31 million net of partial payments in the prior years were renewed and will mature on June 1, 2026.

Total interest income on the advances amounting to P19.30 million in 2025 and 2024, respectively, are recognized in the consolidated statements of profit or loss and other comprehensive income.

The outstanding balances of related party transactions are generally settled in cash. Certain due to and due from related parties were being set-off as agreed by both parties when management intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

9. Property and Equipment

Roll-forward of the account are as follows:

	For the Year Ended December 31, 2025								
	Land	Land Improvements	Leasehold Improvements	Hotel Buildings and Improvements	Furniture, Fixtures and Equipment	Operating Equipment	Transportation Equipment	Construction-in-Progress	
Measurement Basis:	***Revalued***	***Revalued***	***At Cost***	***Revalued***	***Revalued***	***At Cost***	***Revalued***	***At Cost***	**Total**
Beginning balance as restated	**P5,806,671,977**	**P27,009,300**	**P26,344,430**	**P7,538,389,625**	**P1,849,468,635**	**P89,684,154**	**P48,804,466**	**P1,026,705,053**	**P16,413,077,640**
Additions	**-**	**-**	**-**	**2,616,154**	**14,891,304**	**2,033,615**	**1,439,303**	**86,391,599**	**107,371,975**
Appraisal increase	**1,746,252,128**	**4,476,185**	**-**	**600,214,222**	**213,460,860**	**366,278**	**14,435,369**	**-**	**2,579,205,042**
Reclassification	**-**	**-**	**-**	**7,266,713**	**-**	**-**	**-**	**(7,266,713)**	**-**
Ending balance	**7,552,924,105**	**31,485,485**	**26,344,430**	**8,148,486,714**	**2,077,820,799**	**92,084,047**	**64,679,138**	**1,105,829,939**	**19,099,654,657**
Accumulated Depreciation									
Beginning balance	**-**	**23,965,380**	**25,204,689**	**2,960,203,647**	**1,602,944,719**	**87,776,027**	**37,904,235**	**-**	**4,737,998,697**
Depreciation	**-**	**1,960,105**	**202,701**	**229,755,931**	**80,228,977**	**666,998**	**9,965,910**	**-**	**322,780,622**
Reclassification	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Ending balance	**-**	**25,925,485**	**25,407,390**	**3,189,959,578**	**1,683,173,696**	**88,443,025**	**47,870,145**	**-**	**5,060,779,319**
Carrying Amount	**P7,552,924,105**	**P5,560,000**	**P937,040**	**P4,958,527,136**	**P394,647,103**	**P3,641,022**	**P16,808,993**	**P1,105,829,939**	**P14,038,875,338**

	For the Year Ended December 31, 2024								
	Land	Land Improvements	Leasehold Improvements	Hotel Buildings and Improvements	Furniture, Fixtures and Equipment	Operating Equipment	Transportation Equipment	Construction-in-Progress	
Measurement Basis:	*Revalued*	*Revalued*	*At Cost*	*Revalued*	*Revalued*	*At Cost*	*Revalued*	*At Cost*	Total
Beginning balance as restated	P5,539,342,000	P27,009,300	P26,298,360	P7,523,081,229	P1,840,341,094	P89,342,457	P46,992,240	P994,182,092	P16,086,588,772
Additions	569,358,981	-	46,070	189,471,433	9,127,541	341,697	1,812,226	36,579,924	806,737,872
Disposals	(302,029,004)	-	-	(178,220,000)	-	-	-	-	(480,249,004)
Reclassification	-	-	-	4,056,963	-	-	-	(4,056,963)	-
Ending balance	5,806,671,977	27,009,300	26,344,430	7,538,389,625	1,849,468,635	89,684,154	48,804,466	1,026,705,053	16,413,077,640
Accumulated Depreciation									
Beginning balance	-	24,350,735	21,817,378	2,744,275,590	1,469,580,047	87,150,871	33,578,436	-	4,380,753,057
Depreciation	-	2,867,080	134,876	215,928,057	133,364,672	625,156	4,325,799	-	357,245,640
Reclassification	-	(3,252,435)	3,252,435	-	-	-	-	-	-
Ending balance	-	23,965,380	25,204,689	2,960,203,647	1,602,944,719	87,776,027	37,904,235	-	4,737,998,697
Carrying Amount	P5,806,671,977	P3,043,920	P1,139,741	P4,578,185,978	P246,523,916	P1,908,127	P10,900,231	P1,026,705,053	P11,675,078,943

	For the Year Ended December 31, 2023								
Measurement Basis:	Land *Revalued*	Land Improvements *Revalued*	Leasehold Improvements *At Cost*	Hotel Buildings and Improvements *Revalued*	Furniture, Fixtures and Equipment *Revalued*	Operating Equipment *At Cost*	Transportation Equipment *Revalued*	Construction-in-Progress *At Cost*	Total
Beginning balance	P4,726,086,000	P30,410,186	P25,063,249	P7,400,911,864	P1,849,442,563	P88,397,989	P38,172,482	P896,302,029	P15,054,786,362
Additions	-	-	1,235,111	2,809,429	17,259,842	944,468	134	97,880,063	120,129,047
Appraisal increase	813,256,000	(3,400,886)	-	119,359,936	(26,361,311)	-	8,819,624	-	911,673,363
Ending balance	5,539,342,000	27,009,300	26,298,360	7,523,081,229	1,840,341,094	89,342,457	46,992,240	994,182,092	16,086,588,772
Accumulated Depreciation									
Beginning balance	-	20,803,477	21,708,006	2,526,704,350	1,366,823,688	86,953,990	30,682,536	-	4,053,676,047
Depreciation	-	3,547,258	109,372	217,571,240	102,756,359	196,881	2,895,900	-	327,077,010
Ending balance	-	24,350,735	21,817,378	2,744,275,590	1,469,580,047	87,150,871	33,578,436	-	4,380,753,057
Carrying Amount	P5,539,342,000	P2,658,565	P4,480,982	P4,778,805,639	P370,761,047	P2,191,586	P13,413,804	P994,182,092	P11,705,835,715

The Group carries its property and equipment using the revaluation method except for the following specific classes of property and equipment which are carried using cost method:

a. Leasehold improvements
b. Operating equipment
c. Construction-in-progress

The Group engaged an independent firm of appraisers to determine the fair value of certain classes of its property and equipment, specifically land, hotel buildings and improvements, land improvements, furniture, fixtures and equipment, and transportation equipment which are carried at revalued amounts. Fair value was determined by reference to market-based evidence, which is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In determining fair value, an estimate was made in accordance with the prevailing prices for materials, equipment, labor, and contractor's overhead and all other costs associated with acquisition while taking into account the depreciation resulting from physical deterioration, functional and economic obsolescence. The Group's revaluation of its property and equipment is done with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

In 2023 and 2025, the Group's land, hotel buildings and improvements, land improvements, furniture, fixtures and equipment and transportation equipment were revalued by an independent professional appraiser, accredited by the Professional Regulation Commission and the Securities and Exchange Commission

The revaluation resulted in an appraisal increase amounting to P2.58 billion and P911.67 million, after accounting for deferred tax, in 2025 and 2023, respectively, which was reflected in other comprehensive income and recognized as part of the revaluation surplus in equity.

Market Data Approach
Market data approach is used to estimate valuation of land. It involves the comparison of the land to those that are more or less located within the vicinity of the appraised properties and are subject of recent sales and offerings. Adjustments were made to the valuation of land to arrive at the market value by considering the location, size, shape, utility, desirability and time element.

The assumptions used in the valuation and fair value hierarchy category of each assumption are as follows:

	Assumption	Fair Value Hierarchy
Price per sqm	8,000 - 41,000	Level 2
Value adjustments	5% to 20%	Level 3

Cost Approach
Cost Approach is based on the reproduction or depreciated replacement cost of property and equipment, less accumulated depreciation.

The key inputs to fair value valuation are as follows:

- Price Per Sqm is the estimated value prevailing in the real estate market depending on the location, area, shape and time element.
- Value Adjustments are fair value adjustments made to bring the comparative values in approximation to the property and equipment taking into account the location, size, time element, and terrain, among others.

The significant assumptions and the fair value hierarchy category of each assumption, as applicable, are as follows:

	Management Assumptions	Fair Value Hierarchy
Floor area in sqm	36,971 - 70,189	Level 3
Adjustments to DRC	13.0% - 26.7%%	Level 3

Sensitivity Analysis on Assumptions
The fair value of the property and equipment will increase (decrease) if:

- Price per sqm of the comparable properties were higher (lower)
- Value adjustments to price per sqm of the comparable properties were lower (higher)

Had the following classes of property and equipment been carried at cost less accumulated depreciation, their carrying amounts as at December 31, 2025 and 2024 would have been as follows:

	2025	2024
Cost		
Hotel buildings and improvements	**P3,241,220,025**	P3,205,751,947
Land	**267,845,886**	917,845,886
Furniture, fixtures and equipment	**499,039,707**	794,909,644
Transportation equipment	**16,252,871**	14,813,569
Land improvements	**1,328,990**	1,328,990
	4,025,687,479	4,934,650,036
Accumulated Depreciation		
Hotel buildings and improvements	**1,947,750,582**	2,978,427,694
Land	**-**	-
Furniture, fixtures and equipment	**458,517,032**	554,269,906
Transportation equipment	**15,081,317**	12,108,904
Land improvements	**1,328,990**	954,937
	2,422,677,921	3,545,761,441
Carrying Amounts		
Hotel buildings and improvements	**1,293,469,443**	227,324,253
Land	**267,845,886**	917,845,886
Furniture, fixtures and equipment	**40,522,675**	240,639,738
Transportation equipment	**1,171,554**	2,704,665
Land improvements	**-**	374,053
	P1,603,009,558	P1,388,888,595

Depreciation on cost charged to profit or loss amounted to P322.78 million, P352.24 million, and P327.07 million in 2025, 2024 and 2023, respectively. Depreciation on appraisal increase charged to profit or loss amounted to P223.94 million, P258.58 million, and P236.30 million in 2025, 2024 and 2023, respectively.

The revaluation increment directly absorbed through casualty losses and depreciation and consequently transferred directly to retained earnings, net of deferred tax effect, amounted to P462.72 million, P207.3 million and P327.00 million in 2025, 2024 and 2023, respectively. The carrying amount of the revaluation surplus amounting to P6.86 billion, and P4.86 billion as at December 31, 2025 and 2024, respectively, is not available for distribution to shareholders.

In 2024, the Group recognized gain on sale arising from the disposal of the property and equipment amounting to P1.76 billion.

10. Other Noncurrent Assets

This account consists of:

	Note	**2025**	2024
Special project deposits		**P650,174,075**	P725,233,822
Refundable deposits	*21*	**63,442,427**	16,846,774
Others	*21*	**211,937,014**	204,927,542
		925,553,516	947,008,138
Less allowance for impairment losses on special project deposits		**45,313,007**	45,313,007
		P880,240,509	P901,695,131

Special project deposits pertain to advances to contractors and suppliers in connection with the reconstruction and restoration of APHC's hotel property and equipment and the renovation work of WCCCHI.

Refundable deposits refer to security deposits on utilities, electricity, rental, returnable containers and others.

Others represent deposits to service providers such as security and janitorial services.

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

	2025	2024	2023
Beginning balance	**P45,313,007**	P45,625,507	P46,100,252
Impairment losses during the year	**-**	-	312,500
Write-offs during the year	**-**	(312,500)	(787,245)
Ending balance	**P45,313,007**	P45,313,007	P45,625,507

11. Accounts Payable and Accrued Expenses

This account consists of:

	Note	**2025**	2024 As restated (Note 27)
Trade payables	*21*	**P543,797,524**	P246,669,361
Accrued:			
Utilities	*21*	**99,562,924**	77,463,741
Salaries, wages and employee benefits	*21*	**22,765,016**	11,547,923
Rent	*21*	**15,344,014**	-
Other accruals	*21*	**24,020,663**	391,474,098
Local taxes and output VAT		**180,088,139**	159,677,090
Statutory payables		**2,342,434**	20,003,152
Service charges		**-**	1,881,877
Withholding taxes payable		**5,048,561**	1,495,700
Guest deposits		**47,232,460**	25
Other payables	*21*	**81,364,705**	73,853,441
		P1,021,566,440	P984,066,408

Trade payables are noninterest-bearing and are normally on 30 to 60 day terms and are settled in cash.

Other payables include commissions, sponsorships, gift certificates issued, SSS, Philippine Health Insurance Corporation and Home Development Mutual Fund and sundry payables.

12. Other Current Liabilities

This account consists of:

	Note	**2025**	2024
Concessionaires' and other deposits	*24*	**P51,769,197**	P67,623,112
Others		**2,392,176**	4,902,571
	21	**P54,161,373**	P72,525,683

Others include a P1.00 million unsecured short-term loan obtained from a local bank in 1996 with interest at prevailing market rate. The proceeds of the loan were used for the working capital requirements of GIRDI. GIRDI is a defendant in a collection case filed by a local bank involving an unsecured short-term loan obtained. While the case is currently inactive and the latest assessment made by the legal counsel is favorable to GIRDI, the payable is still retained until the case is completely dismissed. Management believes that the carrying value of the liability retained in the books as at December 31, 2025 and 2024 sufficiently represents the amount of possible liability that GIRDI may settle in the event that this case will ultimately be activated and decided against GIRDI.

13. Provision

SSS Loan

On October 28, 1999, the Parent Company obtained a five-year term loan from SSS amounting to P375.00 million originally due on October 29, 2004. The SSS loan bears interest at the prevailing market rate plus 3.00% or 14.50% per annum, whichever is higher. Interest is repriced annually and is payable semi-annually. Initial interest payments are due 180 days from the date of the release of the proceeds of the loan. The repayment of the principal shall be based on eight semi-annual payments, after a 1-year grace period.

The SSS loan was availed to finance the completion of the facilities of WCCCHI. It was secured by a first mortgage over parcels of land owned by WII, a related party and by the assignment of 200.00 million common shares of the Parent Company owned by TWGI. The common shares assigned were placed in escrow in the possession of an independent custodian mutually agreed upon by both parties.

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

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

The remaining balance of the SSS loan is secured by the shares of stock of the Parent Company owned by TWGI and shares of stock of WII totaling 235.00 million and 80.00 million shares, respectively.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- The Parent Company to pay SSS P375.00 million subject to 12.00% legal interest from October 28, 1999 to June 30, 2013, and 6.00% legal interest from July 1, 2013 until full payment; and

- SSS to return to the Parent Company the amount of P35.83 million, subject to a legal interest of 12.00% from the dates that the individual payments were remitted until June 30, 2013, and 6.00% legal interest from July 1, 2013 until full payment.

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

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

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

The Parent Company is hereby ordered to:

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

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

On April 17, 2023, the Company filed a Manifestation with Motion to Approve Proposed Set-off and Schedule Reconveyance with the RTC of Quezon City to comply with the orders set out in the SC decision.

On August 17, 2023, Branch 76 of the RTC of Quezon City issued an Order approving the legal compensation between SSS and the WPI, ordering WPI to pay P258,117,749.89 to SSS, which is the balance of the amount due to SSS after set-off of the amounts due to WPI, and further ordering the return of real estate properties and shares of stock by SSS to defendants WPI and WIN.

On September 20, 2023, SSS filed a Motion for Reconsideration with RTC of Quezon City asking that August 17, 2023 Order to be set aside. The Motion for Reconsideration was denied by the RTC on January 12, 2024.

On May 27, 2024, WPI, WIN, and TWGI tendered Manager's Checks totaling P258.12 million to SSS. On July 16, 2024, SSS filed its Manifestation of Conditional Acceptance, acknowledging receipt of the tendered amount as partial and initial payment only, subject to the outcome of the pending case before the Court of Appeals (CA G.R. SP No. 183716). As a result, the principal balance of the SSS loan was reduced to P116.88 million

WPI, WIN and TWGI then filed a Motion to Direct the Register of Deeds of Quezon City to cancel TCT Nos. N-281261 and N-281262 and to reinstate TC Nos. N-153395 and N-153396 to which the Court granted in its Order dated August 6, 2024.

Subsequently, SSS filed its Urgent Omnibus Motion for Reconsideration of the August 6, 2024 and for Inhibition of Hon. Pambid. The said Motion was denied by the Court on October 3, 2024.

On December 3, 2024, SSS filed a Petition for Certiorari (with Application for Temporary Restraining Order and/or Preliminary Injunction) against Hon. Pambid, WPI, TWGI and WIN before the CA, docketed as CA G.R. SP No.187166.

This is awaiting the order of the Court of Appeals to file comment on the Petition for Certiorari as at December 31, 2025.

Interest expense - net incurred from the SSS loan is recognized in the consolidated statements of profit or loss and other comprehensive income amounted to nil, P10.65 million and P20.35 million in 2025, 2024 and 2023, respectively (see Note 27).

Further, in relation to the SC decision declaring the SSS loan as null and void, the Parent Company reclassified the outstanding balance of the loan and the related accrued interest amounting to P116.80 million and P785.36 million, respectively, as "Provision" as at December 31, 2025 and 2024. The management considered the requirements under PAS 37 as basis for the reclassification (see Notes 11, 27 and 28).

14. Other Noncurrent Liabilities

The account consists of:

	Note	**2025**	2024
Advance rentals	*23*	**P159,020,453**	P232,439,873
Concessionaires' deposits	*21, 23, 24*	**243,879,950**	161,652,833
Retention payables	*21*	**93,535,758**	88,487,515
Others		**13,244,692**	-
		P509,680,853	P482,580,221

Advance rentals pertain to rent payments made by virtue of lease agreement with PAGCOR to be applied in periods towards end of the lease term.

Retention payables pertain to amounts withheld from contractors which are payable one year from the date of final turnover and acceptance.

Others pertain to provision on foreshore lease charged by the Department of Environment and Natural Resources (DENR) for the use of the shore near the Group's hotel premises in Davao. As at December 31, 2025, the Group has a pending application with DENR in relation to the use of the shore as the DENR claims that the Group's right to use the shore for 50 years had already lapsed and as such, the right shall be transferred to another person.

15. Segment Information

The Group's operating businesses are organized and managed separately according to hotel property location, with each segment representing a strategic business unit. Segment accounting policies are the same as the policies described primarily in Note 29 to the consolidated financial statements. The following tables present the revenue and profit information regarding industry segments in 2025, 2024 and 2023 and certain asset and liability information regarding industry segments as at December 31, 2025, 2024 and 2023 (in thousands):

	For the Year Ended December 31, 2025							
	WCCCHI	WMCHI	DIHCI	Parent Company and Others	APHC and Subsidiaries	Total	Eliminations	Consolidated
REVENUES								
External sales	P1,220,602	P397,881	P258,469	P156,737	P -	P2,033,689	P -	P2,033,689
RESULTS								
Food and beverage cost	P145,715	P20,196	P55,425	P32,127	P -	P253,463	P -	P253,463
Personnel cost	138,904	40,681	42,117	63,819	20,798	306,319	-	306,319
Energy costs	156,813	66,942	23,998	42,484	1,989	292,226	-	292,226
Others	391,241	212,528	104,448	51,379	90,737	850,333	3,443	846,890
	832,673	340,347	225,988	189,809	113,524	1,702,341	3,443	1,698,898
Segment operating profit	P387,929	P57,534	P32,481	(P33,072)	(P113,524)	P331,348	(P3,443)	P334,791
OTHER EXPENSES (INCOME)								
Depreciation	P225,479	P47,621	P32,776	P1,696	P19,569	P327,141	P -	P327,141
Interest expense	162,018	64,183	-	22,308	-	248,509	19,298	229,211
Foreign exchange losses (gains) - net	-	(8)	(6)	2,644	5	2,635	-	2,635
Impairment losses	-	-	-	-	-	-	-	-
Interest income	(56,920)	(6,866)	(877)	(69,747)	(4,355)	(138,765)	(19,298)	(119,467)
Gain on sale of property and equipment	-	-	-	-	-	-	-	-
Reversal of excess accrual	-	-	-	-	-	-	-	-
Casualty loss	-	-	-	-	-	-	-	-
Others - net	10,451	4,570	-	(538)	5,997	20,480	(3,443)	23,923
	341,028	109,500	31,893	(43,637)	21,216	460,000	(3,443)	463,443
INCOME TAX EXPENSE (BENEFIT)	16,538	(10,871)	(7)	(1,260)	(27,288)	(22,888)	-	(22,888)
NET INCOME (LOSS)	P30,363	(P41,095)	P595	P11,825	(P107,452)	(P105,764)	P -	(P105,764)
OTHER INFORMATION								
Segment assets	P7,431,730	P2,648,553	P4,018,203	P12,667,778	P2,868,625	P29,634,889	P5,249,917	P24,384,972
Deferred tax assets	-	-	-	205,623	-	205,623	-	205,623
Consolidated Total Assets	P7,431,730	P2,648,553	P4,018,203	P12,873,401	P2,868,625	P29,840,512	P5,249,917	P24,590,595
Segment liabilities	P1,265,215	P419,185	P110,392	P8,912,824	P1,049,879	P11,757,495	P6,660,720	P5,096,775
Deferred tax liabilities	774,196	197,716	912,617	-	178,293	2,062,822	(823,915)	2,886,737
Consolidated Total Liabilities	P2,039,411	P616,901	P1,023,009	P8,912,824	P1,228,172	P13,820,317	P5,836,805	P7,983,512
Other Segment Information								
Capital expenditures	P3,869,760	P976,092	P3,681,566	P381,788	P1,834,010	P10,743,216	(P3,295,659)	P14,038,875
Depreciation	225,479	47,621	32,776	1,696	19,569	327,141	-	327,141

	For the Year Ended December 31, 2024							
	WCCCHI	WMCHI	DIHCI	Parent Company and Others	APHC and Subsidiaries	Total	Eliminations	Consolidated
REVENUES								
External sales	P1,202,334	P386,044	P258,592	P104,570	P -	P1,951,540	P -	P1,951,540
RESULTS								
Food and beverage cost	P145,712	P28,039	P50,356	P18,987	P -	P243,094	P -	P243,094
Personnel cost	126,943	38,937	38,112	9,746	22,564	236,302	-	236,302
Energy cost	141,379	56,451	27,062	23,294	2,402	250,588	-	250,588
Others	267,798	77,419	97,264	205,300	72,067	719,848	14,806	705,042
	681,832	200,846	212,794	257,327	97,033	1,449,832	14,806	1,435,026
Segment operating profit	P520,502	P185,198	P45,798	(P152,757)	(P97,033)	P501,708	(P14,806)	P516,514
OTHER EXPENSES (INCOME)								
Depreciation	P204,365	P102,594	P33,708	P2,067	P19,569	P362,303	P -	P362,303
Interest expense	12,011	10,049	-	317,889	-	339,949	19,298	320,651
Foreign exchange losses (gains) - net	-	-	-	8,550	(10)	8,540	-	8,540
Impairment losses	-	-	-	-	-	-	-	-
Interest income	(58,586)	(5,075)	(2,557)	(76,309)	-	(142,527)	(19,298)	(123,229)
Gain on sale of property and equipment	-	-	-	(1,761,454)	-	(1,761,454)	-	(1,761,454)
Reversal of excess accrual	-	-	-	-	-	-	-	-
Casualty loss	-	-	-	-	(30,401)	(30,401)	-	(30,401)
Others - net	-	-	-	(14,806)	(4,485)	(19,291)	(14,806)	(4,485)
	157,790	107,568	31,151	(1,524,063)	(15,327)	(1,242,881)	(14,806)	(1,228,075)
INCOME TAX EXPENSE (BENEFIT)	121,783	32,867	3,022	(1,508)	(4,461)	151,703	-	151,703
NET INCOME (LOSS)	P240,929	P44,763	P11,625	P1,372,814	(P77,245)	P1,592,886	P -	P1,592,886
OTHER INFORMATION								
Segment assets	P7,012,531	P2,592,084	P3,643,733	P 14,771,273	P4,515,482	P32,535,103	P10,319,559	P22,215,544
Deferred tax assets	-	-	-	200,787	-	200,787	-	200,787
Consolidated Total Assets	P7,012,531	P2,592,084	P3,643,733	P14,972,060	P4,515,482	P32,735,890	P10,319,559	P22,416,331
Segment liabilities	P1,222,944	P389,518	P112,877	P13,076,145	P966,834	P15,768,318	(P10,409,907)	P5,358,411
Deferred tax liabilities	732,807	210,936	823,363	-	773,329	2,540,435	(165,653)	2,374,782
Consolidated Total Liabilities	P1,955,751	P600,454	P936,240	P13,076,145	P1,740,163	P18,308,753	(P10,575,560)	P7,733,193
Other Segment Information								
Capital expenditures	P3,675,606	P910,246	P3,324,875	P378,634	P3,385,718	P11,675,079	P -	P11,675,079
Depreciation	(204,365)	(102,594)	(33,708)	(2,067)	(19,569)	(362,303)	-	(362,303)

	For the Year Ended December 31, 2023							
	WCCCHI	WMCHI	DIHCI	Parent Company and Others	APHC and Subsidiaries	Total	Eliminations	Consolidated
REVENUES								
External sales	P1,176,659	P362,503	P250,094	P12,114	P2,216	P1,803,586	P -	P1,803,586
RESULTS								
Food and beverage cost	P154,895	P32,198	P56,550	P500	P -	P244,143	P -	P244,143
Personnel cost	82,746	25,504	23,913	2,936	25,026	160,125	-	160,125
Energy cost	132,950	56,748	26,511	2,385	3,912	222,506	-	222,506
Others	272,736	47,848	101,539	63,532	31,204	516,859	-	516,859
	643,327	162,298	208,513	69,353	60,142	1,143,633	-	1,143,633
Segment operating profit	P533,332	P200,205	P41,581	(P57,239)	(P57,926)	P659,953	P -	P659,953
OTHER EXPENSES (INCOME)								
Depreciation	P201,205	P74,805	P34,491	P3,084	P19,819	P333,404	P -	P333,404
Interest expense	11,889	9,921	-	317,660	-	339,470	19,298	320,172
Foreign exchange losses (gains) - net	-	-	-	12,160	(15)	12,145	-	12,145
Impairment losses	9,572	-	-	-	-	9,572	-	9,572
Interest income	(60,441)	(5,115)	(1,369)	(71,188)	(3,060)	(141,173)	-	(141,173)
Gain on sale of property and equipment	-	-	-	-	-	-	-	-
Reversal of excess accrual	-	-	-	-	-	-	-	-
Casualty loss	-	-	-	-	-	-	-	-
Others - net	-	-	-	(14,666)	-	(14,666)	(14,666)	-
	162,225	79,611	33,122	247,050	16,744	538,752	4,632	534,120
INCOME TAX EXPENSE (BENEFIT)	92,689	13,187	3,553	(4,257)	(2,632)	102,540	-	102,540
NET INCOME (LOSS)	P278,418	P107,407	P4,906	(P300,032)	(P72,038)	P18,661	(P4,632)	P23,293
OTHER INFORMATION								
Segment assets	P6,696,090	P2,506,707	P3,621,610	P11,709,012	P2,930,540	P27,463,959	P6,306,433	P21,157,526
Deferred tax assets	-	-	-	259,308	-	259,308	-	259,308
Consolidated Total Assets	P6,696,090	P2,506,707	P3,621,610	P11,968,320	P2,930,540	P27,723,267	P6,306,433	P21,416,834
Segment liabilities	P1,159,469	P345,578	P93,887	P8,726,073	P932,333	P11,257,340	P5,382,442	P5,874,898
Deferred tax liabilities	721,686	213,616	831,540	-	686,495	2,453,337	-	2,453,337
Consolidated Total Liabilities	P1,881,155	P559,194	P925,427	P8,726,073	P1,618,828	P13,710,677	P5,382,442	P8,328,235
Other Segment Information								
Capital expenditures	P3,846,445	P1,005,329	P3,351,557	P2,655,145	P1,761,383	P12,619,859	P914,023	P11,705,836
Depreciation	201,205	74,805	34,491	3,084	19,819	333,404	-	333,404

Major Customer

Revenue generated from PAGCOR represents 30.48%, 31.95% and 34.11% of the total consolidated revenues of the Group in 2025, 2024 and 2023, respectively.

16. Capital Stock and Noncontrolling Interests

Capital Stock

Details of capital stock of the Parent Company as at December 31, 2024 and 2023 are as follows:

	Number of Common Shares	Amount
Authorized capital stock: at P1.00 par value per share	**5,000,000,000**	**P5,000,000,000**
Issued and outstanding	**2,498,991,753**	**P2,498,991,753**

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

Date of Registration/Listing	Securities
March 17, 1995 (Initial Public Offering)	112.50 million shares On October 7, 1994, the SEC approved the increase in the authorized capital stock of the Parent Company to P450.00 million divided into 450.00 million shares with a par value of P1.00 per share, out of which, 337.50 million shares were already subscribed.
April 18, 1996	944.97 million shares On September 18, 1995, the BOD resolved to increase the authorized capital stock of the Parent Company to P2.00 billion divided into 2.00 billion shares with a par value of P1.00 per share. The purpose of the increase was to finance the construction of WCCCHI's hotel project.
December 15, 1999	888.47 million shares On August 7, 1999, the BOD resolved to increase the authorized capital stock of the Parent Company to P5.00 billion divided into 5.00 billion shares with a par value of P1.00 per share. The purpose of the increase was to accommodate the acquisition of DIHCI's outstanding common shares for 888.47 million shares of the Parent Company with an offer price of P2.03 per share.

On July 20, 2007, the BOD resolved to increase the authorized capital stock of the Parent Company to P10.00 billion with 10.00 billion shares at par value of P1.00 per share. This resolution was ratified by the Parent Company's stockholders owning at least two-thirds of the outstanding capital stock during the annual stockholders' meeting held on August 25, 2007.

In 2009, the BOD passed a resolution temporarily suspending the implementation of the above proposed increase in the authorized capital stock of the Parent Company.

As at December 31, 2025, the Parent Company has no updated plans to increase its authorized capital stock, or to modify any issued shares or to exchange them to another class.

The Parent Company has not sold any unregistered securities for the past 3 years. As at December 31, 2025 and 2024, the Parent Company has 2.50 billion shares listed on the PSE and has a total of 421 and 426 shareholders, respectively.

Subsequent Event - Appropriation of Retained Earnings by APHC
On June 11, 2026, the APHC's Board of Directors approved the appropriation of retained earnings amounting to P764 million for the reconstruction of the hotel. The project is estimated to resume construction in 2028, with expected completion within 24 months thereafter. The appropriated retained earnings will be reversed back to unappropriated retained earnings as project milestones are completed and matching capital expenditures are officially incurred by the APHC.

Noncontrolling Interests (NCIs)
The details of the Group's material NCIs are as follows (in thousands):

	December 31, 2025			December 31, 2024		
	DIHCI	**APHC**	**WPL**	DIHCI	APHC	WPL
Percentage of NCI	**2%**	**44%**	**46%**	2%	44%	46%
Carrying amount of NCI	**P59,903**	**P1,281,745**	**P1,541,932**	P54,150	P1,303,322	P985,260
Net income (loss) attributable to NCI	**P12**	**(P47,601)**	**(P4,008)**	P232	(P34,219)	P777,941
Other comprehensive income attributable to NCIs	**P5,742**	**P26,024**	**P560,680**	(P6)	(P557)	P -

The following are the audited condensed financial information of investments in subsidiaries with material NCIs (in thousands):

	December 31, 2025			December 31, 2024		
	DIHCI	**APHC**	**WPL**	DIHCI	APHC	WPL
Total assets	**P4,018,203**	**P2,868,625**	**P2,204,582**	P3,643,733	P2,877,482	P2,238,098
Total liabilities	**1,023,009**	**1,228,171**	**71,424**	936,239	1,163,946	96,288
Net assets	**P2,995,194**	**P1,640,454**	**P2,133,158**	P2,707,494	P1,713,536	P2,141,810
Revenue	**P258,469**	**P -**	**P141,677**	P258,591	P -	P90,693
Net income (loss)	**P595**	**(P107,451)**	**(P8,712)**	P11,624	(P77,244)	P1,691,176
Other comprehensive income	**287,105**	**34,370**	**-**	(313)	304	-
	P287,700	**(P73,081)**	**(P8,712)**	P11,311	(P76,940)	P1,691,176
Cash flows generated from (used in):						
Operating activities	**P27,984**	**(P143,423)**	**P241,258**	P42,105	P146,643	(P648,773)
Investing activities	**(75,796)**	**(54,142)**	**(2,901)**	(54,025)	(170,358)	1,481,537
Financing activities	**-**	**181,097**	**(254,843)**	-	24,119	(808,454)
Net increase (decrease) in cash and cash equivalents	**(P47,812)**	**(P16,468)**	**(P16,486)**	(P11,920)	P404	P24,310

17. Other Costs and Expenses

This account consists of:

	Note	**2025**	2024	2023
Laundry, valet and other hotel services		**P131,007,859**	P139,504,270	P138,411,394
Taxes and licenses		**50,522,742**	124,213,201	55,836,906
Security and other related services		**43,043,302**	40,042,464	37,786,070
Commissions		**25,096,855**	18,289,479	13,100,465
Guest and laundry valet		**21,167,553**	15,701,572	8,104,211
Corporate expenses		**20,728,755**	38,676,937	22,380,056
Supplies	*6*	**19,910,881**	17,651,684	16,320,865
Advertising		**18,621,127**	16,072,780	11,463,868
Insurance		**17,195,994**	22,650,771	21,130,576
Professional fees		**12,440,766**	28,416,014	18,639,629
Data processing		**10,296,960**	10,965,025	12,356,665
Representation and entertainment		**9,598,775**	73,257,626	24,533,967
Fuel and oil		**7,464,849**	12,185,612	8,496,444
Communications		**4,640,207**	4,210,717	3,190,643
Transportation and travel		**2,654,474**	1,959,590	259,160
Meeting expenses		**103,633**	437,024	905,750
Trainings and seminars		**27,455**	6,000	2,500
Donations		**31,234**	-	275,367
Guest amenities		**6,762,863**	6,765,407	3,995,822
Impairment loss	*5, 8*	**311,403,413**	17,050,056	8,700,797
Miscellaneous		**4,955,102**	10,107,152	7,806,092
		P717,674,799	P598,163,381	P413,697,247

Miscellaneous include recruitment expense and employee association dues.

18. Retirement Benefits Cost

Certain subsidiaries have noncontributory, defined benefit plans (the Plans) covering substantially all of their regular employees with at least 5 years of continuous service. The benefits are based on percentage of the employee's final monthly salary for every year of continuous service depending on the length of stay. Contributions and costs are determined in accordance with the actuarial studies made for the Plans.

The latest independent actuarial valuation of the Plans was as at December 31, 2025, which was prepared using the projected unit credit method. The Plans are administered by independent trustees (the Retirement Plan Trustees) with assets held consolidated for the Group.

Under the existing regulatory framework, Republic Act (R.A.) 7641, *The Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The Plans are registered with the BIR as a tax-qualified plan under R.A. No. 4917, As Amended, otherwise known as "An Act Providing that Retirement Benefits of Employees of Private Firms shall not be Subject to Attachment, Levy, Execution, or any Tax whatsoever."

The Plan typically exposes the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk
The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will result in remeasurement loss and may create a plan deficit.

Interest Risk
A decrease in the government bond interest rate will increase the plan liability.

Longevity Risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal actuarial assumptions at reporting date are as follows:

	2025	2024
Discount rate	**6.17%- 6.41%**	6.09% - 6.13%
Salary increase rate	**3.00%**	3.00%

The following table shows reconciliation from the opening balances to the closing balances of the net retirement benefits assets and its components:

	Present Value of Defined Benefit Obligation		Fair Value of Plan Assets		Net Retirement Benefits Liability (Asset)	
	2025	2024	**2025**	2024	**2025**	2024
Balance at beginning of year	**P82,660,943**	P68,531,752	**(P146,791,671)**	(P137,984,733)	**(P64,130,728)**	(P69,452,981)
Recognized in Profit or Loss						
Current service cost	**5,897,720**	5,302,415	**-**	-	**5,897,720**	5,302,415
Interest expense	**2,843,937**	4,196,606	**(6,029,935)**	(8,345,357)	**(3,185,998)**	(4,148,751)
	8,741,657	9,499,021	**(6,029,935)**	(8,345,357)	**2,711,722**	1,153,664
Recognized in OCI						
Remeasurements from:						
Actuarial gains arising from:						
Experience adjustments	**(15,622,031)**	148,878	**-**	-	**(15,622,031)**	148,878
Change in financial assumptions	**(736,102)**	3,626,630	**-**	-	**(736,102)**	3,626,630
Change in demographic assumptions	**(544,435)**	(901,028)	**-**	-	**(544,435)**	(901,028)
Return on plan assets excluding interest	**-**	-	**(130,807)**	1,294,109	**(130,807)**	1,294,109
	(16,902,568)	2,874,480	**(130,807)**	1,294,109	**(17,033,375)**	4,168,589
Others						
Benefits paid from plan assets	**(5,507,924)**	(1,755,690)	**5,507,924**	(1,755,690)	**-**	-
Balance at end of year	**P68,992,108**	P79,149,563	**(P147,444,489)**	(P146,791,671)	**(P78,452,381)**	(P64,130,728)

The retirement benefits cost recognized in profit or loss in 2025, 2024 and 2023 amounted to P1.97 million, P1.14 million and P2.68 million, respectively, and is presented as part of "Personnel costs" account in the consolidated statements of profit or loss and other comprehensive income.

Personnel costs comprise the following:

	2025	2024	2023
Salaries and wages	**P288,875,565**	P219,165,013	P145,409,784
Retirement benefits expense	**1,967,753**	1,143,058	2,679,052
Other employee benefits	**15,475,346**	15,993,752	12,035,710
	P306,318,664	P236,301,823	P160,124,546

The Group's plan assets consist of the following:

	2025	2024
Cash and cash equivalents	**P663,505**	P1,026,326
Investments:		
Unit investment trust fund	**46,953,885**	25,187,319
Government securities	**95,199,855**	112,272,562
Other securities and debt instruments	**2,455,811**	6,544,512
Other receivables	**2,280,674**	2,009,239
	147,553,730	147,039,958
Accrued trust fees payable	**109,241**	248,287
	P147,444,489	P146,791,671

Assumptions regarding the mortality and disability rates are based on the 1994 Group Annuity Table and the 1952 Disability Table, respectively.

The weighted-average duration of the DBO is 18.96 years and 19.43 years as at December 31, 2025 and 2024, respectively.

Maturity analysis of the benefit payments as at December 31 follows:

	2025	2024
Carrying amount	**P68,173,385**	P83,309,009
Within one year	**P2,500,607**	P9,548,954
Within one to five years	**27,575,893**	36,814,835
Within five to ten years	**59,581,775**	201,011,464
Contractual cash flows	**P89,658,275**	P247,375,253

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the DBO by the amounts shown below:

	2025		2024	
	+1%	**-1%**	+1%	-1%
Discount rate	**(P5,968,869)**	**P6,844,528**	(P5,475,279)	P5,801,226
Salary increase rate	**7,049,429**	**(6,291,423)**	6,064,775	(5,921,090)

Although the analysis does not take account of the full distribution of cash flows expected under the Plans, it does provide an approximation of the sensitivity of the assumptions shown.

These respective Plans expose the Group to actuarial risks such as longevity risk, interest rate risk, and market (investment) risk.

Asset-liability Matching
The Retirement Plan Trustees have no specific matchinfg strategy between the plan assets and the plan liabilities.

Funding Policy
The Group is not required to pre-fund the future defined benefits payable under the retirement plans before they become due. However, in the event a benefit claim arises and the respective Plans' fund is insufficient to pay the claim, the shortfall will be paid by the Group directly to the employee-retiree. Hence, the amount and timing of contributions to the respective Plans are at the Group's discretion.

19. Income Taxes

The components of the Group's income tax expense are as follows:

	2025	2024	2023
Current	**P116,391,734**	P160,097,027	P145,764,870
Deferred	**(139,279,264)**	(8,393,424)	(43,224,485)
	(P22,887,530)	P151,703,603	P102,540,385

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

	2025	2024	2023
Income before income tax expense (benefit)	**(P128,652,510)**	P1,744,589,828	P125,834,353
Statutory tax rate for income tax	**20%/25%**	20%/25%	20%/25%
Income tax expense at statutory rate	**(P32,163,128)**	P436,147,457	P31,458,588
Additions to (reductions in) income tax resulting from the tax effects of:			
Unrecognized deferred tax assets during the year	**2,711,053**	89,468,486	37,675,287
Nondeductible expenses	**9,430,992**	32,602,560	34,776,501
Income not subjected to income tax	**(45,023)**	(1,121,864)	(1,369,991)
Gain on sale on disposal of properties	**-**	(440,363,599)	-
Derecognition of net operating loss carry-over (NOLCO) and minimum corporate income tax (MCIT)	**-**	-	-
Recognition of previously unrecognized deferred tax asset	**-**	-	-
Others	**(2,821,424)**	34,970,563	-
	(P22,887,530)	P151,703,603	P102,540,385

The movements of the deferred tax assets and deferred tax liabilities are as follows:

December 31, 2025	Balance January 1, 2024 As Restated	Recognized in Profit or Loss	Recognized in OCI	Restatements	Balance December 31, 2025
Deferred tax liabilities:					
Revaluation surplus on property and equipment	P2,231,267,355	(P60,877,305)	P644,801,262	P -	P2,815,191,312
Accrued rent income	125,675,722	7,032,713	-	-	132,708,435
Unamortized discount on security deposit	-	-	-	-	-
Cost claimed as expense	23,460,067	4,506,260	-	-	27,966,327
Retirement benefits asset	18,047,531	(144,773)	4,093,862	-	21,996,620
Unrealized foreign exchange gain	3,811	(3,299)	-	-	512
	2,398,454,486	(49,486,404)	648,895,124		2,997,863,206
Deferred tax assets:					
Accrued interest expense on loan	193,677,198	-	-	2,662,270	196,339,468
Advanced rental	2,283,500	2,110,281	-	-	4,393,781
NOLCO	709,936	221,901	-	-	931,837
Accrued rent expense	1,400,173	337,969	-	-	1,738,142
Allowance for impairment losses on receivables	11,710,577	85,772,911	-	-	97,483,488
Lease liabilities - net	6,295,799	515,121	-	-	6,810,920
MCIT	42,083	16,226	-	-	58,309
Retirement benefit liability	2,120,254	338,319	(165,519)	-	2,293,054
Provision for loss on CWT	-	188,719	-	-	188,719
Unearned revenues	6,219,576	291,414	-	-	6,510,990
	224,459,096	89,792,861	(165,519)	2,662,270	316,748,708
	P2,173,995,390	(P139,279,265)	P649,060,643	(P2,662,270)	P2,681,114,498

December 31, 2024	Balance January 1, 2024	Recognized in Profit or Loss	Recognized in OCI	Restatements	Balance December 31, 2024 (As restated)
Deferred tax liabilities:					
Revaluation surplus on property and equipment	P2,312,634,642	(P81,367,287)	P -	P -	P2,231,267,355
Accrued rent income	102,089,481	23,586,241	-	-	125,675,722
Unamortized discount on security deposit	22,043,458	(22,043,458)	-	-	-
Cost claimed as expense	11,326,569	12,133,498	-	-	23,460,067
Retirement benefits asset	19,819,893	(742,689)	(1,029,673)	-	18,047,531
Unrealized foreign exchange gain	2,941	870	-	-	3,811
	2,467,916,984	(68,432,825)	(1,029,673)	-	2,398,454,486
Deferred tax assets:					
Accrued interest expense on loan	182,968,953	-	-	10,708,245	193,677,198
Advanced rental	22,967,069	(20,683,569)	-	-	2,283,500
NOLCO	509,982	199,954	-	-	709,936
Accrued rent expense	2,787,846	(1,387,673)	-	-	1,400,173
Allowance for impairment losses on receivables	46,764,784	(35,054,206)	-	-	11,710,577
Lease liabilities - net	10,121,313	(3,825,514)	-	-	6,295,799
MCIT	25,074	17,009	-	-	42,083
Retirement benefit liability	1,883,977	333,973	(97,696)	-	2,120,254
Unamortized past service cost	1,109,487	(1,109,487)	-	-	-
Unearned revenues	4,749,463	1,470,113	-	-	6,219,576
	273,887,948	(60,039,400)	(97,696)	10,708,245	224,459,096
	P2,194,029,036	(P8,393,425)	(P931,977)	P10,708,245	P2,173,995,390

December 31, 2023	Balance January 1, 2023	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2023
Deferred tax liabilities:				
Revaluation surplus on property and equipment	P2,320,454,791	(P54,157,101)	P46,336,952	P2,312,634,642
Accrued rent income	95,704,743	6,384,738	-	102,089,481
Unamortized discount on security deposit	23,039,194	(995,736)	-	22,043,458
Cost claimed as expense	-	11,326,569	-	11,326,569
Retirement benefits asset	19,935,234	253,284	(368,625)	19,819,893
Unrealized foreign exchange gain	1,748	1,193	-	2,941
	2,459,135,710	(37,187,053)	45,968,327	2,467,916,984
Deferred tax assets:				
Accrued interest expense on loan	182,968,953	-	-	182,968,953
Advanced rental	22,105,409	861,660	-	22,967,069
NOLCO	490,710	19,272	-	509,982
Accrued rent expense	2,864,074	(55,145)	(21,083)	2,787,846
Allowance for impairment losses on receivables	42,196,557	4,568,227	-	46,764,784
Lease liabilities - net	10,746,648	(625,335)	-	10,121,313
MCIT	10,923	14,151	-	25,074
Retirement benefit liability	1,961,130	78,999	(156,152)	1,883,977
Unamortized past service cost	1,179,134	(69,647)	-	1,109,487
Unearned revenues	3,504,213	1,245,250	-	4,749,463
	268,027,751	6,037,432	(177,235)	273,887,948
	P2,191,107,959	(P43,224,485)	P46,145,562	P2,194,029,036

Deferred tax assets and liabilities are presented as follows:

	2025	2024 As restated (Note 27)	2023 As restated (Note 27)
Deferred tax assets	**P205,622,724**	P200,786,751	P259,307,772
Deferred tax liabilities	**(2,886,737,222)**	(2,374,782,141)	(2,453,336,808)
	(P2,681,114,498)	(P2,173,995,390)	(P2,194,029,036)

Deferred tax assets have not been recognized by certain subsidiaries in respect of the following items in the table below because it is not probable that future taxable profits will be available against which the subsidiaries can utilize the benefits thereon prior to their expiration or reversal.

The BIR issued RR No. 25-2020 to implement Section 4 (bbbb) of R.A. No. 11494, *Bayanihan to Recover as One Act*, which provides that the NOLCO incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next 5 consecutive taxable years immediately following the year of such loss. The said RR also defined taxable years 2020 and 2021 to include those corporations with fiscal years ending on or before June 30, 2021 and June 30, 2022, respectively.

	2025		2024	
	Tax Base	**Tax Effect**	Tax Base	Tax Effect
NOLCO	**P522,121,249**	**P130,530,312**	P57,803,920	P14,450,980
MCIT	**5,703,175**	**5,703,175**	1,121,067	1,121,067
	P527,824,424	**P136,233,487**	P58,924,987	P15,572,047

The movements of unrecognized net deferred tax assets of the Group are as follows:

	2025	2024
Balance at beginning of year	**P88,807,301**	P74,421,650
Unrecognized deferred tax assets during the year:		
NOLCO	**51,324,494**	14,115,714
MCIT	**1,535,714**	324,881
Impairment losses	**-**	-
Expiration of unrecognized deferred tax assets:		
NOLCO	**-**	-
MCIT	**-**	(54,944)
Application of unrecognized deferred tax assets:		
NOLCO	**-**	-
MCIT	**-**	-
Balance at end of year	**P141,667,509**	P88,807,301

The details of the unrecognized NOLCO not covered by R.A. No. 11494 are as follows:

Year Incurred	Expiry Date	NOLCO	Applied	Expired Amount	Remaining Amount
2025	December 31, 2028	P51,324,494	P -	P -	P51,324,494
2024	December 31, 2027	56,462,856	-	-	P56,462,856
2023	December 31, 2026	74,511,696	-	-	74,511,696
2022	December 31, 2025	22,853,239	-	-	22,853,239

The details of the unrecognized NOLCO covered by R.A. No. 11494 are as follows:

Year Incurred	Expiry Year	Amount	Applied	Expired	Balance
2021	2026	P66,036,063	P -	P -	P66,036,063
2020	2025	76,753,977	-	-	76,753,977
		P142,790,040	P -	P -	P142,790,040

Certain subsidiaries were required to pay MCIT under existing tax regulations. The

MCIT payments and the applicable years that these will be deductible from future regular corporate income tax payable are shown below.

Year Incurred	Expiry Date	MCIT	Applied	Expired Amount	Remaining Amount
2025	December 31, 2028	P1,535,714	P -	P -	P1,535,714
2024	December 31, 2027	324,881	-	-	324,881
2023	December 31, 2026	121,173	-	-	121,173
2022	December 31, 2025	91,075	-	-	91,075
2021	December 31, 2024	54,944	-	54,944	-
		P592,073	P -	P54,944	P537,129

20. Earnings Per Share

The calculation of the basic EPS (LPS) is based on the following data:

	2025	2024 As restated (Note 27)	2023 As restated (Note 27)
Net income (loss) attributable to equity holders of the Parent Company	**(P54,168,257)**	P848,931,850	P53,581,007
Weighted number of shares outstanding	**2,498,991,753**	2,498,991,753	2,498,991,753
Earnings (loss) per share - basic and diluted	**(P0.022)**	P0.340	P0.021

Basic EPS (LPS) is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year.

The EPS (LPS) prior to the effect of restatements in prior years amounted to P0.344 and P0.028 in 2024 and 2023, respectively.

As at December 31, 2025, 2024 and 2023, the Parent Company has no dilutive or potential dilutive share.

21. Financial Instruments - Fair Values and Risk Management

Risk Management Structure

BOD

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

Risk Management Committee

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

Financial Risk Management Objectives and Policies

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

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

Credit Risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables.

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

With respect to credit risk from other financial assets of the Group, which mainly comprise of cash and cash equivalents (excluding cash on hand), receivables, notes receivable, due from related parties, short-term investments and other noncurrent assets (excluding advances to contractors), the exposure of the Group to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

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

The tables below show the credit quality of the Group's financial assets (in thousands):

	At Amortized Cost		
	12-month ECL	**Lifetime ECL - not credit impaired**	**Lifetime ECL - credit impaired**
Grade A	**P5,419,037**	**P -**	**P -**
Grade B	**739,475**	**-**	**-**
Grade C	**303,580**	**-**	**-**
Gross carrying amount	**6,462,092**	**-**	**-**
Loss allowance	**303,580**	**-**	**-**
Carrying amount	**P6,158,512**	**P -**	**P -**

	At Amortized Cost		
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P11,961,713	P -	P -
Grade B	322,282	-	-
Grade C	71,124	-	-
Gross carrying amount	12,355,119	-	-
Loss allowance	71,124	-	-
Carrying amount	P12,283,995	P -	P -

	At Amortized Cost		
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P2,473,703	P -	P -
Grade B	1,999,938	-	-
Grade C	38,554	-	-
Gross carrying amount	4,512,195	-	-
Loss allowance	38,554	-	-
Carrying amount	P4,473,641	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	**2025**	2024
Cash and cash equivalents*	*4*	**P355,553**	P388,638
Receivables	*5*	**1,196,970**	1,656,893
Notes receivable	*8*	**283,454**	271,703
Due from related parties	*8*	**7,560,756**	7,034,043
Short-term investments		**907**	2,856
Other noncurrent assets **	*10*	**275,379**	221,774
		9,673,019	9,575,907
Less allowance for impairment losses	*5, 8*	**(310,983)**	(184,960)
		P9,362,036	P9,390,947

**Excluding cash on hand*
***Excluding special project deposits*

The aging analyses of the Group's financial assets as at December 31, 2025 and 2024 are as follows (in thousands):

			Neither Past	Past Due but not Impaired					
December 31, 2025	***Note***	**Total**	**Due nor Impaired**	**<30 Days**	**30 - 60 Days**	**61 - 90 Days**	**91 - 120 Days**	**> 120 Days**	**Impaired**
Cash and cash equivalents*	*4*	**P355,553**	**P355,553**	**P -**	**P -**	**P -**	**P -**	**P -**	**P -**
Receivables	*5*	**1,196,970**	**359,183**	**92,994**	**16,601**	**13,328**	**616,552**	**-**	**98,312**
Notes receivable	*8*	**283,454**	**138,693**	**-**	**-**	**-**	**-**	**-**	**144,761**
Due from related parties	*8*	**7,560,756**	**7,492,846**	**-**	**-**	**-**	**-**	**-**	**67,910**
Short-term investments		**907**	**907**	**-**	**-**	**-**	**-**	**-**	**-**
Other noncurrent assets **	*10*	**275,379**	**275,379**	**-**	**-**	**-**	**-**	**-**	**-**
Total		**P9,673,019**	**P8,622,561**	**P92,994**	**P16,601**	**P13,328**	**P616,552**	**P -**	**P310,983**

**Excluding cash on hand*
***Excluding special project deposits*

December 31, 2024	Note	Total	Neither Past Due nor Impaired	Past Due but not Impaired <30 Days	30 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days	Impaired
Cash and cash equivalents*	4	P388,638	P388,638	P -	P -	P -	P -	P -	P -
Receivables	5	1,656,893	1,285,471	5,325	5,381	1,044	242,622	-	117,050
Notes receivable	8	271,703	271,703	-	-	-	-	-	-
Due from related parties	8	7,101,953	7,034,043	-	-	-	-	-	67,910
Short-term investments		2,856	2,856	-	-	-	-	-	-
Other noncurrent assets **	10	221,774	221,774	-	-	-	-	-	-
Total		P9,643,817	P9,204,485	P5,325	P5,381	P1,044	P242,622	P -	P184,960

**Excluding cash on hand*
***Excluding special project deposits*

Impairment on the financial assets has been measured on a 12-month expected loss basis and reflects the short maturities of the exposure.

The credit quality of the Group's financial assets that are neither past due nor impaired is considered to be of good quality and expected to be collectible without incurring any credit losses.

Information on the Group's receivables and due from related parties that are impaired as of December 31, 2025 and 2024 and the movement of the allowance used to record the impairment losses are disclosed in Notes 5 and 8 to the consolidated financial statements.

Concentration Risk
Concentration of credit risk may arise from exposure to a single debtor or a group of debtors having similar characteristics such that their ability to meet their obligations are expected to be affected in a like manner by changes in economic or other conditions.

Revenue generated from a third party represents 30.48%, 31.95% and 34.11% of the total consolidated revenues of the Group in 2025, 2024 and 2023, respectively.

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

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

Ultimate responsibility for liquidity risk management rests with the BOD, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. For the Group's short-term funding, the Group's policy is to ensure that there is sufficient working capital inflows to match repayments of short-term debt.

The following table summarizes the maturity profile of the Group's financial liabilities as at December 31, 2025 and 2024 based on contractual undiscounted payments (in thousands):

December 31, 2025	Note	Total Carrying Amount	Contractual Undiscounted Payments			
			Total	On Demand	Less than 1 Year	> 1 Year
Accounts payable and accrued expenses*	11	**P836,430**	**P836,430**	**P836,430**	**P -**	**P -**
Loans payable:	13, 26					
Principal		**2,141,000**	**2,141,000**	**2,141,000**	**-**	**-**
Future interest		**228,964**	**228,964**	**-**	**-**	**228,964**
Due to related parties		**283,058**	**283,058**	**283,058**	**-**	**-**
Lease liabilities	24	**146,998**	**631,824**	**-**	**17,628**	**614,196**
Other current liabilities**	12	**54,161**	**54,161**	**54,161**	**-**	**-**
Concessionaires' deposits - net of current portion	14	**167,741**	**167,741**	**-**	**-**	**167,741**
Retention payables	14	**93,536**	**93,536**	**93,536**	**-**	**-**
		P3,951,888	**P4,436,714**	**P3,408,185**	**P17,628**	**P1,010,901**

**Excluding local taxes and output VAT and withholding taxes payable*
***Excluding deferred income*

December 31, 2024	Note	Total Carrying Amount	Contractual Undiscounted Payments			
			Total	On Demand	Less than 1 Year	> 1 Year
Accounts payable and accrued expenses*	11	P822,894	P822,894	P817,821	P4,513	P560
Loans payable:	13, 26					
Principal		2,811,000	2,811,000	2,811,000	-	-
Interest		467,078	-	-	-	467,078
Due to related parties		11,818	11,818	-	11,818	-
Lease liabilities	24	152,062	624,632	-	15,322	609,310
Other current liabilities**	12	72,526	72,526	72,526	-	-
Concessionaires' deposits - net of current portion	14	161,653	161,653	161,653	-	-
Retention payables	14	88,488	88,488	88,488	-	-
		P4,587,519	P4,593,011	P3,951,488	P31,653	P1,076,948

**Excluding local taxes and output VAT and withholding taxes payable*
***Excluding deferred income*

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. the company is exposed to market risk specifically to interest rate risk. Financial instruments affected by the market risk include cash in banks, advances to subsidiaries, due to related parties and loans payable.

The sensitivity analyses in the following sections relate to the consolidated statements of financial position as at December 31, 2025 and 2024.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The primary source of the Group's interest rate risk relates to its cash in banks, advances to subsidiaries, loans payable and due to related parties as follows:

(Amounts in thousands)

	Note	2025	2024
Cash in banks	4	**P333,275**	P361,153
Due from related parties	8	**7,492,846**	7,034,043
Loans payable	26	**2,140,000**	2,435,000
Due to related parties	8	**283,058**	273,738
		P10,249,179	P10,103,934

The following table demonstrates the sensitivity of the Group's income before income tax to a reasonably possible change in interest rates of its financial liabilities as at December 31, with all variables held constant:

	Increase (Decrease) in Interest Rate	Increase (Decrease) in Income before Income Tax
2025	**+100 basis points**	**P21,608**
	-100 basis points	**(21,608)**
2024	+100 basis points	(21,225)
	-100 basis points	21,225

Fair Value of Financial Instruments

The table below summarizes the carrying amounts and fair values of the Group's financial assets and liabilities as at December 31, 2025 and 2024 (in thousands):

	2025		2024	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Assets				
Cash and cash equivalents	**P355,553**	**P355,553**	P388,639	P388,639
Receivables	**1,098,657**	**1,098,657**	1,667,555	1,667,555
Notes receivable	**138,693**	**138,693**	2,734,449	2,734,449
Due from related parties	**7,492,846**	**7,492,846**	6,857,182	6,857,182
Short-term investments	**907**	**907**	2,856	2,856
Equity securities - at FVOCI	**72,545**	**72,545**	68,383	68,383
Other noncurrent assets *	**275,379**	**275,379**	930,521	930,521
	P9,434,580	**P9,434,580**	P12,649,585	P12,649,585

**Excluding advances to contractors and advances to a supplier*

	2025		2024	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Liabilities				
Accounts payable and accrued expenses**	**P935,806**	**P935,806**	P1,552,018	P1,552,018
Loans payable	**2,141,000**	**2,141,000**	2,811,000	2,811,000
Due to a related party	**283,058**	**283,058**	11,818	11,818
Lease liabilities	**146,998**	**146,998**	1,340	1,340
Other current liabilities***	**2,392**	**2,392**	72,526	72,526
Concessionaires' deposits	**167,741**	**167,741**	161,653	161,653
Retention payables	**93,536**	**93,536**	88,488	88,488
	P3,770,531	**P3,770,531**	P4,698,843	P4,698,843

***Excludes local taxes, output VAT and withholding taxes*
****Excluding deferred income*

As at December 31, 2025 and 2024, the carrying values of the Group's financial instruments approximate fair values as follows:

- *Cash and Cash Equivalents, Receivables, Notes Receivable, Current Portion of Due from Related Parties, Short-term Investments, Accounts Payable and Accrued Expenses (excluding local taxes and output VAT and withholding taxes payable), Due to a Related Party and Other Current Liabilities (excluding deferred income)*
  The carrying values of these financial instruments approximate fair values due to their relatively short-term maturities.

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

- *Equity Securities - at FVOCI*
  The fair value of listed investment in shares of stock was determined using the closing market price of the investment listed on the PSE as at December 31, 2025 and 2024 while the cost of unquoted investments in shares of stock approximate their fair value as at reporting date.

- *Lease Liabilities*
  The fair value of lease liabilities is based on the discounted value of expected future cash flows using the Group's IBR, thus, the carrying amount approximates fair value.

- *Other Noncurrent Assets (excluding advances to contractors and advances to a supplier) and Concessionaires' Deposits*
  The fair value of other noncurrent assets (excluding advances to contractors) and concessionaires' deposits approximates the carrying amount as these are settled in fixed amounts upon maturity based on the contract executed.

- *Retention Payables*
  The fair value of retention payables approximate their carrying amount because these are not subject to significant risk of change in value.

The approximation of the fair values of the Group's financial assets and liabilities are based on Level 3, except for equity securities - at FVOCI which is based on Level 1 of the fair value hierarchy.

Certain classes of the Group's property and equipment are carried at fair value using the revaluation method determined by a third party appraiser (see Note 9).

Capital Management

The primary objective of the Group's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. Capital is defined as the invested money or invested purchasing power, the net assets or equity of the entity. The Group's overall strategy remains unchanged from 2025 and 2024.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. For purposes of the Group's capital management, capital includes all equity items that are presented in the consolidated statements of changes in equity, except for revaluation surplus on property and equipment, retirement benefits reserve, foreign currency translation adjustment and fair value reserve.

The Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the Agreement (see Note 26). Breaches in meeting the financial covenants would permit the bank to immediately call the loans.

As at December 31, 2024, the Parent Company did not meet the minimum debt service coverage ratio of 1.25:1. While these constituted non-compliance with financial covenants, the Agreement provides a process that includes notifications between the Company and the local bank, as well as a rectification period, prior to any breach being considered an event of default. The Parent Company notified the local bank of the breach and obtained waiver from the bank relating to its compliance with the loan covenants. The local bank subsequently agreed not to treat it as an event of default as at December 31, 2024 and 2023. As a result, the breach did not result in the loans being declared immediately due and demandable.

As at December 31, 2025, the Group has complied with all the financial and operational loan covenants (see Note 26).

22. Right to Provide Venue for Land-based Casinos

PAGCOR has granted the Group the right to provide venue for land-based casinos. By virtue of this right, the subsidiaries, namely WCCCHI and WMCHI, have existing lease agreements with PAGCOR (see Note 23).

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

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

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

There are no changes in 2025.

23. Lease Agreements with PAGCOR

The Parent Company, in behalf of WCCCHI and WMCHI, entered into lease agreements with PAGCOR. The lease agreement of WCCCHI with PAGCOR covered the Main Area (8,123.60 sqm.), Slot Machine Expansion Area (883.38 sqm.), Mezzanine (2,335 sqm.) and 5th Floor Junket Area (2,336 sq.m.) for a total area of 13,677.98 sq.m. which commenced on March 3, 2011 and March 16, 2011, for the Main Area and Slot Machine Expansion Area, respectively. The lease agreement of WMCHI with PAGCOR covered the Main Area (4,076.24 sqm.) and Chip Washing Area (1,076 sqm.) for a total area of 5,152.24 sqm. which was last renewed on March 21, 2011. Both leases expired on August 2, 2016. Thereafter, PAGCOR paid the WCCCHI and WMCHI rental on a month-to-month basis. The leases were renewed on February 15, 2018, for a period of 1 year (see Note 1).

On May 29, 2019, the leases were further renewed until the year 2032 covering the Main Area (8,123.60 sq.m.), Slot Machine Expansion Area (883.38 sqm.) and Mezzanine (2,152.35 sq.m.) for a total area of 11,159.33 sq.m.

Relative to the renewal of the contract, the security deposit equivalent to six (6) months rental amounting to P159.02 million and P73.42 million was received by WCCCHI and WMCHI, respectively, and presented as part of "Concessionaires' deposit" account in other noncurrent liabilities in the consolidated statements of financial position and were carried at its present value as at December 31, 2025 computed using an EIR of 5.51% over the term of the contract. The change in the present value and amortization of the discount is recognized as part of "Interest expense" account in the consolidated statements of profit or loss and other comprehensive income. Interest expense recognized in 2025, 2024 and 2023 amounted to P8.61 million, P8.16 million and P7.74 million, respectively. The amortized cost of the refundable security deposits was determined by calculating the present value of the cash flows anticipated until the end of the lease term using the interest rate of 5.51%. as the deposit does not have an active market, the underlying interest rate was determined by reference to market interest rates of comparable financial instruments.

The undiscounted amounts and the related unamortized discount are as follows:

	Note	**2025**	2024
PAGCOR security deposits	*24*	**P232,439,873**	P232,439,873
Unamortized discount		**(67,653,697)**	(76,263,394)
		P164,786,176	P156,176,479

In addition, in 2019, WCCCHI and WMCHI also received advance rentals equivalent to 6 months amounting to P159.02 million and P73.42 million, respectively. These advance rentals are presented as part of "Advance rentals" account in other noncurrent liabilities and are carried at cost (see Note 24).

Total rental income from the above PAGCOR lease contracts recognized as part of "Rent and related income" in the consolidated statements of profit or loss and other comprehensive income amounted to P619.85 million, P623.42 million and P615.29 million in 2025, 2024 and 2023, respectively.

24. Other Lease Agreements

Group as Lessor

Lease Agreements with Concessionaires

WCCCHI, WMCHI and DIHCI have lease agreements with concessionaires for the commercial spaces available in their respective hotels. These agreements typically run for a period of less than one year, renewable upon the mutual agreement of the parties.

Security deposits received from other concessionaires amounted to P18.51 million, P7.58 million and P10.2 million as at December 31, in 2025, 2024 and 2023, respectively (see Notes 12 and 14).

Rent revenue recognized as part of "Rent and related income" in the consolidated statements of profit or loss and other comprehensive income and amounted to P624.65 million, P625.69 million, and P567.46 million in 2025, 2024 and 2023, respectively.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date (in thousands):

	2025	2024
Less than one year	**P3,636,572**	P3,921,005
One to two years	**1,568,572**	3,165,120
Two to three years	**908,954**	2,624,588
Three to four years	**795,022**	2,808,418
Four to five years	**718,165**	1,617,011
More than five years	**1,069,622**	1,799,943
Total	**P8,696,907**	15,936,085

Group as Lessee

Land under Operating Lease

On September 15, 1994, Waterfront Hotel and Resort Sdn. Bhd. (WHR), a former related party, executed a lease contract (the Lease Agreement) with Mactan Cebu International Airport Authority (MCIAA) for the lease of certain parcels of land where the hotels were constructed. On October 14, 1994, WHR assigned its rights and obligations under the MCIAA contracts to WCCCHI and WMCHI.

WCCCHI and WMCHI shall pay MCIAA fixed rentals per month plus a 2% variable rent based on the annual gross revenues of WCCCHI and WMCHI, as defined in the Lease Agreement. The leases are for a period of 50 years, subject to automatic renewal for another 25 years, depending on the provisions of the applicable Philippine laws at the time of renewal.

WCCCHI also entered into a new lease agreement for the use of access road from the hotel property to the main road for a period of 3 years commencing on January 1, 2023 subject to renewal upon mutual agreement of both parties.

Information about leases for which the Group is a lessee is presented below.

The right-of-use assets movement is as follows:

	2025	2024
Cost		
At January 1	**P158,329,218**	P165,850,038
Modification	**(3,472,339)**	(7,520,820)
Additions	**-**	-
Derecognition	**(3,677,466)**	-
At December 31	**151,179,413**	158,329,218
Accumulated Depreciation		
At January 1	**37,241,766**	32,049,689
Depreciation	**4,360,840**	5,192,077
Derecognition	**(3,677,466)**	-
At December 31	**37,925,140**	37,241,766
Carrying Amount	**P113,254,273**	P121,087,452

Set out below is the carrying amount of the lease liabilities and the movements during the period as follows:

	2025	2024
At January 1	**P152,062,056**	P160,976,766
Accretion of interest	**15,132,650**	15,430,189
Payments	**(15,326,044)**	(15,793,350)
Modification	**(4,870,509)**	(8,551,549)
Accrued rent	**-**	-
At December 31	**P146,998,153**	P152,062,056

The outstanding balance of the lease liabilities is presented in the consolidated statements of financial position as follows:

	2025	2024
Current portion	**P2,787,936**	P3,944,388
Noncurrent portion	**144,210,217**	148,117,668
Total	**P146,998,153**	P152,062,056

Future undiscounted rental payments are as follows:

	2025	2024
Less than one year	**P17,628,021**	P18,040,157
One to five years	**80,986,800**	80,534,980
More than five years	**533,208,881**	552,945,715
	P631,823,702	P651,520,852

Amounts Recognized in Profit or Loss

	2025	2024	2023
Depreciation of right-of-use assets	**P4,360,840**	P5,192,077	P6,327,043
Interest expense related to lease liabilities	**15,132,650**	15,430,189	15,702,918
Variable lease payments	**18,567,712**	17,268,506	21,055,770
Expenses relating to short-term leases including VAT on lease payments	**1,213,927**	1,926,150	-
Income (loss) on rent concession	**(1,398,170)**	(1,030,729)	(1,814,550)

Amount Recognized in the Statements of Cash Flows

	2025	2024	2023
Total cash outflow for leases	**P15,326,044**	P15,793,351	P28,363,258

The interest expense associated with the lease liabilities in 2025, 2024 and 2023 amounted to P15.13 million, P15.43 million, and P14.08 million, respectively. Interest expense is derived using the Group's IBR of 10.79% as at January 1, 2019 for the agreement with MCIAA and IBR of 9.50% as at January 1, 2023 lease agreement for the use of access road. Total cash outflow for lease liabilities made by the Group in 2025, 2024 and 2023 amounting to P15.33 million, P15.79 million and P23.30 million, respectively, is presented as "Payment of lease liabilities" in the consolidated statements of cash flows.

The Group recognized income from rent concession amounting to P1.40 million, P1.03 million and P1.81 million in 2025, 2024 and 2023, respectively, as part of "Other Revenues" in the consolidated statements of profit or loss and other comprehensive income to reflect the discount on lease payments arising from rent concessions to which the Group has applied the practical expedient for COVID-19-related rent concession.

Extension Options
Extension options are included in the Group's lease of its land. The contracts of lease state an automatic renewal of lease upon expiration of the initial contract period.

Total rent expense for the aforementioned leases amounted to P20.02 million, P19.37 million, and P17.53 million in 2025, 2024 and 2023, respectively, in the consolidated statements of profit or loss and other comprehensive income.

25. Commitments and Contingencies

The following are the significant commitments and contingencies involving the Group.

a. The Parent company has following significant commitments and contingencies as follows:

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

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

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

The Parent Company appealed the case to the CTA sitting En Banc on October 21, 2013. The CTA En Banc decision promulgated on December 4, 2014 affirmed the VAT and EWT assessments. The EWT assessment was paid on March 3, 2013. The CTA En Banc decision was appealed to the SC on February 5, 2015 covering the VAT assessment only. As at the date of the authorization for issue of the consolidated financial statements the Parent Company is still awaiting the SC's decision.

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

- 2019 BIR Tax Assessment
  On June 8, 2021, the Parent Company received a Letter of Authority SN: eLA201500023533 LOA-080-2021-0000113 dated May 31, 2021 from the BIR for the taxable year 2019.

  On January 26, 2023 the Parent received Notice of Discrepancy dated January 25, 2023. On February 24, 2023, the Parent Company sent a letter to BIR contesting the said assessment.

  On May 23, 2023, an Amended Notice of Discrepancy dated May 15, 2023 was received by the parent with changes on the assessment. On June 20, 2023, the Parent submitted a reply with justification and explanation on itemized assessment.

  On July 26, 2023, the parent received a Preliminary Assessment Notice dated July 24, 2023. On August 9, 2023, a reply dated August 9,2023 was sent to BIR still contesting the said assessment.

  On August 31, 2023, a Formal Letter of Demand dated August 16, 2023 was received by the Parent. On October 2, 2023, the Parent Company sent a protest letter to BIR contesting the portion of the said assessment. Settlement on Documentary Stamp Tax, Registration Fee, Expanded Withholding Taxes and Withholding tax on Compensation amounting to P3.3 million was made on October 12, 2023.

  On March 6, 2024, the Parent Company sent a protest letter, which was accepted by the BIR requesting for reinvestigation and verification, which includes deficiencies in income tax amounting to P22.0 million and VAT amounting to P21.3 million. A partial settlement for Income Tax amounting to P5.0 million was made on March 26, 2024, followed by a final payment of P5.08 million on May 27, 2024. On the same day, a Waiver of the Defense of Prescription for Value Added Tax was executed and accepted by the Regional Director of Revenue Region No. 13 on June 25, 2024. Lastly, a settlement of miscellaneous fees amounting to 59,000 was made on July 1, 2024.

In the normal course of business, the Group enters into commitments and encounters certain contingencies, which include a case against a contractor of one of its hotels for specific performance. Management believes that the losses, if any, that may arise from these commitments and contingencies would not be material to warrant additional adjustment or disclosure to the consolidated financial statements.

b. WMCHI has a tax case involving VAT assessment for the taxable year 2006. The case was elevated to the CTA in 2011. In 2012, WMCHI offered its formal evidence to the court. In its decision promulgated on May 31, 2013, the CTA cancelled the VAT assessment in its entirety. The BIR filed a MR that was denied by the CTA in its resolution promulgated on August 16, 2013. The BIR appealed the case to the CTA sitting En Banc on September 20, 2013. On September 15, 2015, the CTA reaffirmed the decision cancelling the VAT assessment. On March 9, 2016, the BIR filed with the SC its motion for extension of time to file its appeal.

   On September 2, 2020, the SC denied the BIR appeal and affirmed the CTA decision and CTA En Banc resolution that cancelled the 2006 VAT assessment. Afterwards, the SC issued its Entry of Judgment dated Juy 26, 2021. As of the date of report, there was no update on the progress of the case.

   The Group is defendant in other legal cases which are still pending resolution. Management and legal counsels believe that the outcome of these cases will not have any material effect on the Group's financial position and financial performance.

c. In the normal course of business, the Group enters into commitments and encounters certain contingencies, which include a case against a contractor of one of its hotels for specific performance. Management believes that the losses, if any, that may arise from these commitments and contingencies would not be material to warrant additional adjustment or disclosure to the consolidated financial statements.

d. The Group is defendant in other legal cases which are still pending resolution. Management and legal counsels believe that the outcome of these cases will not have any material effect on the Group's financial position and financial performance.

26. Omnibus Loan and Security Agreement

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

Roll-forward of the loans from PBCOM as follows:

	2025	2024
Balances at beginning of year	**P2,435,000,000**	P2,775,000,000
Payments	**(295,000,000)**	(340,000,000)
Balances at end of year	**P2,140,000,000**	P2,435,000,000

The loans presented as follows:

	2025	2024
Current	**P240,000,000**	P295,000,000
Non-current	**1,900,000,000**	2,140,000,000
	P2,140,000,000	P2,435,000,000

Loan Facilities consists of the following:

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

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

On August 27, 2025, the Group executed a supplemental agreement with PBCOM covering the outstanding PHP 2.24 billion 5-year Term Loan, revising the interest terms from the higher of the 5-year Bloomberg Valuation (BVAL) rate plus 3.25% or a 7.75% floor, floating and repriced quarterly, to a fixed rate equivalent to the 2-year BVAL rate of 5.4959% plus a 2.75% spread, resulting in 8.2459% per annum until maturity.

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

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

The Loan Facilities are secured by chattel and real mortgages over various operating assets of WCCCHI and DIHCI; real estate mortgages over Davao Agricultural Property; assignment over leasehold rights on the land owned by Mactan Cebu International Airport Authority (MCIAA) on which WCCCHI stands; and pledge of shares of stocks representing ownership of the Company in WCCCHI and DIHCI.

Each of the Borrowers is required to comply with certain covenants during the term of the Agreement and until the full payment of the amounts due which include, among others:

a. Debt to Equity Ratio of not higher than 2.5:1;

b. Debt Service Coverage Ratio of at least 1.25x;

c. To appoint PBCOM's nominees as Corporate Secretary in WCCCHI and DIHCI and nominate and elect such number of PBCOM's nominees as will comprise the majority of the Board of Directors in WCCCHI and DIHCI, provided however, that the exercise of the abovementioned proxy and/or voting rights granted to PBCOM shall be exercised solely for the purpose of protecting, preserving, and enforcing its rights and interests under the Agreement and shall not be used by the latter to effect any takeover of the day-to-day operations of said corporations; and

d. Negative covenants which prohibit each of the Borrowers to:

   - Change the nature or scope of its business as presently conducted, or liquidate or dissolve, or enter into any consolidation, merger, pool, joint venture, syndicate or other combination, or sell, lease or dispose of a substantial portion (as determined by PBCOM) of its business or assets, with market or book value of P500.00 million or more;

   - Permit any change in ownership (direct or indirect), management or control of its business, which results in the present majority stockholders ceasing to hold, whether directly or indirectly through any person beneficially, at least sixty-eight percent (68%) of the direct or indirect beneficial or economic interest in each of the Borrowers;

   - Declare or pay dividends to stockholders and make any capital or asset distribution to stockholders;

   - Purchase, redeem, retire or otherwise acquire for value any of capital stock now or hereafter outstanding (other than as a result of the conversion of any shares of capital stock into shares of any other class of capital stock), return any capital to its stockholders as such, or make any distribution of assets to its stockholders as such (other than distribution payable in shares of its own outstanding capital stock);

   - File any legal action to question any corporate act or transaction;

   - Extend any loans, advances or subsidies to any corporation, partnership or entity owned by the Borrowers or in which it may have equity, other than advances in the ordinary course of business; and

   - Extend any loans or advances to any of its directors, officers, stockholders, affiliates and partners other than advances in the ordinary course of business.

All drawdowns from the Loan Facilities (2017) were fully paid as at December 31, 2024 and 2023.

Supplemental Loan Agreement
On March 22, 2022, the Borrowers entered into a Supplemental Loan Agreement to the Agreement with PBCOM granting the Borrowers additional multiple loan facilities (the New Loan Facilities) for the following purposes: (1) refinancing the outstanding loan obligation; (2) payment of any and all fees, stamps, and other taxes to the execution and delivery of the loan documents in order to implement the refinancing; and, (3) general corporate requirements, in the maximum aggregate amount of P3.05 billion.

The New Loan Facilities are secured by the chattel and real estate mortgages and other security interests under the Agreement as well as the following: additional chattel and real mortgages over various operating assets of WMCHI; pledge of movable assets consisting of machinery and equipment owned by WCCCHI, WMCHI and DIHCI; new chattel and real estate mortgages over various operating assets of CRDC and PRC; assignment over leasehold rights on the land owned by MCIAA on which WMCHI stands; pledge of shares of stocks representing ownership of the Company in WCCCHI, WMCHI and DIHCI; assignment of all rental receivables of WCCCHI and WMCHI from PAGCOR; and assignment of the cash collateral peso-denominated interest-bearing account Debt Service Reserve Account.

Each of the Borrowers are required to comply the same covenants set forth under the Agreement.

The New Loan Facilities consists of the following:

New Facility 1 - represents secured term loan facility in the amount of P550.00 million to re-finance the payment of the Facility 3 of the Original Loan Agreement available through maximum of two (2) drawdowns within September 2022 with term of 30 months from the initial drawdown date. The loan principal for this facility is payable in equal monthly installments to commence one month from the drawdown date. Interest is charged at the higher of three (3)-year BVAL rate on the date of availment and spread of 3.25% per annum or 7.75% per annum; floating rate re-priceable every quarter; and repayable monthly in arrears.

New Facility 2 - represents secured term loan facility in the amount of P1.00 billion available through a single or multiple drawdowns with term of 60 months from the initial drawdown date, regardless of the number of drawdowns. Any amount not drawn after the expiration of the commitment period shall be automatically cancelled and may not be reinstated.

New Facility 3 - represents secured term loan facility in the amount of P600.00 million available through a single or multiple drawdowns with term of 60 months from the initial drawdown date, regardless of the number of drawdowns. Any amount not drawn after the expiration of the commitment period shall be automatically cancelled and may not be reinstated.

New Facility 4 - represents secured term loan facility in the amount of P900.00 million available through a single or multiple drawdowns with term of 60 months from the initial drawdown date, regardless of the number of drawdowns. Any amount not drawn after the expiration of the commitment period shall be automatically cancelled and may not be reinstated.

The loan principals for New Facilities 2 and 3 are payable on equal monthly installments to commence at the end of twenty-fourth (24th) month from the initial drawdown date subject to balloon payment upon maturity. Interest is charged at the higher of five (5)-year BVAL rate on the date of availment and spread of 3.25% per annum or 7.75% per annum; floating rate repriceable every quarter; and repayable monthly in arrears.

All drawdowns were made by the Company.

As at December 31, 2024 and 2023, the Parent Company did not meet the minimum debt service coverage ratio of 1.25:1 as described in Section 4.4 Debt Service Coverage Ratio of the Agreement. The Agreement provides a process which includes notifications by PBCOM and a period of rectification prior to a breach of such covenants being considered an event of default. The Parent Company has notified PBCOM of the breach and PBCOM signified agreement of not treating the breach as an event of default as at December 31, 2024.

As at December 31, 2024, the Parent Company has not received any notification from PBCOM that would trigger the rectification period prior to being considered an event of default. As a result, the breach did not result in the loans being declared immediately due and demandable.

As at December 31, 2025, the Group has complied with all the debt covenants.

The outstanding balances of the loans under the Loan Facilities are presented in the consolidated financial position of the Group as follows:

Loan Facility	**Current Portion**	**Noncurrent Portion**	**Outstanding Balance**
New Facility 1	**P -**	**P -**	**P -**
New Facility 2	**96,000,000**	**760,000,000**	**856,000,000**
New Facility 3	**57,600,000**	**456,000,000**	**513,600,000**
New Facility 4	**86,400,000**	**684,000,000**	**770,400,000**
	P240,000,000	**P1,900,000,000**	**P2,140,000,000**

2024

Loan Facility	Current Portion	Noncurrent Portion	Outstanding Balance
New Facility 1	P55,000,000	P -	P55,000,000
New Facility 2	96,000,000	856,000,000	952,000,000
New Facility 3	57,600,000	513,600,000	571,200,000
New Facility 4	86,400,000	770,400,000	856,800,000
	P295,000,000	P2,140,000,000	P2,435,000,000

The drawdowns and payments made by the Company under the New Loan Facilities are presented below:

2025

Loan Facility	Drawdown Date	Maturity Date	Payment Terms	**Monthly Amortization**	**Principal**	**Principal Payments**	**Outstanding Balance**
New Facility 1	9/13/2022	3/13/2025	3 months	**P18,333,333**	**P55,000,000**	**P55,000,000**	**P -**
New Facility 2	6/16/2022	6/4/2027	60 months	**8,000,000**	**952,000,000**	**96,000,000**	**856,000,000**
New Facility 3	6/6/2022	6/4/2027	60 months	**4,800,000**	**571,200,000**	**57,600,000**	**513,600,000**
New Facility 4	6/8/2022	6/4/2027	60 months	**7,200,000**	**856,800,000**	**86,400,000**	**770,400,000**
					P2,435,000,000	**P295,000,000**	**P2,140,000,000**

2024

Loan Facility	Drawdown Date	Maturity Date	Payment Terms	Monthly Amortization	Principal	Principal Payments	Outstanding Balance
New Facility 1	9/13/2022	3/13/2025	30 months	P18,333,333	P275,000,000	P220,000,000	P55,000,000
New Facility 2	6/16/2022	6/4/2027	60 months	8,000,000	1,000,000,000	48,000,000	952,000,000
New Facility 3	6/6/2022	6/4/2027	60 months	4,800,000	600,000,000	28,800,000	571,200,000
New Facility 4	6/8/2022	6/4/2027	60 months	7,200,000	900,000,000	43,200,000	856,800,000
					P2,775,000,000	P340,000,000	P2,435,000,000

Total interest incurred by the Parent Company arising for the Loan Facilities amounted to nil, P255.03 million and P274.71 million in 2025, 2024 and 2023, respectively.

On December 18, 2025, the Parent Company entered into an agreement with related parties for the allocation of interest expense based on actual funds paid or funded by each property for loan servicing during 2025, as supported by bank records and intercompany schedules. Interest expense amounting to P149.70 million and P54 million was allocated to WCCCHI and WMCHI, respectively. The allocation represents a pure cost recharge, with no markup, and does not constitute interest income, lending or financing activity between the parties.

27. Reclassifications and Restatements

In 2024 and 2023, certain accounts were reclassified and restated to correct errors in the comparative figures as at and for the years ended December 31, 2024 and 2023 summarized as follows:

December 31, 2024	*Note*	Balances As Previously Stated	Restatements	Balances As Restated
Consolidated Statements of Financial Position				
Deferred tax asset		P187,416,235	P13,370,516	P200,786,751
Retirement benefits asset	*e*	72,868,817	(8,738,089)	64,130,728
Accounts payable and accrued expenses	*a, c*	1,713,190,915	(728,062,120)	985,128,795
Due to related parties - current portion	*a*	5,013,609	258,117,750	263,131,359
Loans payable - current portion	*a*	671,000,000	(375,000,000)	296,000,000
Retirement benefits liability	*e*	8,738,089	(8,738,089)	-
Provision	*a*	-	902,240,126	902,240,126
Accumulated deficit		3,380,840,212	(43,925,240)	3,336,914,972
Consolidated Statements of Profit or Loss and Other Comprehensive Income				
Cost and expenses other than depreciation, interest, gains and income - 'Others'	*d*	594,349,684	3,813,697	598,163,381
Interest expense	*c*	(310,001,802)	(10,649,080)	(320,650,882)
Income tax expense (benefit)		154,365,872	(2,662,269)	151,703,603
Consolidated Statements of Cash Flows	*f*			
CASH FLOWS FROM OPERATING ACTIVITIES				
Depreciation		352,717,002	9,586,021	362,303,023
Decrease (increase) in:				
Receivables		(661,746,826)	(18,394,445)	(680,141,271)
Short-term investment		(1,578,385)	1,578,385	-
Accounts payable and accrued expenses		(171,452,506)	55,216,693	(116,235,813)
Interest paid		(2,577,407)	(255,029,402)	(257,606,809)
CASH FLOWS FROM INVESTING ACTIVITIES	*f*			
Short-term investment		-	-	-
Proceeds from sale of property and equipment		-	(1,578,385)	(1,578,385)
Proceeds from insurance claims on property damages		1,761,454,396	480,249,004	2,241,703,400
Additions to property and equipment		18,394,446	30,401,133	48,795,579

January 1, 2024	Note	Balances As Previously Stated	Restatements	Balances As Restated
Consolidated Statements of Financial Position				
Deferred tax assets		P248,599,526	P10,708,246	P259,307,772
Retirement benefits asset	*e*	69,794,281	(341,300)	69,452,981
Accrued expenses and other payables	*a, c*	1,800,621,785	(731,875,813)	1,068,745,972
Loans payable - current portion	*a*	715,000,000	(375,000,000)	340,000,000
Provision	*a*	-	1,149,708,795	1,149,708,795
Retirement benefits liability	*e*	341,300	(341,300)	-
Accumulated deficit		2,312,850,611	(32,124,736)	2,280,725,875
Consolidated Statements of Financial Performance				
Interest expense	*c*	(299,821,604)	(20,350,337)	(320,171,941)
Income tax expense (benefit)		107,627,968	(5,087,583)	102,540,385
Consolidated Statements of Cash Flows	*f*			
CASH FLOWS FROM OPERATING ACTIVITIES				
Increase in Accounts payable and accrued expenses		93,874,214	240,258,094	334,132,308
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property and equipment		120,129,047	(240,258,094)	(120,129,047)

Reclassifications

a. The above reclassifications are the results of the review by the Parent Company of the effects of the Supreme Court ruling on the case of the Parent Company with SSS as discussed in Note 13 and the subsequent proceedings and transactions that include the tender of payment made to SSS under Manager's Checks totaling P258.12 million, which SSS acknowledged with the filing of its Manifestation of Conditional Acceptance, acknowledging receipt of the tendered amount as partial and initial payment.

   To present faithfully the effects of said events, the Parent Company reclassified the outstanding loan with SSS amounting to P116.88 million and P375.00 million, and related accrued interest amounting to P785.36 million and 774.71 million as at December 31, 2024 and 2023, respectively, to "Provision" after considering that the Parent Company's contractual liability from SSS has been effectively extinguished following the SC's decision over the loan with SSS (see Note 13).

Restatements

The restatements to correct identified errors pertain to the following:

b. In relation to the effects of the review and the reclassification discussed in the paragraph above, it was determined that a payment made by TWGI, ultimate parent company, amounting to P258.12 million on behalf of the Parent Company which was tendered to SSS in 2024, must be recognized in the financial statements of the Parent Company (see Note 13).

c. Accrual of interest from the original loan with SSS which the Group has erroneously omitted in 2024 and 2023 amounting to P10.65 million and P42.83 million, respectively (see Note 13).

   The restatements resulted to deferred tax effect amounting to P2.67 million and P5.09 million in 2024 and 2023, respectively.

d. Erroneous recording of taxes and licenses relating to the documentary stamp taxes paid for advances made in 2024 amounting to P3.81 million.

e. Erroneous separate presentation of the retirement benefits assets and liabilities in the consolidated financial position which should be presented net in accordance with PAS 19 (Revised), *Employee Benefits.*

f. Erroneous presentation of changes in items with the consolidated statements of cash flows pertaining to the following:

   - Reclassification of short-term investments from operating to investing activities to properly reflect nature of transaction;

   - Interest paid under operating activities was adjusted to accurately reflect actual interest payments made;

   - Cash inflows from proceeds from the sale of property and equipment and collection of insurance claims on property damages increased by P301.55 million and P30.40 million. Concurrently, cash outflow for additions to property and equipment were increased to correct reconding of capital expenditures;

   - Adjustments were made to noncash items and working capital changes, including increase in depreciation, adjustment to receivables, accounts payable and accrued expenses.

28. Notes to Consolidated Statements of Cash Flows

The Group' s non-cash transactions include:

- In 2024 and 2023, the Group restated and outstanding loan with SSS amounting to P116.88 million and P375.00 million, and related accrued interest amounting to P785.36 million and P774.71 million as at December 31, 2024 and 2023, respectively, as "provision" in accordance with PAS 37 (see Note 13).

- In 2025, 2024 and 2023, the Group offset certain due to and from related parties amounting to P320.18 million, P746 million and P56 million, respectively (see Note 8).

- In 2025, 2024 and 2023, the Group has recognized appraisal increase from revaluation of property and equipment amounting to P2.58 billion, nil and P911.67 million, respectively (see Note 9).

- In 2025, the Group recognized non-cash additions to property and equipment amounting to P64.11 million through recoupment of prior year advances to contractors amounting to P24.70 million and application of related retention payable.

Supplemental information with respect to the statements of cash flows arising from financing activities are as follows:

	Due to Related Parties	Interest Payable
Balance as at January 1, 2024	P30,000	P729,841,010
Accrual of interest	-	53,482,063
Changes from financing cash flows:		
Payment of interest	263,161,359	-
Offsetting of advances from related parties	(30,000)	-
Payment of advances from related parties	-	-
Balance as at December 31, 2024	263,161,359	783,323,073
Accrual of interest	-	-
Changes from financing cash flows:		
Payment of interest	21,085,690	-
Payment of advances from related parties	(1,159,152)	-
Balance as at December 31, 2025	**P283,057,897**	**P783,323,073**

Reconciliation of financing cash flows arising from loans payable is presented in Note 26.

29. Material Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, except for the adoption of amendment to a standard as discussed below.

Changes in Accounting Policies
The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, except for the changes in accounting policies as follows:

Amendments to a Standard
The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year, except for the adoption of the following new and amended accounting pronouncements which became effective January 1, 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

The nature and impact of each new standard and amendment are described below:

- *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.

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.

The standard has no impact on the Group's financial reporting.

Standards Issued But Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2025. However, the Group has not early adopted the following new or amended standards in preparing these financial statements. The Group is currently assessing the impact of these changes.

Except as otherwise indicated, none of these are expected to have a significant impact on the Group's consolidated financial statements.

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*)

- Annual Improvements to PFRS Accounting Standards - Volume 11

  a. Hedge Accounting by a First-time Adopter (Amendments to PFRS 1, *First-time Adoption of International Financial Reporting Standards*)
  b. Gain or Loss on Derecognition (Amendments to PFRS 7)
  c. Introduction, Disclosure of Difference Between Fair Value and Transaction Price, and Credit Risk Disclosures (Amendments to Guidance on implementing PFRS 7)
  d. Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9)
  e. Determination of 'De Facto Agent' (Amendments to PFRS 10, *Consolidated Financial Statements*)
  f. Cost Method (Amendments to PAS 7)

- Contracts Referencing Nature-dependent Electricity (Amendments to PFRS 9 and PFRS 7)

Effective January 1, 2027

- PFRS 17, Insurance Contracts
- PFRS 18, *Presentation and Disclosure in Financial Statements*
  PFRS 18 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 requires goodwill to be presented as a line item in the statement of financial position. Consequential amendments to PAS 7, *Statement of Cash Flows*, require 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 currently assessing the impact of the new standard on the overall financial reporting of the Group.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures*

Deferred Local Implementation

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to PFRS 10 and PAS 28, *Investments in Associates and Joint Ventures*)

- *Amendments to IFRS not yet adopted by the FSRSC as part of PFRS Accounting Standards*

- Translation to a Hyperinflationary Presentation Currency (Amendments to *IAS* 21)

- *Disclosures* about Uncertainties in the Financial Statements (Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36, *Impairment of Assets*, and IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*

The consolidated financial statements include the accounts of the Parent Company, as well as those of its subsidiaries enumerated in Note 1 to the consolidated financial statements.

Material Accounting Policies

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition
Financial instruments are recognized in the consolidated statements of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates these classifications at each reporting date.

All regular way purchases and sales of financial assets are recognized on the trade date, i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Measurement at Initial Recognition
Financial instruments are recognized initially at fair value of the consideration given (in case of an asset) or received (in case of a liability). Except for financial instruments at FVTPL, the initial measurement of financial instruments includes transaction costs.

Classification of Financial Assets

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, receivables, notes receivable, due from related parties, short-term investments and other noncurrent assets.

Receivables

Receivables are nonderivative financial assets with fixed or determinable payments and are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. These are included in current assets if maturity is within 12 months from the reporting date. Otherwise, these are classified as noncurrent assets.

Short-term Investments

Short-term investments are certificates of deposit which are highly liquid with maturities of more than 3 months but less than 1 year from date of acquisition and are subject to an insignificant risk of change in value.

Refundable Deposits

Refundable deposits are payment made by the Group to its lessors at the inception of the respective lease agreements entered into by the Group.

FVOCI

A financial asset that is a debt instrument measured at FVOCI shall meet both of the following conditions and is not designated as FVTPL:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Included in this category is the Group’s equity securities at FVOCI.

FVTPL

All other financial assets not measured at FVOCI or at amortized cost are classified as measured at FVTPL, except when the financial asset is part of a hedging relationship. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

There are no financial assets at FVTPL as at the date of initial application and as at December 31, 2025 and 2024.

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, 2025 and 2024, the Group has equity securities - at FVOCI as financial assets measured at FVOCI.

Business Model Assessment
Business model pertains to the manner by which a portfolio of financial assets will be managed to generate cash flows such as by collecting contractual cash flows or by both collecting contractual cash flows and selling the financial assets, among others.

The Group makes an assessment of the objective of the business model for the financial assets because this best reflects the way the financial assets are managed. The information considered includes:

- the stated policies and objectives for the financial assets and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, earning dividend income, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash outflows through the sale of assets;

- the risks that affect the performance of the business model and how those risks are managed;

- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

- the frequency, volume and timing of sales of financial assets in prior periods, the reason for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose financial performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether Contractual Cash Flows are Solely Payments of Principal and Interest (SPPI)

In assessing whether the contractual cash flows are SPPI , the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. nonrecourse features).

Prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired for a discount or premium to its contractual face amount, a feature that permit or requires prepayment that an amount that substantially represents the contractual face amount plus accrued (but unpaid) contractual interest (which may include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent Measurement of Financial Assets

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Amounts recognized in OCI are not classified to profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Classification and Measurement of Financial Liabilities

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, 2025 and 2024, other financial liabilities at amortized cost include accounts payable and accrued expenses (excluding local taxes, output VAT and withholding taxes), loans payable, due to a related party, lease liabilities, other current liabilities (excluding deferred income), concessionaires' deposits and retention payables (see Notes 8, 11, 12, 13, 14, 24 and 26).

There are no financial liabilities measured at FVTPL.

Other Financial Liabilities at Amortized Cost
Issued financial instruments or their components which are not classified as financial liabilities at FVTPL are classified as other financial liabilities at amortized cost, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder or lender, or to satisfy the obligation other than by the exchange of a fixed amount of cash. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Derecognition of Financial Instruments
Financial Asset
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The contractual rights to receive cash flows from the asset have expired;
- The Group retains the contractual right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party; or
- The Group has transferred its contractual right to receive cash flows from the asset or either has: (a) transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts recognized in consolidated statements of profit or loss and other comprehensive income.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is generally not the case with master netting agreements, thus, the related assets and liabilities are presented at gross amounts in the consolidated statements of financial position.

As at December 31, 2025 and 2024, only due to and from related party transactions were offset in the consolidated financial statements. The said accounts were being set-off because the management intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Determination and Measurement of Fair Value
The Group measures financial instruments at fair value at each consolidated statements of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to market participant that would use the asset in its highest and best use.

The Group uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated statements of financial position on a recurring basis, the Group determines whether transfer have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of Financial Instruments
Impairment of Financial Assets
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.

ECLs are recognized under either a simplified or general approach, dependent on the nature of the related financial asset.

Under the general approach, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Under the simplified approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Movement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the EIR of the financial assets.

Credit-impaired Financial Assets
At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. The financial asset is ‘credit impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as default or being more than the normal credit terms of the Group;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Inventories

Inventories are stated at the lower of cost and NRV. Cost incurred in bringing the inventories to their present location and condition is calculated using the weighted average method.

NRV for food and beverage represents the estimated selling price in the ordinary course of business less the estimated costs to sell. NRV of operating supplies and engineering and maintenance supplies is the estimated current replacement cost. Inventories are periodically reviewed and evaluated for obsolescence. Obsolete inventories are scrapped or disposed of and the related costs are charged to operations.

The amount of any reversal of any write-down of inventories, arising from an increase in NRV, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

Prepaid Expenses and Other Current Assets

Prepaid expenses represent expenses not yet incurred but are already paid. Prepaid expenses are initially recorded as assets and measured at the amount of cash paid. Subsequent to initial recognition, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepaid expenses are classified in the consolidated statements of financial position as current assets when the cost of goods or services related to the prepayments are expected to be incurred within one year or the Group's normal operating cycle, whichever is longer. Otherwise, they are classified as noncurrent assets.

Other current assets initially recorded at transaction cost, and subsequently measured at cost less impairment loss, if any.

Property and Equipment

Measurement at Initial Recognition

Upon initial recognition, items of property and equipment are measured at cost which comprises the purchase price and all directly attributable costs of bringing the asset to the location and condition for its intended use.

Measurement Subsequent to Initial Recognition

Property and equipment, except for leasehold improvements, operating equipment and construction-in-progress which are stated at cost, are carried at revalued amounts, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and impairment losses, if any. Fair values are determined through appraisal by an independent firm of appraisers. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The net appraisal surplus resulting from the revaluation is credited to "Revaluation surplus on property and equipment" account (net of corresponding deferred income tax effect) shown under the consolidated statements of changes in equity. Any increase in the revaluation amount is credited to the "Revaluation surplus on property and equipment" account unless it offsets a previous decrease in the value of the same asset recognized in profit or loss. A decrease in value is recognized in profit or loss where it exceeds the increase previously recognized in the "Revaluation surplus on property and equipment." Upon disposal, any related revaluation surplus is transferred to "Retained earnings" account and is not taken into account in arriving at the gain or loss on disposal. Also, the amount of revaluation surplus absorbed through depreciation is being transferred to "Retained earnings" account, net of deferred tax effect.

All costs, including borrowing costs, which were directly and clearly associated with the construction of the Group, were capitalized.

Construction-in-progress, included in property and equipment, represents structures under construction and is stated at cost. This includes cost of construction and other direct costs. Construction-in-progress is not depreciated until such time as the relevant assets are completed and put into operational use.

Operating equipment consisting of chinaware, glassware, silverware and linen are stated at cost less accumulated depreciation and adjustments based on periodic inventory method. Under this method, the recorded costs of operating equipment are depreciated using various rates and adjusted based on periodic inventory count. Adjustments include the effects of any breakages and damages. The depreciation and adjustments are recognized in profit or loss.

Subsequent Costs
Subsequent costs that can be measured reliably are added to the carrying amount of the asset when it is probable that future economic benefits associated with the asset will flow to the Group. The costs of day-to-day servicing of an asset are recognized as an expense in the period in which they are incurred.

Fair Value Measurement
The Group's property and equipment as at December 31, 2025 and 2024 is based on Level 3 inputs.

Further information about the assumption made in measuring fair value of property and equipment is included in Note 9 to the consolidated financial statements.

Depreciation
Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are depreciated over the estimated useful life of the asset or term of the lease, whichever is shorter.

The estimated useful lives are as follows:

	Number of Years
Land improvements	5 - 10
Leasehold improvements	Shorter of lease term and 10
Hotel buildings and improvements	15 - 50
Furniture, fixtures and equipment	3
Operating equipment	3
Transportation equipment	3

The estimated useful lives, as well as the depreciation methods are reviewed at each reporting date to ensure that the period and methods of depreciation are consistent with the expected pattern of economic benefits from those assets.

Fully depreciated assets are retained in the accounts until they are no longer in use, no further charges for depreciation are made in respect of those assets.

When an asset is disposed of, or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and related accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal is recognized in profit or loss.

Impairment of Nonfinancial Assets

The carrying amount of the Group's property and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the impaired asset is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. Impairment losses are recognized in profit or loss, unless the asset is carried at revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset.

The recoverable amount is the greater of the asset's fair value less costs of disposal and value-in-use (VIU). Fair value less cost of disposal is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, less the costs of disposal. In assessing VIU, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset being evaluated. If an asset does not generate cash inflows that are largely independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized. Reversals of impairment are recognized in profit or loss, unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

After such reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

A reversal of an impairment loss on a revalued asset is recognized in the consolidated statements of changes in equity and increases the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognized in the profit or loss, a reversal of that impairment loss is also recognized in the profit or loss.

Employee Benefits

Short-term Employee Benefits

Short-term employee benefit obligations, such as those for salaries and wages, social security contributions, short-term compensated absences, bonuses and nonmonetary benefits, among others, are measured on an undiscounted basis and are expensed as the related service is provided.

Defined Benefit Plan

The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of DBO is performed on a periodic basis by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI and presented under “Retirement Benefits Reserve” under equity. The Group determines the net interest expense or income on the net defined benefit liability or asset for the period by applying the discount rate used to measure the DBO at the beginning of the annual period to the net defined benefit liability or asset, taking into account any changes in the net defined liability or asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Related Party Relationship
A related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its KMP, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Leases
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in PFRS 16.

The Group as Lessee
At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's IBR. Generally, the Group uses its IBR as the discount rate.

The Group determines its IBR by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets - net that do not meet the definition of investment property and lease liabilities as a separate line item in the consolidated statements of financial position.

Short-term Leases
The Group has elected not to recognize right-of-use assets - net and lease liabilities for short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group as Lessor
At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies PFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in PFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Foreign Currency Transactions and Translation

Transactions denominated in foreign currencies are recorded in PHP based on the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to PHP using the rates of exchange prevailing at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognized under "Foreign currency translation differences" account in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of nonmonetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

During the translation of the consolidated financial statement accounts of the foreign subsidiaries wherein accounts are being maintained in USD, the differences between the reporting currency and the functional currency are recorded in OCI.

The results and financial position of the foreign subsidiaries are translated into PHP using the following procedures:

- assets and liabilities are translated at the closing rate at reporting date;
- income and expenses are translated at exchange rates at the date of the transaction; and
- all resulting exchange differences are recognized as a separate component in equity.

Income Taxes

Income tax comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized in OCI or directly in equity, in which case they are recognized respectively therein.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

Current Tax

Current tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the end of each reporting period.

Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided, using the liability method, on all temporary differences at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic subsidiaries, associates and interest in joint ventures. With respect to investments in other subsidiaries, associates and interests in joint ventures, deferred tax liabilities are recognized except when the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred tax asset to be recovered. It is probable that sufficient future taxable profits will be available against which a deductible temporary difference can be utilized when there are sufficient taxable temporary difference relating to the same taxation authority and the same taxable entity which are expected to reverse in the same period as the expected reversal of the deductible temporary difference. In such circumstances, the deferred tax asset is recognized in the period in which the deductible temporary difference arises.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rate and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognized in OCI or directly in equity is recognized in the consolidated statements of other comprehensive income and consolidated statements of changes in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if there is a legally enforceable right to offset current income tax assets against current income tax liabilities and they relate to income taxes levied by the same tax authority and the Group intends to settle its current income tax assets and liabilities on a net basis.

VAT
Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The amount of tax recoverable from, or payable to, the taxation authority is presented as part of “Prepaid expenses and other current assets” or “Accounts payable and accrued expenses” accounts, respectively, in the consolidated statements of financial position.

Equity
Capital stock is classified as equity. Incremental costs directly attributable to the issuance of capital stock, if any, are recognized as a deduction from equity, net of any tax effects, if this can be absorbed by the excess of issue cost over par value. Otherwise, these are recognized in profit or loss.

Retained earnings includes accumulated results of operations as reported in the consolidated statements of profit or loss and other comprehensive income, net of any dividend distribution.

Revenue Recognition
Revenue from Contracts with Customers
The Group's business is primarily engaged in offering hotel rooms and facilities such as restaurants, function halls, coffee shops and all adjuncts and accessories thereto.

The Group recognizes revenue when it transfers control over a product or service to a customer. Revenue is measured based on the consideration specified in a contract with a customer.

The following is a description of principal activities from which the Group generates its revenue. Revenue is disaggregated by major products/service lines as reflected in the consolidated statements of profit or loss and other comprehensive income.

Hotel Rooms and Function Halls
Revenue from hotel room stays and function hall rentals is recognized over time specifically during the period of actual occupancy or use by the customer. For hotel rooms, revenue is recognized on a per night basis throughout the guest's stay, with the recognition finalized upon check-out through the end-of-day process. For customers availing of these services on credit, the standard payment term is 30 days from the date of billing, consistent with the Group's normal credit arrangement.

Food and Beverage
Revenue from food and beverage is recognized at the point in time when the goods have been delivered to the customers.

Other Operating Departments
Recognition of revenue from other operating departments depends on the nature of the service being rendered. This includes guest, laundry and valet, parking fees, among others.

Revenues outside the scope of PFRS 15, *Revenue from Contracts with Customers*:

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, consistent with PFRS 16, *Leases*, which requires income recognition to reflect the pattern of economic benefits consumed.

Interest Income
Interest income is recognized on a time proportion basis on the principal outstanding and at the rate applicable.

Other Income
Other income is recognized at the point in time when the service has been rendered.

Determination of whether the Group is Acting as a Principal or an Agent
The Group assesses its revenue arrangements against the following criteria to determine whether it is acting as a principal or an agent:

- whether the Group has primary responsibility for providing the goods and services;
- whether the Group has inventory risk before or after the customer order; and
- whether the Group has discretion in establishing prices.

If the Group has determined it is acting as a principal, the Group recognizes revenue on a gross basis with the amount remitted to the other party being accounted as part of costs and expenses. If the Group has determined it is acting as agent, only the net amount retained is recognized as revenue.

The Group assessed its revenue arrangements and concluded that it is acting as principal in all arrangements.

Cost and Expense Recognition
Costs and expenses are recognized in profit or loss upon utilization of the service or at the date they are incurred. Interest expense are reported on an accrual basis.

EPS
Basic EPS is computed by dividing net income for the period attributable to common stockholders of the Parent Company by the weighted average number of common shares issued and outstanding during the period adjusted for any stock dividends issued. Diluted EPS is computed by dividing net income for the period attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the period after giving effect to assumed conversion of dilutive potential common shares. Basic and diluted EPS are adjusted to give retroactive effect to any stock dividends declared during the period.

As at December 31, 2025 and 2024, the Group has no dilutive potential common shares.

Segment Reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating results are reviewed regularly by the Group's BOD, the chief operating decision maker of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's BOD include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property and equipment.

The Group's operating businesses are organized and managed separately according to hotel property location, with each segment representing a strategic business unit.

Provisions and Contingencies
A provision is a liability of uncertain timing or amount. It is recognized when the Group has a legal or constructive obligation as a result of a past event; when it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The amount to be recognized as provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

When it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognized in the consolidated financial statements but are disclosed when the inflow of economic benefits is probable.

Events After the Reporting Period

The Group identifies post year-end events as events that occurred after the reporting date but before the date when the consolidated financial statements were authorized for issue. Any post-yearend events that provide additional information about the Group's financial position or performance at the end of a reporting period (adjusting events) are recognized in the consolidated financial statements. Events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

As of December 31, 2025

Ratio	Formula	2025	2024
Current ratio	Total Current Assets divided by Total Current Liabilities Total Current Assets P2,703,747,062 Divided by: Total Current Liabilities 1,640,643,532 Current ratio **1.65**	**1.65**	1.80
Acid test ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities Total Current Assets P2,703,747,062 Less: Inventories 32,095,706 Other current assets 78,861,296 Quick assets P2,592,790,060 Divided by: Total Current Liabilities 1,640,643,532 Acid test ratio **1.58**	**1.58**	1.76
Solvency ratio	Net Income After Tax plus Non-cash Expenses divided by Total Liabilities Net Income After Tax (P105,764,979) Add: Non-Cash Expenses 556,352,778 After-tax Net Operating Income P450,587,797 Divided by: Total Liabilities 8,031,119,366 Solvency ratio **0.06**	**0.06**	0.26
Debt-to-equity ratio	Total Liabilities divided by Shareholder's Equity Total Liabilities P7,983,511,950 Divided by Shareholder's Equity 13,675,894,477 Debt-to-equity ratio **0.59**	**0.59**	0.62
Asset-to-equity ratio	Total assets divided by Shareholder's Equity Total assets P24,590,595,008 Divided by: Shareholder's Equity 13,723,501,891 Asset-to-equity ratio **1.79**	**1.79**	1.81
Interest rate coverage ratio	Net Income divided by Interest Expense Net Income (loss) (P105,764,979) Divided by: Interest Expense 229,211,318 Interest rate coverage ratio **-0.46%**	**-0.46%**	5.18
Return on equity	Net Income divided by Shareholder's Equity Net Income (loss) (P105,764,979) Divided by: Shareholder's Equity 13,723,501,891 Return on Equity **-1%**	**-1%**	13%
Return on assets	Net Income divided by Average Total Assets Net Income (loss) (P105,764,979) Divided by: Average Total Asset Beginning Balance, asset P22,416,330,317 Add: Ending Balance, asset 24,590,595,007 P47,002,292,899 Divided by: 2 23,503,462,662 Return on asset **-0.45%**	**-0.45%**	7%
Net profit margin	Net Income divided by Sales Revenue Net Income (loss) (P105,764,979) Divided by: Sales Revenue 2,033,688,638 Net profit margin **-5%**	**-5%**	82%

ANNEX A

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES

No. 1 Waterfront Drive, Off Salinas Drive, Lahug Cebu City, Philippines

Unappropriated Retained Deficit, beginning of the reporting period	**(P1,418,736,329)**
Effect of restatements or prior period adjustments	**-**
Unappropriated Retained Earnings, as adjusted	**(1,418,736,329)**
Add/Less: Net Income for the current year	**29,887,379**
Adjusted Net Income	**29,887,379**
Total Retained Earnings, end of the reporting period available for dividend	**(P1,388,848,950)**

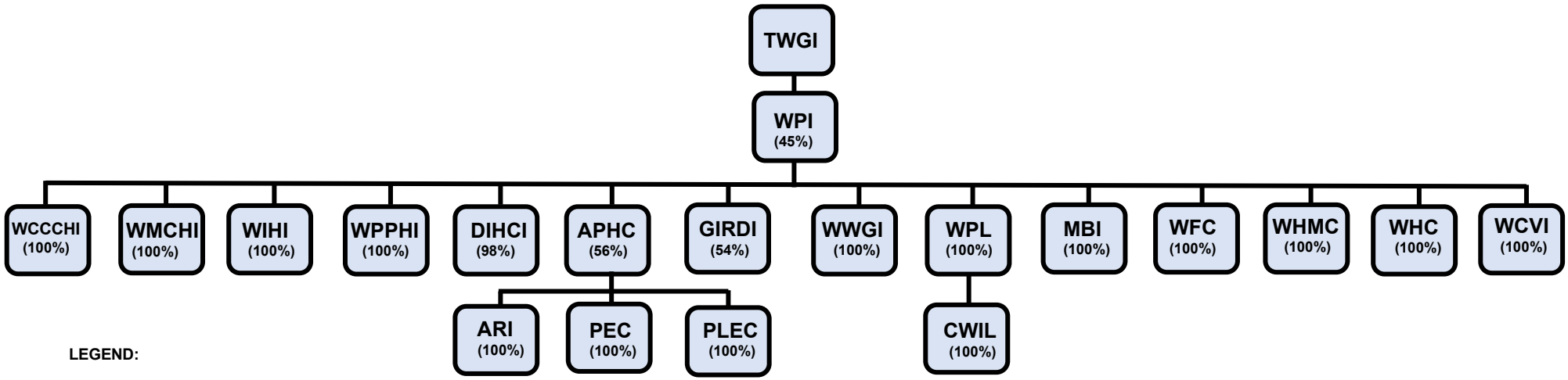
ANNEX A

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
December 31, 2025

	2025	2024
Total Audit Fees		
Audit of financial statements	**P5,207,500**	P4,787,500
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	**P5,207,500**	P4,787,500

ANNEX B

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED UNDER THE REVISED SRC RULE 68
Map of Conglomerate
December 31, 2025



LEGEND:

TWGI	- The Wellex Group, Inc.
WPI	- Waterfront Philippines, Incorporated
WCCCHI	- Waterfront Cebu City Casino Hotel, Incorporated
WMCHI	- Waterfront Mactan Casino Hotel, Incorporated
WIHI	- Waterfront Iloilo Hotel Inc.
WPPHI	- Waterfront Puerto Princesa Hotel, Inc.
DIHCI	- Davao Insular Hotel Company, Inc.
APHC	- Acesite (Phils.) Hotel Corporation (Doing business under the name and style of Waterfront Manila Hotel and Casino)
ARI	- Acesite Realty, Inc. (formerly CIMA Realty Phils., Inc.)
PEC	- Pavillion Enterprises Corp.
PLEC	- Pavillion Leisure and Entertainment Corp.
GIRDI	- Grand Ilocandia Resort and Development, Inc.
WWGI	- Waterfront Wellness Group, Inc.
WPL	- Waterfront Promotion Limited
CWIL	- Club Waterfront International Limited
MBI	- Mayo Bonanza, Inc.
WFC	- Waterfront Food Concepts, Inc.
WHMC	- Waterfront Hotel Management Corp.
WHC	- Waterfront Horizon Corporation (formerly Waterfront Entertainment Corporation)
WCVI	- Waterfront Cebu Ventures, Inc.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES

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Required Under the Revised SRC Rule 68
December 31, 2025

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WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2025
(Amounts in thousands)

Name of Issuing Entity and Association of Each Issue	Number of shares or Principal Amount of Bonds and Notes	Amount Shown in the Statements of Financial Position	Value Based on Market Quotations at End of Reporting Period	Income Received and Accrued
Cash and cash equivalents *	P -	P355,553	P355,553	P1,576
Receivables	-	1,098,657	1,098,657	-
Notes receivable	-	138,693	138,693	10,176
Short-term investments	-	907	907	-
Due from related parties	-	7,492,846	7,492,846	48,152
Equity securities - at FVOCI	136,710	72,545	72,545	-
Other noncurrent assets **	-	275,379	275,379	-
	P136,710	P9,434,580	P9,434,580	P59,904

*Excluding cash on hand
**Excluding advances to contractors

See Notes 4, 5, 8 and 10 to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS
EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (Other than Related Parties)
DECEMBER 31, 2025
(Amounts in thousands)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Offset	Amounts Written Off	Current	Noncurrent	Balance at End of Period
The Wellex Group, Inc.	**P1,707,524**	**P310,019**	**P65,979**	**P -**	**P -**	**P1,951,564**	**P1,951,564**
Pacific Rehouse Corporation	**616,525**	**10,652**	**-**	**-**	**627,177**	**-**	**627,177**
Crisanta Realty Development Corporation	**689,698**	**30,104**	**-**	**-**	**-**	**719,802**	**719,802**
Westland Pacific Properties Corporation	**675,875**	**22,400**	**-**	**-**	**-**	**698,275**	**698,275**
Rexlon Realty Group, Inc.	**776,500**	**42,000**	**-**	**-**	**318,500**	**500,000**	**818,500**
Philippine Estates Corporation	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Others:							
Forum Holdings Corporation	**64,217**	**1,927**	**-**	**-**	**-**	**66,144**	**66,144**
Plastic City Industrial Corporation	**1,546**	**-**	**-**	**-**	**-**	**1,546**	**1,546**
Wellex Industries Incorporated	**67,844**	**-**	**33,960**	**-**	**-**	**33,884**	**33,884**
Acesite Leisure and Entertainment Corporation	**598,860**	**1.08**	**-**	**-**	**214,308**	**384,552**	**598,860**

See Note 8 to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2025
(Amounts in thousands)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Noncurrent	Balance at End of Period
Waterfront Cebu City Casino Hotel, Incorporated	**P1,643,864**	**P708,614**	**P443,760**	**P -**	**P -**	**P1,908,718**	**P1,908,718**
Davao Insular Hotel Company, Inc.	**121,649**	**107,722**	**38,940**	**-**	**-**	**190,431**	**190,431**
Waterfront Mactan Casino Hotel, Incorporated	**1,104,807**	**125,869**	**86,118**	**-**	**-**	**1,144,558**	**1,144,558**
Acesite (Phils.) Hotel Corp.	**2,731**	**-**	**-**	**-**	**-**	**2,731**	**2,731**
Grand Ilocandia Resort and Development, Inc.	**193,066**	**5,000**	**-**	**-**	**-**	**156,515**	**156,515**
Waterfront Promotion Limited	**219,172**	**-**	**68**	**-**	**-**	**219,104**	**219,104**
Waterfront Wellness Group, Inc.	**15,536**	**5,774**	**5,972**	**5,972**	**-**	**15,339**	**15,339**
Waterfront Food Concepts, Inc.	**1,727**	**9,161**	**7,324**	**-**	**-**	**3,348**	**3,348**
Watefront Horizon Corporation	**8,807**	**4,965**	**4,565**	**-**	**-**	**9,208**	**9,208**

See Note 8 to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2025

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown Under Caption "Current Portion of Long-term Debt" in Related Statement of Financial Position	Amount Shown Under Caption "Long-term Debt" in Related Statement of Financial Position
Philippine Bank of Communications Loans Payable	**P2,775,000,000**	**P240,000,000**	**P1,900,000,000**
Social Security System Loans Payable*	**P375,000,000**	**P -**	**P -**

** The loan with SSS and related interest amounting to P902,240,126 have been reclassified as provision following the decision of the Supreme Court to declare the loan agreement with SSS to be null and void.*

See Notes 13 and 26 to the Consolidated Financial Statements.

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES
DECEMBER 31, 2025

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
Nothing to report		

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2023

Name of Issuing Entity of Securities of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which Statement is Filed	Nature of Guarantee

Nothing to report

WATERFRONT PHILIPPINES, INCORPORATED AND SUBSIDIARIES
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2025

Description	Number of Shares authorized	Number of Shares Issued and Outstanding Shown Under Related Statement of Financial Position Caption	Treasury Shares	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
Common shares	**5,000,000,000**	**2,498,991,753**	**-**	**1,128,466,800**	**10,352,220**	**1,360,172,733**

See Note 16 to the Consolidated Financial Statements.

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 003-978-254-000
Name	: WATERFRONT PHILIPPINES INCORPORATED
RDO	: 080
Form Type	: 1702
Reference No.	: 462600073420445
Amount Payable (Over Remittance)	: -56,884.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2025
Date Filed	: 06/26/2026
Tax Type	: IT

Reference No : 462600073420445
Date Filed : June 26, 2026 04:52 PM
Batch Number : 0

Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

For BIR Use Only: **BCS/ Item:**

BIR Form No.
1702-RT
January 2018(ENCS)
Page 1

Annual Income Tax Return

For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.

1702-RT 01/18ENCS P1

1 For: (●) Calendar ( ) Fiscal **2** Year Ended (MM/20YY): 12/2025	**3** Amended Return? (●) Yes ( ) No	**4** Short Period Return? ( ) Yes (●) No	**5** Alphanumeric Tax Code (ATC) IC055 Minimum Corporate Income Tax (MCIT) ☑ IC010 ☑

Part I - Background Information

6 Taxpayer Identification Number (TIN)	003 - 978 - 254 - 000
7 RDO Code	080
8 Registered Name *(Enter only 1 letter per box using CAPITAL LETTERS)*	WATERFRONT PHILIPPINES INCORPORATED
9A Registered Address *(Indicate complete registered address)*	IPT BLDG.PRE-DEP AREA MCIAA MACTAN LAPULAPU CITY
9B Zipcode	6015
10 Date of Incorporation/Organization (MM/DD/YYYY)	
11 Contact Number	3404888
12 Email Address	wpi@waterfronthotels.net

13 Method of Deductions: (●) Itemized Deductions [Section 34 (A-J), NIRC] ( ) Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]

Part II - Total Tax Payable *(Do NOT enter Centavos)*

14 Total Income Tax Due (Overpayment) *(From Part IV Item 43)*	1,393,515
15 Less: Total Tax Credits/Payments *(From Part IV Item 55)*	1,450,399
16 Net Tax Payable (Overpayment) *(Item 14 Less Item 15) (From Part IV Item 56)*	(56,884)
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)*	(56,884)

If Overpayment, mark "X" one box only *(Once the choice is made, the same is irrevocable)*

( ) To be refunded ( ) To be issued a Tax Credit Certificate (TCC) (●) To be carried over as tax credit next year/quarter

We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. *(If Authorized Representative, attach authorization letter and indicate TIN)*

Signature over printed name of President/Principal Officer/Authorized Representative			Signature over printed name of Treasurer/Assistant Treasurer			**22** Number of Attachments
Title of Signatory		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)*

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January 2018(ENCS)
Page 2

Annual Income Tax Return

Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

1702-RT 01/18ENCS P2

Taxpayer Identification Number (TIN)	Registered Name
003 - 978 - 254 - 000	WATERFRONT PHILIPPINES INCORPORATED

Part IV - Computation of Tax	*(Do NOT enter Centavos)*
27 Sales/Receipts/Revenues/Fees	69,675,742
28 Less: Sales Returns, Allowances and Discounts	0
29 Net Sales/Receipts/Revenues/Fees *(Item 27 Less Item 28)*	69,675,742
30 Less: Cost of Sales/Services	0
31 Gross Income from Operation *(Item 29 Less Item 30)*	69,675,742
32 Add: Other Taxable Income Not Subjected to Final Tax	0
33 Total Taxable Income *(Sum of Items 31 and 32)*	69,675,742

Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions *(From Part VI Schedule I Item 18)*	39,381,569	
35 Special Allowable Itemized Deductions *(From Part VI Schedule II Item 5)*	0	
36 NOLCO *(only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)*	30,294,173	
37 Total Deductions *(Sum of Items 34 to 36)*	69,675,742	
***OR** [in case taxable under Sec 27(A) & 28(A)(1)]*		
38 Optional Standard Deduction *(40% of Item 33)*	0	

39 Net Taxable Income/(Loss) *(If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)*	0
40 Applicable Income Tax Rate	25 %
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) *(Item 39 x Item 40)*	0
42 MCIT Due *(2% of Item 33)*	1,393,515
43 Tax Due *(Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)*	1,393,515

Less: Tax Credits/Payments (attach proof)	
44 Prior Year's Excess Credits Other Than MCIT	1,450,399
45 Income Tax Payment under MCIT from Previous Quarter/s	0
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s	0
47 Excess MCIT Applied this Current Taxable Year *(From Part VI Schedule IV Item 4)*	0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	0
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	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 *(To Part V Item 58)*	0
Other Credits/Payments *(Specify)*	
53	0
54	0

55 Total Tax Credits/Payments *(Sum of Items 44 to 54) (To Part II Item 15)*	1,450,399
56 Net Tax Payable / (Overpayment) *(Item 43 Less Item 55)) (To Part II Item 16)*	(56,884)

Part V - Tax Relief Availment	
57 Special Allowable Itemized Deductions *(Item 35 of Part IV x Applicable Income Tax Rate)*	0
58 Add: Special Tax Credits *(From Part IV Item 52)*	0
59 Total Tax Relief Availment *(Sum of Items 57 and 58)*	0

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Annual Income Tax Return

Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

1702-RT 01/18ENCS P3

Taxpayer Identification Number (TIN)	Registered Name
003 - 978 - 254 - 000	WATERFRONT PHILIPPINES INCORPORATED

Schedule I - Ordinary Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

1 Amortizations	0
2 Bad Debts	0
3 Charitable Contributions	0
4 Depletion	0
5 Depreciation	0
6 Entertainment, Amusement and Recreation	0
7 Fringe Benefits	0
8 Interest	19,283,543
9 Losses	0
10 Pension Trust	0
11 Rental	0
12 Research and Development	0
13 Salaries, Wages and Allowances	6,752,808
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	0
15 Taxes and Licenses	6,088,979
16 Transportation and Travel	935
17 Others (Deductions Subject to Withholding Tax and Other Expenses) *[Specify below; Add additional sheet(s), if necessary]*	
a Janitorial and Messengerial Services	0
b Professional Fees	4,174,813
c Security Services	0
d MISCELLANEOUS	1,851,690
e OTHER OUTSIDE SERVICES	371,837
f MANAGEMENT AND CONSYULTANCY FEES	852,500
g COMMUNICATION	4,464
h	0
i	0
18 Total Ordinary Allowable Itemized Deductions *(Sum of Items 1 to 17i) (To Part IV Item 34)*	39,381,569

Schedule II - Special Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

	Description	Legal Basis	Amount
1			0
2			0
3			0
4			0
5 Total Special Allowable Itemized Deductions *(Sum of Items 1 to 4) (To Part IV Item 35)*			0

Annual Income Tax Return

Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

Taxpayer Identification Number (TIN)	Registered Name
003 - 978 - 254 - 000	WATERFRONT PHILIPPINES INCORPORATED

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)

1 Gross Income *(From Part IV Item 33)*	0
2 Less: Ordinary Allowable Itemized Deductions *(From Part VI Schedule I Item 18)*	0
3 Net Operating Loss*(Item 1 Less Item 2) (To Schedule IIIA, Item 7A)*	0

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		0	0
5	2024	228,253,485	0
6	2023	242,127,815	0
7	2022	74,449,001	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	0
5	0	0	228,253,485
6	0	0	242,127,815
7	44,154,828	30,294,173	0
8 Total NOLCO *(Sum of Items 4D to 7D) (To Part IV, Item 36)*		30,294,173	

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	31,280,894
Add: Non-deductible Expenses/Taxable Other Income	
2 INTEREST EXPENSE	14,400
3 OTHER NONDEDUCTIBLE EXPENDES - EAR	4,503,031
4 Total *(Sum of Items 1 to 3)*	35,798,325
Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5 INTEREST INCOME SUBJECT TO FINAL TAX	57,601
6 IMPAIRMMENT LOSSES RECOVERY ON INVESTMENTS IN SUBS	5,446,551
B) Special Deductions	
7 NOLCO	30,294,173
8	0
9 Total (Sum of Items 5 to 8)	35,798,325

10 Net Taxable Income/(Loss) (Item 4 Less Item 9)	0

Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

Company Details	
Name of Organization	WATERFRONT PHILIPPINES, INCORPORATED
Location of Headquarters	No. 1 Waterfront Drive, Off Salinas Drive, Lahug Cebu City
Location of Operations	Cebu City, Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Waterfront Cebu City Casino Hotel, Incorporated, Waterfront Mactan Casino Hotel, Incorporated, Davao Insular Hotel Company, Inc., Acesite (Phils.) Hotel Corporation, Grand Ilocandia Resort and Development, Inc.
Business Model, including Primary Activities, Brands, Products, and Services	WPI is a holding company for hotel, leisure and tourism businesses.
Reporting Period	For the year ended December 31, 2025
Highest Ranking Person responsible for this report	COMPLIANCE OFFICER –ATTY. JERRAEMIE NIKKA PATULOT

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]
WPI has set out in its initial submission of this Sustainability Report to provide information identified as material topics based on its relevance to the operations of the Corporation and the Hotels on the basis of the Sustainability Accounting Standards Board (SASB) Materiality Map, specifically, for the Hotels & Lodging industry. The SASB Materiality Map is referenced in the SEC Memorandum Circular No. 4, Series of 2009 on the Sustainability Reporting Guidelines for Publicly-Listed Companies. Per assessment, the Corporation identifies the following issues as most likely to affect the economic, environmental and social impacts of the Corporation: 1. Environmental - Energy Management, Waste and Wastewater Management 2. Social - Labour Practices, Product and/or Service Quality and Safety 3. Economic - Supply Chain Management

[1] See *GRI 102-46* (2016) for more guidance.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	2,024,939,744	PhP
Direct economic value distributed:		
a. Operating costs	1,716,556,374	PhP
b. Employee wages and benefits	260,325,664	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	145,062,947	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 organization acts as a driver of local economic liquidity. By maintaining high occupancy and service volumes, the Group facilitates a steady flow of capital through payroll and local procurement, supporting the financial health of the immediate community.	Local Community, Suppliers, and Employees	The Group employs a demand-based operational model. We synchronize our workforce requirements and procurement cycles with business volume to ensure consistent service delivery and stable economic output.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Investors, Customers, and Employees.	Investors, Customers, and Employees.	We mitigate this risk through a multi-channel talent sourcing strategy, partnering with academic institutions and professional head-hunters to identify high-potential candidates.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
There is an opportunity to provide holistic improvement to the employees, thereby promoting efficiency and effectivity at work	Employees and Management	The Group's Human Resource Department continually provides training for its employees including trainings for

		skills, language improvement, handling of stress, etc.

Climate-related risks and opportunities[2]

The Group is currently refining its internal data collection protocols to better align with global climate-reporting frameworks. At this stage, we are establishing the necessary baselines and metrics required to provide a meaningful assessment of climate-related financial impacts.

Governance	Strategy	Risk Management	Metrics and Targets
Not Applicable	Not Applicable	Not Applicable	Not Applicable
Recommended Disclosures			
Not Applicable	Not Applicable	Not Applicable	Not Applicable

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	95	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
By allocating the vast majority of its procurement budget to domestic providers, the Group serves as a vital anchor for the local economy. This high level of local integration minimizes the carbon footprint associated with long-haul logistics and ensures that capital is reinvested into the communities where our properties operate.	Local Industry Suppliers, Regional Economy.	The Procurement Departments of the various hotels under the Group are observing the practice of preferring local suppliers. This strategic preference allows us to capitalize on shorter lead times and reduced logistics costs while ensuring the freshness and high quality of goods.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Some of the goods and services needed by the Group might not be readily available.	Guests and Operational Departments	The Group follows an inventory monitoring procedures that take into account the delivery lead time per item per supplier.

[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.

Any delay in sourcing these items could impact the seamless delivery of services to our guests.		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
There is an opportunity to improve the local supply chain as well as subscribe to locally-sustainable, readily available products that are sold at an affordable price range.	Suppliers, Local Government Units	The Group chooses three (3) suppliers where the needed/essential items will be sourced from them regularly. One of the factors considered is the proximity of the supplier to the location of the hotel.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
By sharing our ethical standards with everyone we work with, we aim to create a workplace where honesty is the priority. This helps prevent misunderstandings and encourages fair treatment for all employees and partners	Employees, Directors, and Business Partners	The Group maintains a policy of full communication. We ensure that our Code of Conduct is shared with all new hires and partners so that our expectations regarding professional integrity are clear from the start.

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
In any business, there is a possibility that an individual might act in a way that is inconsistent with company values. If not addressed through awareness, such actions could lead to reputational concerns or operational disruptions.	The Company and its Stakeholders	Party/employees/stakeholders are informed of the proper channels to report concerns and understands the importance of following our established ethical guidelines.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Maintaining high standards of conduct presents an opportunity to build stronger, more reliable relationships with reputable partners and investors who value transparency.	Investors and Business Partners	The Group continues to monitor and share its anti-corruption agreements/policies. By keeping these lines of communication open, we aim to foster a professional environment that attracts quality business opportunities and supports long-term stability.

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
The absence of corruption-related incidents helps ensure that the Group's resources are used efficiently and for their intended purposes.	Shareholders, Management, and Employees	The Group aims to sustain this environment by strictly following internal audit procedures and financial controls. By maintaining clear records and oversight, we work to ensure that the "NIL" incident status continues into future periods.

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Even with no current incidents, there is a general risk that a lapse in monitoring could lead to future irregularities. Such events, if they were to occur, could affect the Group's reputation and its relationships with service providers.	Business Partners and Investors	We encourage a culture where potential issues can be identified early, allowing the organization to address risks before they escalate into formal incidents.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Maintaining a record of zero (0) incidents presents an opportunity to strengthen the Group's brand as a reliable and ethical business partner. This reputation can make it easier to secure favorable terms with vendors and build long-term loyalty with guests.	Customers, Suppliers, and Creditors	The Group intends to leverage this track record by continuing to emphasize transparency in all business dealings.

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)	191,983	Kg
Energy consumption (diesel)	886,694	L
Energy consumption (electricity)	39,563,406	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	N/A	GJ
Energy reduction (LPG)	94	Kg
Energy reduction (diesel)	510	L
Energy reduction (electricity)	214,480	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
The Group's operations require significant energy for guest comfort, food preparation, and property maintenance. The impact occurs primarily through the consumption of electricity and fuel, which are essential for day-to-day services. By tracking these numbers, the Group remains aware of its total resource use.	Local Utility Providers, Management, and Guests	The Group monitors energy use across all properties. We focus on identifying areas where energy is used most such as lighting, air conditioning, and kitchen operations to ensure that resources are used as efficiently as possible to support our service standards.

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The primary risk involves the rising cost of energy and fuel, which can fluctuate due to market conditions.	Guests, Management, and Shareholders	By recording an energy reduction this year in electricity, LPG, and diesel, the Group demonstrates a proactive effort to manage consumption despite market price changes.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
There is a constant opportunity to lower operational costs by adopting more efficient equipment, such as LED lighting or updated climate control systems.	Management and Local Community	The Group looks for ways to improve performance through simple upgrades and better operational timing

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal		Cubic meters
Water consumption	159,811,920	Cubic meters
Water recycled and reused	85,968,799	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
Water is an essential resource for the hospitality industry, used in guest rooms, laundry operations, and landscaping.	Local Water Utilities, the Community, and Guests	The Group prioritizes water conservation through operational efficiency. A significant portion of the impact is managed by recycling and reusing water within our properties.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Any interruption in water supply or significant price increases could impact our ability to maintain guest services and property facilities.	Guests, Management, and Shareholders	By reusing treated water for non-potable needs (such as irrigation or cooling systems), we create a buffer against supply fluctuations and reduce our dependence on the main municipal grid.

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
There is an opportunity to further lower operational expenses and improve our environmental profile by enhancing our recycling systems.	Management, Suppliers, and Local Government	By maintaining a high percentage of recycled water use, we aim to lead by example in the industry, showing that large-scale operations can be both efficient and mindful of natural resources.

Materials used by the organization

The Group currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	N/A	kg/liters
• non-renewable	N/A	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	N/A	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Group has no material impact at this moment under this category.	N/A	N/A
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
There's no risk/s identified at this moment for this category.	N/A	N/A
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
There's no opportunity/ies identified at this moment for this category.	N/A	N/A

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

The group currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	NIL	#
Habitats protected or restored	NIL	#
IUCN[3] Red List species and national conservation list species with habitats in areas affected by operations	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**
The Group has no material impact at this moment under this category.	N/A	N/A
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
There's no risk/s identified at this moment for this category.	N/A	N/A
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
There's no opportunity/ies identified at this moment for this category.	N/A	N/A

[3] International Union for Conservation of Nature

Environmental impact management

The group currently does not have sufficient information to assess risks and opportunities under this category.

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	N/A	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	N/A	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	N/A	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**
The Group has no material impact at this moment under this category.	N/A	N/A
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
There's no risk/s identified at this moment for this category.	N/A	N/A
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
There's no opportunity/ies identified at this moment for this category.	N/A	N/A

Air pollutants

The group currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
NO_x	N/A	kg
SO_x	N/A	kg
Persistent organic pollutants (POPs)	N/A	kg
Volatile organic compounds (VOCs)	N/A	kg
Hazardous air pollutants (HAPs)	N/A	kg
Particulate matter (PM)	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
The Group has no material impact at this moment under this category.	N/A	N/A
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
There's no risk/s identified at this moment for this category.	N/A	N/A
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
There's no opportunity/ies identified at this moment for this category.	N/A	N/A

Solid and Hazardous Wastes

The group currently does not have sufficient information to assess risks and opportunities under this category.

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated		kg
Reusable	-	kg
Recyclable	3,615	kg
Composted	-	kg
Incinerated	-	kg
Residuals/Landfilled	78,120	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
The Group has no material impact at this moment under this category.	N/A	N/A
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
There's no risk/s identified at this moment for this category.	N/A	N/A

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
There's no opportunity/ies identified at this moment for this category.	N/A	N/A

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	1,331	kg
Total weight of hazardous waste transported	-	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Group has no material impact at this moment under this category.	N/A	N/A
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
There's no risk/s identified at this moment for this category.	N/A	N/A
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
There's no opportunity/ies identified at this moment for this category.	N/A	N/A

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	159,260,120	Cubic meters
Percent of wastewater recycled	54	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
As part of standard hospitality operations, water is discharged through municipal drainage and treatment systems after use in guest rooms and facilities.	Local Sewerage Authorities and the Local Community	The Group oversees its operational outflows by implementing standard internal processes and routine monitoring.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The main risks include changing environmental regulations regarding water quality standards and the potential for infrastructure wear over time.	Management and Environmental Regulatory Bodies	We address these risks by conducting regular inspections of our wastewater treatment facilities and piping.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
There is a clear opportunity to further increase the efficiency of our water treatment processes.	Local Government and Operational Management	The Group continues to look for ways to repurpose treated water for areas like cooling towers, gardening, and toilet flushing.

Environmental compliance

The group currently does not have sufficient information to assess risks and opportunities under this category.

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	NIL	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	NIL	#
No. of cases resolved through dispute resolution mechanism	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
The Group has no material impact at this moment under this category.	N/A	N/A
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
There's no risk/s identified at this moment for this category.	N/A	N/A
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
There's no opportunity/ies identified at this moment for this category.	N/A	N/A

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[4]	404	#
a. Number of female employees	195	#
b. Number of male employees	209	#
Attrition rate[5]	23.16%	rate
Ratio of lowest paid employee against minimum wage	7.9:1	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	48%	52%
PhilHealth	Y	48%	52%
Pag-ibig	Y	48%	52%
Parental leaves	Y	46%	54%
Vacation leaves	Y	48%	52%
Sick leaves	Y	48%	52%
Medical benefits (aside from PhilHealth))	Y	48%	52%
Housing assistance (aside from Pag-ibig)	N	0%	0%
Retirement fund (aside from SSS)	Y	40%	60%
Further education support	N	0%	0%
Company stock options	N	0%	0%
Telecommuting	N	0%	0%
Flexible-working Hours	N	0%	0%
(Others)	N	0%	0%

[4] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

[5] Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The availability of these benefits for the employees provide them with a sense of security for when additional funds are needed in cases of sickness, etc. The benefits being provided by the company to the employees provide them also with fulfilment in the tasks that they do.	The Group follows a comprehensive Employee Handbook which outlines, enumerates and explains the benefits being provided for by the company to its employees. Said handbook also provides for the limitations and guidelines for the availment of these benefits as well.
What are the Risk/s Identified?	**Management Approach**
If the benefits are not sufficient, the employees can become dissatisfied and subsequently, unproductive.	Management has given employees with a vast number of benefits and privileges that they can avail of.
What are the Opportunity/ies Identified?	**Management Approach**
The minimal cost of the benefits causing employees to be more productive and motivated.	Continuous learning through trainings is being offered by Management.

Employee Training and Development

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
This improves the overall competence of the employees including the skills necessary for their jobs as well as improvement of their knowledge pertaining to the hotel and leisure industry.	Each supervisor appraises the employee twice a year and identifies which trainings the employee needs to do his/her job well.
What are the Risk/s Identified?	**Management Approach**
Because of limited funding, not everyone could get external training.	Management exercises an echo training program wherein employees sent on outside trainings will be tasked to echo what they've learned from their trainings through mini-learning sessions with their peers.
What are the Opportunity/ies Identified?	**Management Approach**
Continuous and sustained training will ensure quality of work.	Each department are evaluated every period for the number of training hours that the department has undertaken.

Labor-Management Relations

Of the entire group, only one subsidiary, Davao Insular Hotel Corporation, have an existing Collective Bargaining Agreement with its employees.

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	10%	%
Number of consultations conducted with employees concerning employee-related policies	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Group has no material impact at this moment under this category.	N/A
What are the Risk/s Identified?	**Management Approach**
There's no risk/s identified at this moment for this category.	N/A
What are the Opportunity/ies Identified?	**Management Approach**
There's no opportunity/ies identified at this moment for this category.	N/A

Diversity and Equal Opportunity

The group currently does not have an adequate number of employees from the vulnerable sector to make an assessment of impacts, risks and opportunities under this category.

Disclosure	Quantity	Units
% of female workers in the workforce	48%	%
% of male workers in the workforce	52%	%
Number of employees from indigenous communities and/or vulnerable sector*	N/A	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Group has no material impact at this moment under this category.	N/A
What are the Risk/s Identified?	**Management Approach**
There's no risk/s identified at this moment for this category.	N/A
What are the Opportunity/ies Identified?	**Management Approach**

There's no opportunity/ies identified at this moment for this category.	N/A

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	1,009,112	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	18	#

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	Policy prohibiting forced or involuntary labor
Child labor	Y	Policy on allowable age for hiring
Human Rights	Y	Policy on Anti Sexual Harassment

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
This directly impacts the welfare of the employees. The organization can provide safety nets to ensure that employees are protected.	The Employee Company Policy set in the Employee Handbook provides in detail what are the rights of the employees whilst employed by the organization.
What are the Risk/s Identified?	**Management Approach**
Possibility of aired grievances and lawsuits	Management provides for a process to ensure that rights of employees are protected.
What are the Opportunity/ies Identified?	**Management Approach**
If the policies are religiously followed, a harmonious work environment can be achieved.	Consultation with legal counsel is always done before performing any activities that will affect employee welfare.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

I. **POLICY**

It is the policy of the Waterfront Hotels & Casinos to ensure that the Standard Operating Procedure *(SOP)* on accrediting suppliers is strictly observed.

II. **OBJECTIVE**

1. To provide guidelines and standard procedures in accrediting suppliers in order to:

1. Ensure that the three Hotel Properties have one and the same accredited suppliers for all standard hotel amenities;

2. Ensure good buy/price of supplies through volume purchases of the three properties from the accredited suppliers; and,

3. Ensure good supply, quantity and quality-wise of goods and services.

III. **CONCEPT**

Hotel properties maintain the same standards and qualities of amenities and services. Suppliers must be accredited by the hotel to uphold the criterion being implemented.

IV. RESPONSIBILITY

- For Purchasing Head:

1. Informs the accredited suppliers that the three (3) hotel properties are independent from each other.

- For Concerned employees:

1. Ensure the full compliance to these policies and maintain good business relationships with suppliers with the end objective of benefit for the company.

- For Department End Users:

1. Gives feedback to the department regarding the performance of suppliers. Performance of suppliers would mean quality of product or service, promptness of delivery, etc.

V. **GUIDELINES AND PROCEDURES**

- All suppliers of the company undergo an accreditation process before any transaction is made with said supplier.

1. The supplier must submit a duly accomplished Supplier's Information Sheet *(refer to Forms Manual)* together with other supporting documents required prior to accreditation.
2. The supporting documents are any of the following:
    - For Partnerships and Corporations:

        1. Securities and Exchange Commission Certificate of registration;
        2. Articles of Incorporation;
        3. List of Trade references; and
        4. Audited Financial Statements for the last three years

    - For Single Proprietorship

        1. Department of Trade and Industry Registration of Trade Name;
        2. Local Government (Mayor's) Permit;
        3. List of trade references; and
        4. Audited Financial Statements for the last three years

- The Head of Purchasing Department of each property reviews and evaluates initially all suppliers' information using the following criteria among others.

1. Quality of the product/items/services;
2. Track record of the supplier. Standing of the supplier/contractor in the industry that they belong to;
3. Price of the product/goods and/or services;
4. Adequacy of supply;
5. Reliability in delivery;
6. Premium or other additional services to be offered;
7. After sales services;
8. Credit terms being extended;

- After reviewing and evaluating the supplier's information, make and give recommendations to the Finance Department Head for approval.

- The Purchasing Department of each property must keep a master file of all Suppliers' Information Sheet and an updated price listing of products/services being offered.
- The Purchasing Department submits to the Finance Department Head, Hotel Manager and the EVP-Hotel Operations a monthly profile of all accredited suppliers with the corresponding credit terms being extended to the company.
- Three (3) accredited suppliers of similar products are maintained to avoid loss of supplies in case one supplier's products are out of stock or unavailable.
- The Finance Department Head takes control on accrediting suppliers. 1. The Finance Department Head is the only officer of the company who has the authority to revoke the accreditation and blacklisting of a supplier. Department or unit heads with problems and/or difficulties with suppliers must course their written complaints to the Purchasing Head.
- The Purchasing Head investigates and evaluates the complaint within twenty four (24) hours from receipt of the written complaint.
- Purchasing Head evaluates the complaints and recommends to the Finance Department Head for proper disposition.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	Y	The Company has an Undertaking Against Undue Influence and Bribery

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Group has no material impact at this moment under this category.	N/A
What are the Risk/s Identified?	**Management Approach**
The Group has no risk/s at this moment under this category.	N/A
What are the Opportunity/ies Identified?	**Management Approach**
The Group has no opportunity/ies at this moment under this category.	N/A

Relationship with Community

Significant Impacts on Local Communities

The group currently does not have an adequate number of employees from the vulnerable sector to make an assessment of impacts, risks and opportunities under this category.

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
1. TOURISM	CEBU CITY	N/A	NO	N/A	N/A
2. TOURISM	CITY OF MANILA	N/A	NO	N/A	N/A
3. TOURISM	DAVAO CITY	N/A	NO	N/A	N/A
4. TOURISM	LAPU-LAPU CITY	N/A	NO	N/A	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	N/A	#
CP secured	N/A	#

What are the Risk/s Identified?	Management Approach
The Group has no risk/s at this moment under this category.	N/A
What are the Opportunity/ies Identified?	**Management Approach**
The Group has no opportunity/ies at this moment under this category.	N/A

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction Revinate Reviews		Y

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Customer satisfaction helps improve the processes of the hotel and generates a steady source of revenue.	Whenever there are dissatisfied customers, the management sets out to undertake measures to ensure that the concerns of the client or guests are addressed.
What are the Risk/s Identified?	**Management Approach**
Possibility of lawsuits and complaints	Management checks for the reviews provided by the clients to identify if there have been problems during the stay of the guests.
What are the Opportunity/ies Identified?	**Management Approach**
Having a customer satisfaction review helps the organization assess its processes.	Each hotel room or food and beverage outlet has a set of customer satisfactions forms that the customer can fill out.

Health and Safety

The group currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	NIL	#
No. of complaints addressed	NIL	#

**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
The Group has no material impact at this moment under this category.	N/A

What are the Risk/s Identified?	Management Approach
The Group has no risk/s at this moment under this category.	N/A
What are the Opportunity/ies Identified?	**Management Approach**
The Group has no opportunity/ies at this moment under this category.	N/A

Marketing and labelling

The group currently does not have sufficient information to assess risks and opportunities under this category.

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	NIL	#
No. of complaints addressed	NIL	#

**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
The Group has no material impact at this moment under this category.	N/A
What are the Risk/s Identified?	**Management Approach**
The Group has no risk/s at this moment under this category.	N/A
What are the Opportunity/ies Identified?	**Management Approach**
The Group has no opportunity/ies at this moment under this category.	N/A

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	NIL	#
No. of complaints addressed	NIL	#
No. of customers, users and account holders whose information is used for secondary purposes	NIL	#

**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. The Group implement a Data Privacy Policy and observe applicable laws/rules.
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**
As customers become more aware of their digital rights, demonstrating a high level of privacy protection can enhance long-term guest loyalty.	The Group intends to continue refining its privacy frameworks to stay ahead of evolving regulatory standards.

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	NIL	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Data security impacts the overall integrity of the Group's digital infrastructure and the protection of business-critical information.	By maintaining high security standards, the organization ensures that data remains available only to authorized personnel for legitimate business purposes.

	The Group has Data Privacy Officer and respective Compliance Officer for Privacy
What are the Risk/s Identified?	**Management Approach**
The primary risks involve external cyber-threats, such as malware or unauthorized system intrusions, which could lead to service disruptions or the loss of sensitive corporate data.	We prioritize internal awareness, providing guidance to employees on identifying and reporting suspicious digital activity to prevent potential security gaps.
What are the Opportunity/ies Identified?	**Management Approach**
Strengthening our digital defenses	The Group intends to continue evaluating and investing in modern IT infrastructure and investing training for the officers handling the data/information.

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	The Group drives local economic resilience by providing stable employment and career development. We support the local supply chain by sourcing goods and services from domestic providers, furthering community wealth.	Hospitality operations naturally consume significant water and energy. Additionally, specialized skill requirements can create high entry barriers for individuals from the vulnerable sector.	The Group is transitioning toward more resource-efficient utility management. To address inclusion, Management is reviewing recruitment policies to identify entry-level pathways and "on-the-job" training programs specifically for underrepresented groups.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
OF **WATERFRONT PHILIPPINES INCORPORATED**
HELD ON SEPTEMBER 26, 2025
VIA HYBRID COMMUNICATION
(THROUGH ZOOM MEETING AND AT WATERFRONT CEBU CITY HOTEL AND CASINO, CASPIAN ROOM, LOCATED AT NO. 1 WATERFRONT DRIVE, OFF SALINAS DRIVE, LAHUG, CEBU CITY)

ATTENDANCE

Total Shares Present And Represented	1,841,869,771
Total Shares Issued And Outstanding	2,498,991,753
Number of Shares Present/Represented	73.70%
Percentage of Shares Present/Represented	
Attached Annex "A" List of stockholders and Certification of Stock Transfer Services Inc., Agent as Stock Transfer Agent	

PROCEEDINGS OF THE MEETING

I. CALL TO ORDER

The Chairman, Mr. Sergio R. Ortiz-Luis, Jr., called to order the meeting of **WATERFRONT PHILIPPINES INCORPORATED** (the "Corporation") and thereafter presided. The Chairman stated that in compliance with the rules and regulations of the Securities and Exchange Commission (SEC), the proceedings of the meeting shall be recorded.

Before proceeding with the agenda, the Chairman on behalf of the Board and Management, acknowledged and extended the appreciation and gratitude to Mr. Kenneth T. Gatchalian for years of service as the President of the Corporation who is now serving as public servant as Congressman of the First District of Valenzuela.

Thereafter, the Chairman acknowledged the presence of the following Board of Directors, Corporate and Senior Officers of the Corporation, as follows:

Arthur M. Lopez	Director/Vice Chairman
Dee Hua T. Gatchalian	Director (via zoom)
Elvira A. Ting	Director/Treasurer (via zoom)
Lamberto B. Mercado, Jr.	Director (via zoom)
Ruben D. Torres	Director
Aristeo R. Cruz	Independent Director (via zoom)
Josaias T. De La Cruz	Nominee for Independent Director
Arthur R. Ponsaran	Corporate Secretary
Amando J. Ponsaran, Jr.	Asst. Corporate Secretary
Richard L. Ricardo	Vice President for Corporate Affairs/ Investors Relation Officer (via zoom)
Hanniel T. Ngo	Nominee for Chief Operating Officer (via zoom)

DRAFT *- Subject to the approval of the stockholders in the next stockholders' meeting to be held in 2026.*

Evangeline E. Soliveres	Corporate Finance Director/ Compliance Officer
Joson T. Lim	Data Privacy Officer

II. ATTENDANCE AND QUORUM

Proceeding with the agenda, the Corporate Secretary, Atty. Arthur Ponsaran certified that in accordance with SEC Notice dated 12 March 2025 providing for an alternative mode of distributing ASM notices, notice of this meeting and the Definitive Information Statement were published via the Company's website and PSE Edge on September 4, 2025. The notice was also published in two (2) newspapers of general circulation, in print and digital format in Manila Bulletin and Business Mirror on September 6, 2025 and September 7, 2025, respectively.

Thereafter, Atty. Ponsaran certified, based on the record of attendance provided by Stock Transfer Services, Inc. Stock Transfer Agent of the Corporation that as of 10:00 A.M., September 26, 2025, there are represented in this meeting, in person or by proxy, stockholders owning 1,841,869,771 shares, representing 73.70% of the total issued and outstanding capital stock of the Corporation and that there is a quorum at the meeting.

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 September 21, 2024.

The Chairman then announced that the floor was open to comments/questions on the minutes. There were no comments/questions on the minutes of the meeting raised by the stockholders.

On motion duly made and seconded, the stockholders owning 73.70% of the total issued and outstanding capital stock of the Corporation present, either in person or by proxy approved the minutes dated September 21, 2024. The voting results are as follows:

Total Shares Present And Represented	1,841,869,771
Percentage Shares and Represented	73.70%
Total Shares of Approving Stockholders	1,841,869,771
Percentage of Approving Stockholders	100%
Total Dissenting Stockholders	-0-
Total Abstaining Stockholders	-0-

IV. REPORT TO THE STOCKHOLDERS AND APPROVAL OF THE ANNUAL REPORT FOR THE YEAR 2024 AND FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

DRAFT *- Subject to the approval of the stockholders in the next stockholders' meeting to be held in 2026.*

The Treasurer, Ms. Elvira A. Ting, presented the highlights of the Company's performance and result of operation for the year 2024. Shared on the screen were excerpts from the Annual Report for the year 2024 and the Audited Financial Statements for the period ended December 31, 2024. A copy of the President's Report is attached and made integral part of the minutes.

The Chairman then announced that the floor was open to comments/questions on the Annual Report for the year 2024 and the Audited Financial Statements for the period ended December 31, 2024. There were no comments/questions raised.

Thereupon, on motion duly made and seconded, the stockholders owning 73.70% of the total issued and outstanding capital stock of the Corporation, present, either in person or by proxy, approved the Annual Report for the year 2024 and the Audited Financial Statements for the year ended December 31, 2024. The voting results are as follows:

Total Shares Present And Represented	1,841,869,771
Percentage Shares and Represented	73.70%
Total Shares of Approving Stockholders	1,841,869,771
Percentage of Approving Stockholders	100%
Total Dissenting Stockholders	-0-
Total Abstaining Stockholders	-0-

V. RATIFICATION OF ACTS OF THE BOARD AND MANAGEMENT FOR THE YEAR 2024

The Chairman presented to the stockholders for approval and ratification the acts of the Board and Management for the year ended December 31, 2024 as well as the contracts and transactions entered into by the Corporation for the same period, all as reflected in the Annual Report and the 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, 2024.

On motion duly made and seconded, the stockholders owning 73.70% 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, 2024, 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 Present And Represented	1,841,869,771
Percentage Shares and Represented	73.70%
Total Shares of Approving Stockholders	1,841,869,771
Percentage of Approving Stockholders	100%
Total Dissenting Stockholders	-0-

DRAFT *- Subject to the approval of the stockholders in the next stockholders' meeting to be held in 2026.*

Total Abstaining Stockholders	-0-

VI. ELECTION OF THE BOARD OF DIRECTORS TO SERVE FOR TERM 2025-2026

Proceeding with the agenda, the Chairman opened the floor and entertained nominations for the election of the Board of Directors of the Corporation for the year 2025 -2026.

Based on the evaluation and recommendation of the Nomination Committee the following were nominated as Directors of the Corporation to serve as such until the next annual meeting, and until their successors shall have been elected and qualified, viz:

As Regular Directors:

Dee Hua T. Gatchalian
Elvira A. Ting
Sergio R. Ortiz-Luis, Jr.
Arthur M. Lopez
Ruben D. Torres
Lamberto B. Mercado, Jr.

As Independent Directors:

Renato C. Francisco
Aristeo R. Cruz
Josaias T. De La Cruz

There were no other nominations made.

In view of the fact that there were only nine (9) nominees for the nine (9) seats in the Board of Directors, the Chairman entertained a motion to declare the nine (9) nominees to have been elected as directors, without need of a ballot.

On motion duly made and seconded, the stockholders owning 73.70% of the outstanding capital of the Corporation who were present, either in person or by proxy, approved the motion and the election of the aforesaid nominees as Directors without need of a ballot. The voting results are as follows:

Total Shares Present And Represented	1,841,869,771
Percentage Shares and Represented	73.70%
Total Shares of Approving Stockholders	1,841,869,771
Percentage of Approving Stockholders	100%
Total Dissenting Stockholders	-0-
Total Abstaining Stockholders	-0-

DRAFT *- Subject to the approval of the stockholders in the next stockholders' meeting to be held in 2026.*

The Chairman then declared that the following nominees were elected as Regular Directors and Independent Directors of the Corporation for the term 2025-2026 to serve as such until the next annual meeting, and until their successors shall have been elected and qualified:

As Regular Directors:

Dee Hua T. Gatchalian
Elvira A. Ting
Sergio R. Ortiz-Luis, Jr.
Arthur M. Lopez
Ruben D. Torres
Lamberto B. Mercado, Jr.

As Independent Directors:

Renato C. Francisco
Aristeo R. Cruz
Josaias T. De La Cruz

VII. 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 73.70% of the total issued and outstanding capital stock of the Corporation, present, either in person or by proxy approved the appointment of the accounting firm of R.G. Manabat & Co., CPA's as the Corporation's external auditor. The voting results are as follows:

Total Shares Present And Represented	1,841,869,771
Percentage Shares and Represented	73.70%
Total Shares of Approving Stockholders	1,841,869,771
Percentage of Approving Stockholders	100%
Total Dissenting Stockholders	-0-
Total Abstaining Stockholders	-0-

VIII. 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.

DRAFT *- Subject to the approval of the stockholders in the next stockholders' meeting to be held in 2026.*

Corporate Counsels, Philippines Law Offices was the only nominee as the external counsel of the Corporation. There were no questions or objections raised by the stockholders against the nomination.

Upon nomination and on motion duly made and seconded, the stockholders owning 73.70% of the total issued and outstanding capital stock of the Corporation, present, either in person or by proxy approved the appointment of Corporate Counsels, Philippines Law Offices as the Corporation's external counsel. The voting results are as follows:

Total Shares Present And Represented	1,841,869,771
Percentage Shares and Represented	73.70%
Total Shares of Approving Stockholders	1,841,869,771
Percentage of Approving Stockholders	100%
Total Dissenting Stockholders	-0-
Total Abstaining Stockholders	-0-

IX. ADJOURNMENT

There being no further business to transact, the meeting was, on motion duly made and seconded, adjourned.

ARTHUR R. PONSARAN
Corporate Secretary

ATTESTED BY:

SERGIO R. ORTIZ-LUIS, JR.
Chairman

DRAFT *- Subject to the approval of the stockholders in the next stockholders' meeting to be held in 2026.*

WATERFRONT PHILIPPINES, INCORPORATED – NOTICE OF ANNUAL STOCKHOLDERS MEETING 2026

Daily Tribune (September 8, 2026)

https://tribune.net.ph/2026/09/07/waterfront-philippines-incorporated-notice-of-annual-meeting-of-the-stockholders

Business Mirror (September 8, 2026)

https://businessmirror.com.ph/2026/09/08/waterfront-philippines-incorporated-issues-notice-of-annual-meeting-of-stockholders/

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

The following document has been received:

Receiving: DONNA ENCARNADO
Receipt Date and Time: August 11, 2026 02:40:15 PM

Company Information

SEC Registration No.: AS94008678
Company Name: WATERFRONT PHILIPPINES INC.
Industry Classification: J66940
Company Type: Stock Corporation

Document Information

Document ID: OST108112026811777238
Document Type: CURRENT_REPORT
Document Code: SEC_Form_17-C
Period Covered: August 10, 2026
Submission Type: Original Filing
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

A	S	0	9	4	8	6	7	8

S.E.C. Registration No.

WATERFRONT PHILIPPINES INCORPORATED

(Company's Full name)

#1 WATERFRONT DRIVE OFF SALINAS DRIVE LAHUG CEBU CITY

Business Address: No. Street City/Town Provinces

Atty. Arsenio A. Alfiler, Jr.
Contact Person

687-7536
Tel. No

PSE Report on the Amendment to By-Laws

17-C

Form type

Secondary License, (if applicable type)

Dept. requiring this doc

Amended Articles number

Total stockholders

Domestic **Foreign**

To be accomplished by SEC personnel concerned

File Number **LCU**

Document I.D. **Cashier**

STAMPS

C06079-2026

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)
   Aug 10, 2026
2. SEC Identification Number
   AS94008678
3. BIR Tax Identification No.
   D80003978254NV
4. Exact name of issuer as specified in its charter
   WATERFRONT PHILIPPINES, INC.
5. Province, country or other jurisdiction of incorporation
   CEBU CITY, PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   NO. 1 WATERFRONT DRIVE, OFF SALINAS DRIVE, LAHUG, CEBU CITY
   Postal Code
   6000

8. Issuer's telephone number, including area code
   032-2326888
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	2,498,991,753

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.

Waterfront Philippines, Incorporated
WPI

PSE Disclosure Form 4-4 - Amendments to By-Laws
References: SRC Rule 17 (SEC Form 17-C) and Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure
AMENDMENT OF THE BYLAWS CHANGING THE SCHEDULE OF ANNUAL MEETING
Background/Description of the Disclosure
AMENDMENT OF THE BYLAWS CHANGING THE SCHEDULE OF ANNUAL MEETING ARTICLE II MEETINGS OF SHAREHOLDER Section 1. Regular Meetlgs — The regular meetings of shareholders. for the purpose of electing Directors and for the transaction of such business as may properly come before the meeting, shall be held at the principal office on the last day of September of each year. if falling on a legal holiday. then on the day following. The Board of Directors may provide, however. that the regular meeting shall be held at such other date and time as shall be specified the notice of the meeting. TO: ARTICLE II MEETINGS OF SHAREHOLDER Section 1. Regular Meetlgs — The regular meetings of shareholders. for the purpose of electing Directors and for the transaction of such business as may properly come before the meeting, shall be held at the principal office in the LAST FRIDAY day of SEPTERMBER of each year. if falling on a legal holiday. then on the day following. The Board of Directors may provide, however. that the regular meeting shall be held at such other date and time as shall be specified the notice of the meeting.

Date of Approval by Board of Directors	Aug 10, 2026
Date of Approval by Stockholders	TBA
Other Relevant Regulatory Agency, if applicable	N/A
Date of Approval by Relevant Regulatory Agency, if applicable	TBA
Date of Approval by Securities and Exchange Commission	TBA
Date of Receipt of SEC approval	TBA

Amendment(s)

Article and Section Nos.	From	To
ARTICLE II	ARTICLE II MEETINGS OF SHAREHOLDER Section 1. Regular Meetlgs — The regular meetings of shareholders. for the purpose of electing Directors and for the transaction of such business as may properly come before the meeting, shall be held at the principal office on the last day of September of each year. if falling on a legal holiday. then on the day following. The Board of Directors may provide, however. that the regular meeting shall be held at such other date and time as shall be specified the notice of the meeting.	ARTICLE II MEETINGS OF SHAREHOLDER Section 1. Regular Meetlgs — The regular meetings of shareholders. for the purpose of electing Directors and for the transaction of such business as may properly come before the meeting, shall be held at the principal office in the LAST FRIDAY day of SEPTERMBER of each year. if falling on a legal holiday. then on the day following. The Board of Directors may provide, however. that the regular meeting shall be held at such other date and time as shall be specified the notice of the meeting.

Rationale for the amendment(s)
TO ALIGN WITH THE SCHEDULE OF THE ANNUAL STOCKHOLDERS MEETING OF THE PARENT AND AFFILIATES

The timetable for the effectivity of the amendment(s)

Expected date of filing the amendments to the By-Laws with the SEC	TBA
Expected date of SEC approval of the Amended By-Laws	TBA

Effect(s) of the amendment(s) to the business, operations and/or capital structure of the Issuer, if any
N/A
Other Relevant Information
N/A

Filed on behalf by:

Name	Amando Ponsaran Jr.
Designation	Assistant Corporate Secretary

SECRETARY'S CERTIFICATE

I, **AMANDO J. PONSARAN JR.,,** Filipino, of legal age, with office address at Unit 3104, 31/F Antel Global Corporate Center, #3 Dona Julia Vargas Avenue, Ortigas Center, Pasig City, Metro Manila, after having been duly sworn to in accordance with law, do hereby certify as follows:

1. I am the duly elected Assistant Corporate Secretary of **WATERFRONT PHILIPPINES INCORPORATED** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office located at No. 1 Waterfront Drive, Off Salinas Drive, Lahug, Cebu City;

2. At a meeting of the Board of Directors of the Corporation held on **AUGUST 10, 2026**, at which meeting a quorum was present and acting throughout, the Board Of Directors passed and approved the following resolutions;

   "RESOLVED, AS IT IS HEREBY RESOLVED, that **WATERFRONT PHILIPPINES INCORPORATED** (the "Corporation"), be, as it is hereby authorized to amend its By-Laws, amending Section 1, Article II of the By-laws to read as follows:

   FROM:

   ARTICLE II
   MEETINGS OF SHAREHOLDER

   Section 1. Regular Meetlgs — The regular meetings of shareholders. for the purpose of electing Directors and for the transaction of such business as may properly come before the meeting, shall be held at the principal office on the **last day of September** of each year. if falling on a legal holiday. then on the day following. The Board of Directors may provide, however. that the regular meeting shall be held at such other date and time as shall be specified the notice of the meeting.

   TO:

   ARTICLE II
   MEETINGS OF SHAREHOLDER

   Section 1. Regular Meetlgs — The regular meetings of shareholders. for the purpose of electing Directors and for the transaction of such business as may properly come before the meeting, shall be held at the principal office in the **LAST FRIDAY day of SEPTERMBER** of each year. if falling on a legal holiday. then on the day following. The Board of Directors may provide, however. that the regular meeting shall be held at such other date and time as shall be specified the notice of the meeting.

3.The forgoing statements are true and correct and in accordance with the records of the Corporation.

Done this 10 AUG 2026 2026, Pasig City.

AMANDO J. PONSARAN, JR.
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this ____ day of 10 AUG 2026 at Pasig City, Philippines, affiant exhibiting to me his competent evidence of identity tax identification number 171-798-949, issued by the Bureau of Internal Revenue.

Doc. No. 449;
Page No. 91;
Book No. I;
Series of 2026

ATTY. CHRISTINE P. VALENZUELA
Notary Public for the City of Pasig and the
Municipality of Pateros, Metro Manila
Appointment No. 253 (2025-2026)
Roll of Attorneys No. 90566
IBP O.R. No. 575907; 29-December-2025; RSM
PTR No. 4018706; 09-January-2026; Pasig City
MCLE Compliance No. VIII-0008214 valid until 14-Apr-2028