

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b) OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

- ☐ Preliminary Information Statement
☒ Definitive Information Statement

2. Name of Registrant as specified in its charter

ACESITE (PHILS.) HOTEL CORPORATION

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

Philippines

4. SEC Identification Number

7199

5. BIR Tax Identification Code

002856627000

6. Address of principal office

UN AVE. COR. MA. OROSA ST. ERMITA, MANILA

Postal Code

1000

7. Registrant's telephone number, including area code

09985948615

8. Date, time and place of the meeting of security holders

09 October 2026 at 10:00am at IPIL Room – 14th Floor Bayview Park Hotel – 1118
 Roxas Boulevard, corner United nations Avenue, Ermita, Manila

9. Approximate date on which the Information Statement is first to be sent or given to security holders

Sep 18, 2026

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor

N/A

Address and Telephone No.

N/A

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 and Amount of Debt Outstanding

Common Shares

344,747,520

13. 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:

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

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

Acesite (Phils.) Hotel Corporation ACE

PSE Disclosure Form 17-5 - Information Statement for Annual or Special Stockholders' Meeting *References: SRC Rule 20 and Section 17.10 of the Revised Disclosure Rules*

Date of Stockholders' Meeting	Oct 9, 2026
Type (Annual or Special)	ANNUAL
Time	10:00AM
Venue	IPIL Room – 14th Floor Bayview Park Hotel – 1118 Roxas Boulevard, corner United nations Avenue, Ermita, Manila
Record Date	Sep 15, 2026

Inclusive Dates of Closing of Stock Transfer Books

Start Date	Sep 14, 2026
End date	Oct 9, 2026

Other Relevant Information

NONE

Filed on behalf by:

Name	Abbie Claire Dulanias
Designation	Corporate Financial Reporting Manager

**ACESITE
(PHILIPPINES)
HOTEL CORPORATION**

September 17, 2025

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

Company: Acesite (Phils.) Hotel Corporation

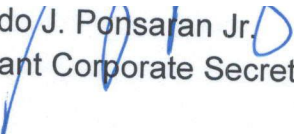
Subject: SEC Form 20-IS – Definitive Information Statement (DIS)

Gentlemen:

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

Very truly yours,

Acesite (Phils.) Hotel Corporation
By:

Amando J. Ponsaran Jr. 
Assistant Corporate Secretary

ACESITE (PHILIPPINES) HOTEL CORPORATION

September 01, 2026

Dear Stockholder:

In Accordance with the By-Laws, Article III, Section 1, please be advised that the Annual Meeting of the Stockholders (ASM) of **ACESITE (PHILIPPINES) HOTEL CORPORATION** (the "Corporation") will be held on **Friday, October 09, 2026, at 10:00 A.M.** at the Ipil Room, 14th Floor Bayview Park Hotel, 1118 Roxas Boulevard, Corner United Avenue, Ermita, Manila for the purpose of transacting the following business:

1. Call to Order;
2. Certification of Notice and Quorum;
3. Approval of the Minutes of the Annual Meeting of Stockholders held on August 28, 2025;
4. President's Report to the Stockholders for the Year 2025 and the approval of the Audited Financial Statements as of December 31, 2025;
5. Ratification of the Acts of the Board and Management for the year 2025;
7. Election of the Board of Directors to Serve for the Term 2026-2027;
8. Appointment of External Auditor for the year 2026-2027;
9. Appointment of External Counsel for the year 2026-2027 and
10. Other business matters; and
11. Adjournment.

As fixed by the Board of Directors, stockholders of record as of **September 15, 2026** shall be entitled to notice of, and vote at, said stockholders' meeting and for this purpose, the Board of Directors authorized the closing of the stock and transfer book of the Corporation during the **September 14, 2026 to October 09, 2026**.

If you are not able to attend the stockholder's meeting as scheduled, you may submit a PROXY instrument to the office of the Corporate Secretary of this Corporation thru the Stock and Transfer Agent at the address below. Stockholders whose shareholdings are lodged with the Philippine Central Depository should secure a certification of their shareholdings from their respective stockbrokers. Corporate stockholders should attach to the PROXY instrument, their respective Board Resolutions in support of their proxies. Deadline for submission of proxies is **October 09:00 at 10:00 A.M.** The proxy form is hereto attached as Annex "A".

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

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

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

WE EMPHASIZE THAT WE ARE NOT SOLICITING YOUR PROXY.

ARTHUR R. PONSARAN
Corporate Secretary

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

1. Mark the appropriate box:

- ☐ Preliminary Information Statement
☒ Definitive Information Statement

2. Name of Registrant **ACESITE (PHILS.) HOTEL CORPORATION**
 3. Province, country of incorporation Manila, Philippines
 4. SEC Identification Number 7199
 5. BIR Tax Identification Code 002-856-627
 6. **Waterfront Manila Hotel and Casino, United Nations Avenue corner Maria Orosa Street, Ermita, Manila, 1000**
Address of Principal Office and Postal Code
 7. Registrant's telephone number (632) 8231-1073 Temporary
 8. **09 October 2026 at 10:00am at IPIL Room – 14th Floor Bayview Park Hotel – 1118 Roxas Boulevard, corner United nations Avenue, Ermita, Manila**
Date, time and place of the meeting of security holders
 9. Approximate date on which this SEC Form 20-IS is first to be sent or given to security holders: **18 September 2026.**

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

<u>Title of Each Class as of</u> <u>September 15, 2026</u>		<u>Number of Shares of Common Stock</u> <u>Outstanding and Amount of Debt Outstanding</u>
Common	- Authorized	1,200,000,000
	- Issued	344,747,520
	- Treasury	1,353,058
Preferred	- Authorized	20,000
	- Issued	None

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

Yes ☒ No ☐

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

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

The stockholders' meeting shall be conducted on Friday, 09 October 2026, 10:00 a.m. at IPIL Room – 14th Floor Bayview Park Hotel – 1118 Roxas Boulevard, corner United Nations Avenue, Ermita, Manila.

18 September 2026 is the approximate date on which the Information Statement (SEC Form 20-IS) is first to be sent or given to security holders:

Item 2. Dissenter's Right of Appraisal

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

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

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

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

If, within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by

the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: Provided, further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the corporation.

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

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

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

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

1. As of 15 September 2026, there are 346,100,578 subscribed and issued common shares, of which 1,353,058 shares are treasury shares. Each of the 344,747,520 outstanding common shares is entitled to one vote. Of the authorized 20,000 shares of preferred stock, none have been issued. The preferred shares are not entitled to vote.
2. All stockholders on record as of 01 September 2026 are entitled to receive notice and to vote at the Annual Meeting of the Stockholders on 09 October 2026.
3. As provided for under Section 23 of the Revised Corporation Code, a stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected.

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

a) SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

As of 15 September 2026, the stock transfer book of the corporation showed the following record owners:

Title of Class	Name and Address of Record owner and relationship with issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizen ship	No. of Shares Held	Percent
Common Shares	Waterfront Philippines, Inc. ¹ No.1 Salinas Drive, Lahug, Cebu City (Parent Company)	The Wellex Group, Inc. 35th Floor One Corporate Center, Dona Julia Vargas Ave. cor. Meralco Ave., Ortigas Center, Pasig City • Represented by Miss Elvira A. Ting, who is a nominee of said company. Directors & Officers are William T. Gatchalian, Dee Hua T. Gatchalian, Richard L. Ricardo, and Elvira A. Ting.	Filipino	192,045,057	55.49%
Common Shares	PCD Nominee Corporation ² 37/F Tower 1, The Enterprise Center, 6766 Ayala Avenue corner Paseo de Roxas, 1226 Makati City	Various Owners ²	Filipino	80,339,450	23.21%
Common Shares	PCD Nominee Corporation ² 37/F Tower 1, The Enterprise Center, 6766 Ayala Avenue corner Paseo de Roxas, 1226 Makati City	Various Owners ²	Non-Filipino	52,717,485	15.23%

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

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

b) SECURITY OWNERSHIP OF MANAGEMENT

As of **15 September 2026**, the following are the record and beneficial ownership of directors and management:

Title of Class	Name of	Position	Citizenship	Nature and Amount		%
	Beneficial Owner			of Ownership		
Common	Arthur M. Lopez	Chairman	Filipino	D	350	0.00%
Common	Richard L. Ricardo	President	Filipino	D	100	0.00%
Common	Elvira A. Ting	Treasurer	Filipino	D	350	0.00%

Common	Ruben D. Torres	Director	Filipino	D	100	0.00%
Common	Sergio R. Ortiz-Luiz, Jr.	Director	Filipino	D	350	0.00%
Common	Pablo M. Gancayco	Director	Filipino	D	350	0.00%
Common	Lamberto B. Mercado, Jr.	Director	Filipino	D	350	0.00%
Common	Renato C. Francisco*	Director	Filipino	D	100	0.00%
Common	Aristeo R. Cruz*	Director	Filipino	D	3,500	0.00%
Common	Noel M. Cariño*	Director	Filipino	D	100	0.00%
Common	Dee Hua Gatchalian	Director	Filipino	D	3,850	0.00%
Total Beneficial Ownership					9,500	

* – Independent Director

D – Direct

I – Indirect

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

c) VOTING TRUST HOLDERS OF 5% OR MORE

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

d) CHANGES IN CONTROL

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

e) EQUITY OWNERSHIP OF FOREIGNERS AS OF **15 September 2026**.

Citizenship	Class	Ownership	Percentage
American	Common	20,051	0.01%
British	Common	9,251,256	2.67%
Chinese	Common	2,229	0.00%
Filipino	Common	284,109,361	82.09%
Foreign	Common	52,717,485	15.23%
Hongkong	Common	196	0.00%
Total		346,100,578	100.00%

Item 5. Directors and Executive Officers

All directors joined the Board on 24 June 2004 except for Ms. Dee Hua Gatchalian, who was elected July 19, 2005, Mr. Sergio R. Ortiz-Luiz, Jr., elected last February 25, 2013, Mr. Ruben D. Torres, elected last June 2, 2014, and Mr. Aristeo R. Cruz, Mr. Noel M. Cariño elected last August 6, 2021 and Ricardo L. Ricardo elected last July 1, 2025. All are expected to be on the Board until October 9, 2026. The Nominations Committee recommended that all current directors will be nominated to the Board again during the Company's Annual Stockholder's **Meeting on 09**

October 2026. The qualifications (including the ages, nationalities, current and past position held and business experience for the past five years) of the nominees are as follows:

Arthur M. Lopez, 79
Filipino

Arthur M. Lopez is the Principal Consultant of AML Hotel Consultants, an independent Hotel Consultancy engaged in Hotel Design Development/Technical Services, Hotel Feasibility Study, Pre and Post Hotel Opening Services and Asset Management/Owner's Representative. He is currently the President of Philippine Hotel Owners Association (PHOAI). Currently, he is the Management Consultant of Double Dragon Properties Corporation, Jing Jiang Ortigas, Jing Jiang Inn Makati, Injap Tower Iloilo, Hotel 101 Manila, Hotel 101 Fort, Bellevue Bohol Resort in Panglao, the Bellevue Hotel Manila, The B Hotel Manila, B Hotel Quezon City and Uno Botique Hotel in Cebu; Hotel Consultant and Management Advisor or Hotel 101 Management Corporation; Director of Philippine Estate Corporation; President/Chairman of Legoli Holdings, Inc. and Arleff Holdings, Inc. He also became the Hotel Management and Development Consultant of Wyndham Garden. Previously, he was the Management and Technical Services Consultant of Bloomberry Casino Hotels & Resorts/Solaire Hotel and Casino, and Federal Land; Hotel Advisor/Director of Cathay Int'l Resources Corporation; Owner's Representative and Advisor to Owner at Four Points by Sheraton Kuching, Sheraton Beach Resort Langkawi, Helang Airport Hotel Langkawi, Santubong Resort Kuching and Four Points by Sheraton Langkawi; President & CEO of CCA Philippines Corporation; Regional Director of CCA International Ltd.; Regional Director Asia Pacific of Palmerston Hotels & Resorts; Management Consultant of Rarotongan Beach Resort & Spa and the Aitutaki Lagoon Resort and Spa in Cook Islands; Senior Advisor to the Secretary of Philippine Department of Tourism; General Manager of Westin Philippine Plaza; Country Manager, Philippines, or Starwood Hotels & Resorts Worldwide, Inc.; Philippine Corporate Representative of Caesar's Club of Manila, Heritage Hotel Manila; Area Manager and General Manager of Northern Territory Australia, Sheraton Hotels Darwin, Sheraton Alice Springs, and Sheraton Ayers Rock Australia; Vice President and Area Manager of Australia/ITT Sheraton Corporation; Pre and Post-Opening General Manager of Sheraton Towers Southgate, Melbourne, Australia; Hotel Resident Manager of Sheraton Auckland Hotel and Towers; Resident Manager of Sheraton Auckland Hotel and Towers; Director of Sales and various Front Office and F&B positions of Manila Hilton International. He holds a Bachelor of Science in Commerce degree, Major in Management, a master's degree in business administration (MBA), both from the University of Santo Tomas in the Philippines and Tourism Management at the East-West Center in Honolulu, Hawaii, USA.

Elvira A. Ting, 66
Filipino

Ms. Ting was elected director and Treasurer of the Company on 24 June 2004. She earned her bachelor's degree in business administration, major in management, from the Philippine School of Business Administration. She has been a director of WPI since

October 2000. She is concurrently, the vice-chairperson and a director of Forum Pacific Inc. She is president of Phil. Estates and vice president of Wellex Industries, Inc. She is a director of Orient Pacific Corporation, Crisanta Realty Development Corporation, Recovery Development Corporation and the Wellex Group, Inc. She is the corporate treasurer of Pacific Rehouse Corp and the chairman and president of Rexlon Realty Group Inc and Heritage Pacific Corp.

Sergio R. Ortiz-Luis, Jr., 83
Filipino

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

Lamberto B. Mercado, Jr.,
61 Filipino

Atty. Mercado is the Vice-President for Legal of the Wellex Group, Inc. He was elected as one of the Directors of the Company since 24 June 2004. He is a graduate of the Ateneo de Manila University

School of Law. Atty. Mercado is a certified public accountant. Prior to his post in Wellex Group, he was connected with the Subic Bay Metropolitan Authority (SBMA). From November 1993 to July 1997, he was the chief of staff of SBMA. He also served as president of the Freeport Service Corporation in SBMA from August 1996 to January 1998. He was appointed deputy administrator for administration in February 1997, a post he held until August 1998. Currently a Director of the following publicly listed companies: Waterfront Phils. Inc., Wellex Industries, Inc., Forum Pacific, Inc., Metro Alliance Holdings & Equities Corp., Acesite (Phils.) Hotel Corporation.

Pablo M. Gancayco, 69
Filipino

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

Dee Hua Gatchalian, 77
Filipino

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

Ruben D. Torres, 84
Filipino

Mr. Ruben Torres graduated in the University of the Philippines with a degree of Bachelor of Arts (Political Science) after which, he finished the degree of Bachelor of Laws at the same university. Presently he is also the President of BPO Workers Association of the Philippines and Senior Partner of Torres Caparas Torres Law Office; Chairman/CEO of Service Exporters Risk Management

and Consultancy Co.; Secretary General of Katipunan ng Manggagawa at Magsasaka ng Pilipinas. He is associated with the Integrated Bar of the Philippines and Philippine Academy of Professional Arbitrators. His former positions include being a Member of the House of Representatives of the 2nd District of Zambales, Executive Secretary of the Office of the President in Malacañang, Secretary of the Department of Labor and Employment. Mr. Torres became an Independent Director of Waterfront Philippines, Inc. since August 2006-present. Member of Board of Advisers, TYTANA Colleges, Owner of Kitsie's Farms, Iba Zambales and CEO of Optimus Medical Care and Trading Corporation.

Renato C. Francisco, 77
Filipino

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

Noel M. Cariño, 71
Filipino

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

Aristeo R. Cruz, 60
Filipino

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

Director of Metro Alliance Holdings and Equities Corp and Forum Pacific Inc.

Richard L. Ricardo,
63, Filipino

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

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

Other Corporate Officers are as follows:

Arthur R. Ponsaran,
83
Filipino

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

Amando J. Ponsaran,
Jr.
56, Filipino

Mr. Ponsaran, Jr. is now the Assistant Corporate Secretary. Mr. Ponsaran is one of the pioneers of the Corporate Counsel Philippines, Law Office ("Firm") who has more than twenty (20) year 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 licenses 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 and registration with the Board of Investment.

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 and several 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 studied law in Arellano Law School and thereafter in Philippine Christian University.

Mr. Ponsaran serve as Senior Manager – Corporate Counsels, Philippines Law Offices, Director / Managing Director – CCP Company Services Inc., Corporate Secretary/AMLA Compliance Officer – Wellex Industries, Inc. and Forum Pacific Inc., Independent Director – Perla Compania De Seguros Inc., Corporate Secretary – Health Carousel Philippines Inc., Trans Realty Inc., Waterfront Iloilo Hotel Inc., Acesite Realty Inc., EON Pharmatek Inc., Consumer Products Distribution Services Inc., Lion Two Business Process Inc., Schuylkill Business Advisory, Inc. (Formerly: Schuylkill Asset Strategists (SPV-AMC), Inc., Pavilion Leisure and Entertainment Corp., Pavillion Entertainment Corp., Corporate Secretary CCP Company Services Inc., Assistant Corporate Secretary – Waterfront Philippines, Inc.

Jerraemie Nikka
C. Patulot,
38, Filipino

Atty. Patulot is a legal professional currently serving as the Compliance Officer and Data Privacy Officer of Acesite (Phils.) Hotel Corporation. 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. 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.

Cherryl M. Vidal,
44, Filipino

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.in Commerce & Industry (ACPACI).

Lanelle Cristina
Barba, 47
Filipino

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.

Edissa Mari A.
Medino, 32
Filipino

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 (Ecosystemal Foods and Corporation) as a Senior Tax and Compliance Officer. After a year, she joined the Bureau of Internal Revenue as a Revenue Officer.

While all employees are expected to make a significant contribution to the Company, there is no one particular employee, not an executive officer, expected to make a significant contribution to the business of the Company on his own.

There are no other persons who are not Executive Officers who are expected to make significant contributions to the Company except for Lamberto B. Mercado, Jr. Chief Risk Officer, who is expected to make significant contributions to the Company in his capacity as Chief Risk Officer.

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

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

Family Relationships

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

Certain Relationships and Related Transactions

1. Mr. Ricky L. Ricardo, Investor Relations/Vice-President for Corporate Affairs of Waterfront Philippines, Incorporated, Director of Acesite Realty Inc. also holds a director position for Mayo Bonanza, Philippine Estates Corporation, Wellex Mining Corporation, Wellex Petroleum Inc., Rexlon Realty Group, Inc. He is the Investor Relations Officer and Corporate Secretary of Metro Alliance Holdings and Equities Corporation, Director and Investor Relations Officer of Forum Pacific, Inc., and Director and Corporate Secretary of The Wellex Group, Inc.
2. As related in Note no.10 of the Notes to Financial Statements, the Corporation had invested in 86,710,000 shares of stock in Wellex Industries, Inc., an affiliated company

listed on the Philippine Stock Exchange, through the conversion of Parent's Company's net receivables resulting to P0.50 per share or a total of P43.36 million.

- a. The Corporation invested in the above marketable security in order to diversify its current asset portfolio in listed companies with a broad upside potential.
- b. Waterfront Philippines, Inc., parent company of the Corporation, is majority owned by the Wellex Group, Inc., which also controls Wellex Industries, Inc.
- c. The shares are from the conversion of the Parent Company's net receivables from related parties amounting to P43.30 million into 86.71 million shares of stock of Wellex Industries, Inc., resulting to P0.50 price per share represents a 13.7% discount to the net book value of P0.58 per share of Wellex Industries, Inc. as of 31 December 2005. The fair market value of the shares based on closing market price as at December 31, 2025 and 2024 amounted to P22.54 million and P18.38 million, respectively, resulting in a valuation gain of P4.16 million in 2025.
- d. The Risk Management Committee has evaluated the transaction in accordance with certain norms, including investment risk, market liquidity, projected price-earnings ratio, net asset value and control ability, and has concluded that the investment is fair and reasonable at the acquisition price and volumes.
- e. There are no other transactions with parties that fall outside the definition of "related parties" but with whom the Corporation may have a relationship that enables the parties to come to terms in a different manner as compared to independent parties on an arm's length basis.

(B) Related Party Transactions

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

(C) Parents of the Registrant

Waterfront Philippines, Inc., which, as of September 15, 2026 held 55.49% of the Company, is an investment holding company for the hotel, leisure and tourism businesses registered with the SEC on 23 September 1994.

Involvement in Certain Legal Proceedings

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

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

Resignation of Directors

No director has resigned or declined to stand for re-election to the board of directors since the last date of stockholder's meeting due to a disagreement relating to the operation, policies or

practices of the company, and no director has furnished the registrant with a letter describing any such disagreement, requesting that the matter be disclosed.

Attendance Report of the Board of Directors

	Name of Director	Number of Meetings Held	Number of Meetings Attended	%
1	Arthur M. Lopez	17	17	100%
2	Ricardo I. Ricardo	17	17	100%
3	Elvira A. Ting	17	17	100%
4	Ruben D. Torres	17	17	100%
5	Sergio R. Ortiz-Luiz, Jr.	17	17	100%
6	Pablo M. Gancayco	17	17	100%
7	Lamberto B. Mercado, Jr.	17	17	100%
8	Renato C. Francisco*	17	17	100%
9	Aristeo R. Cruz*	17	17	100%
10	Noel M. Cariño*	17	17	100%
11	Dee Hua Gatchalian	17	17	100%

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

Executive Compensation

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

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

Compensation Table

Name	Position	Year	Salary	Bonus	Others
Richard Ricardo	President				
Lanelle Barba	Corporate PRD Director				

Besy Modesto	OIC- Hotel Operations				
Aggregate for above Named officers	2021	7,062,507			30,000
	2022	8,311,312	-		30,000
	2023	8,382,466	-		30,000
	2024	8,106,946	-		30,000
	2025	7,227,152	-		30,000
	2026 Q2	3,493,007	-		30,000

For the ensuing year (2027), the aggregate compensation is expected to increase due to salary adjustments.

Compensation Plan of Directors

The members of the Board of Director are elected for a term of one year. Directors per diem are pegged at a rate of PhP10,000.00 per board meeting. Except for the Chairman and the CEO, Directors are not entitled to compensation package. Except as herein mentioned, no director received bonuses or profit-sharing plans for the years ended 31 December 2024, 31 December 2023 and 31 December 2025.

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

The members of the Board of Directors and Executive Officers are elected for a term of one year. No director or officer has a compensatory contract in case of resignation, retirement, termination or change in control.

Warrants and Options Outstanding: Repricing

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

Item 7. Independent Public Accountants

The external auditor of Acesite (Phils.) Hotel 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. Diane 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.

Members of the Audit Committee:

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

External Audit Fees

a. Audit Related Fees

1. The aggregate fees for the audit of the registrant's annual financial statements or services that are provided by the external auditor in connection with statutory and regulatory filings amounted to Php 570,000 and Php 550,000 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

No other fees were charged.

d. Audit Committee Procedures

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

Item 8. Compensation Plans

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

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

a) In a meeting held on June 11, 2009, the Board of Directors resolved to increase the authorized capital stock from P310 million to P1.210 billion via declaration of 250% stock dividends and from P1.210 billion to P2.010 billion via rights offering. At the annual meeting held on July 20, 2009, the stockholders present by unanimous vote, approved the increase in the Corporation's

authorized capital stock. On May 25, 2012, the application for the increase in the Company's authorized capital stock from P310 million to P1.21 billion was approved by SEC. Accordingly, the Company distributed the 250% stock dividends or 246,248,270 shares on July 19, 2012 for stockholders of record as of June 25, 2012.

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

Item 10. Modification or Exchange of Securities

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

1. ADDITIONAL REQUIREMENTS AS TO CERTAIN ISSUES OR ISSUERS

As of 31 December 2025, the Company has a net worth of P1.64 billion and is not planning to issue any unsecured bonds for 2026.

Property

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

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

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

The Company had structured the development into a phased construction program to facilitate market presence, with Phase 1 slated for completion in 2026 and Phase 2 in 2027. However, several intervening events, such as the weak Chinese gaming market, the rising popularity of online gaming vis-à-vis land-based casinos, and the high oil prices from the Iranian war, have made it prudent to pause the reconstruction activities until such time that the capital expense becomes justifiable with improved tourist arrivals and a more agreeable business climate, which is hopefully forecasted for 2028. Until such time, management intends to continue appropriate maintenance activities to keep the hotel superstructure in good physical condition.

Legal Proceedings

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

The case involved a Petition for Prohibition and Mandamus (the 1st petition), with application for the issuance of a Temporary Restraining Order (TRO) and writ of preliminary injunction

filed by the Parent Company against PAGCOR and Vanderwood Management Corp. (VMC). The Parent Company filed this case to assail PAGCOR's award of VMC of a procurement project entitled "Lease Space for a Casino Gaming Facility in Manila for a Period of Fifteen (15) Years" under Invitation to Bid No. 09-16-2014 for being violative of the laws and rules on government procurement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Accused Lorna Bianes, together with her husband Joseph Bianes, obtained hotel accommodation and incurred ₱1,385,195.74 in hotel bills. Of this amount, ₱286,408.75 remains unpaid and outstanding. On 23 August 2005, Bianes attempted to leave the hotel

without first paying the outstanding hotel bills, prompting the Hotel to bring Bienes to the police authorities and file a complaint for estafa.

The information was filed on 2 September 2005. The prosecution rested its case on 12 April 2006. During the hearing on 25 July 2006, accused's counsel waived her right to present her evidence and instead moved for the filing of Memorandum; the parties filed their respective Memoranda. The Decision was rendered on 2 October 2006, finding the accused guilty of the crime charged and sentencing her to suffer the indeterminate penalty of 6 months and 1 day to 8 years and to indemnify the private complainant, Manila Pavilion Hotel, the amount PhP286,408.75. The bond posted for her provisional liberty was thereby cancelled.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On 12 November 2019, Acesite (Phils.) Hotel Corporation received the Decision in favor of Acesite (Phils.) Hotel Corporation ordering First Defense Enterprises to return ₱2,800,000.00

and pay liquidated damages in the amount of ₱617,760.00 to Acesite (Phils.) Hotel Corporation. 25 February 2025, the whereabouts of defendant Dulay is unknown and Acesite (Phils.) Hotel Corporation is unable to locate any properties of defendant Dulay.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Item 11. Financial and Other Information

Financial Statements

The Company's consolidated financial statements for the years ending December 31, 2025, 2024 and 2023 are incorporated herein by reference.

Business Development

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

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

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

Business of Issuer

Description of Registrant

(a) Principal Product or Service

The company operates the Waterfront Manila Hotel and Casino (formerly Manila Pavilion Hotel), located along United Nations Avenue, Ermita, Manila. Aside from hotel operations, business activities of the company include restaurant operations. In 2018, the operation has temporarily ceased due to the fire that damaged the hotel. In 2024, the Hotel is still under renovation. The Company had structured the development into a phased construction program to facilitate market presence, with Phase 1 slated for completion in 2026 and Phase 2 in 2027. However, several intervening events, such as the weak Chinese gaming market, the rising popularity of online gaming vis-à-vis land-based casinos, and the high oil prices from the Iranian war, have made it prudent to pause the reconstruction activities until such time that the capital expense becomes justifiable with improved tourist arrivals and a more agreeable business climate, which is hopefully forecasted for 2028. Until such time, management intends to continue appropriate maintenance activities to keep the hotel superstructure in good physical condition.

There is no Revenue Contribution of Operations for 2025.

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

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

None of the domestic and foreign market was captured in 2025 due to the temporary closure on business brought by renovation project.

Foreign Source	% Contribution to Total Room Nights		
	2025	2024	2023
Asia	-	-	-
Middle East	-	-	-
North America	-	-	-
Europe	-	-	-
Australia	-	-	-
Africa	-	-	-
Philippines (Domestic Mkt)	-	-	-
TOTAL	-	-	-

(c) Distribution Methods of the Products or Services

Food and Beverage (F&B)

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

Outlets	F&B Revenues (% Contribution)		
	2025	2024	2023
Seasons	-	-	-
El Rey (Concessionaire)	-	-	-
Patisserie	-	-	-
Room Service	-	-	-
Banquet	-	-	-
Mini Bar	-	-	-
Casino	-	-	-
Total	-	-	-

Rooms

In 2025, the operations remained suspended resulting to non-generation of revenues.

Market Segment	% Contribution		
	2025	2024	2023
Marketing Promotions	-	-	-
Reservation System	-	-	-
Travel Trade Accounts	-	-	-
Corporate & FIT Accounts	-	-	-
TOTAL	-	-	-

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

There is no new product or service that has been announced in 2025.

(e) Top Five (5) Performance Indicators

No occupancy of the hotel was recorded in 2025, 2024 and 2023 due to ongoing hotel renovation.

	2025	2024	2023
Occupancy Rate	-	-	-
Average Room Rate	-	-	-
Revenues	-	-	-
Gross Operating Income	(113,524,208)	(97,032,596)	(63,415,187)
Gross Operating Income Ratio	-	-	-

(f) Sources and Availability of Raw Materials

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

(g) Major Customers

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

(h) Transactions with Related Parties

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

Net transactions/adjustment with WPI during the year amounted to (P13.46) million in 2025. Transactions have increased due to Management Fee. As of December 31, 2025, the hotel has an outstanding payable to WPI amounting to P189.57 million from a payable of P203.03 million as of December 31, 2024.

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

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

Not applicable.

(j) Government Approval of Principal Products or Services

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

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

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

(l) Research and Development Activities

Not applicable.

(m) Compliance with Environmental Laws

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

(n) Manpower Count

	Actual Manpower Count As of
--	------------------------------------

	31 Dec 2025	31 Dec 2024
Department Head	8	8
Managerial and Supervisors	6	5
Line Staff	3	4
Casual (Direct)	4	-
Total	21	17

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

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

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

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

Financial Statements

1. The audited financial statements as of 31 December 2025 and 31 December 2024 are incorporated herein by reference. A copy of the audited financial statements as of 31 December 2025 is attached.
2. The exhibits attached to the financial statements are in addition to the information disclosed in the annual reports for the year ended 31 December 2025 and for the year ended 31 December 2024.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

NONE.

MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

1. Market Information

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

	2026	2025	2024
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	High	Low	High	Low	High	Low
1 st Quarter	1.38	1.21	1.49	1.49	1.77	1.76
2 nd Quarter	1.51	1.48	1.35	1.35	1.65	1.63
3 rd Quarter			1.44	1.21	1.59	1.58
4 th Quarter			1.45	1.16	1.78	1.70

The last trading price was **₱1.54 on 14 September 2026.**

2. Holders

The Company had 206 registered stockholders as of 15 September 2026. The top 20 stockholders are as follows:

Top as of 20 Stockholder <u>15 September 2026</u>	No. of Shares	% Holdings
WATERFRONT PHILIPPINES, INC.	192,045,057	55.49%
PCD NOMINEE CORPORATION	80,339,450	23.21%
PCD NOMINEE CORPORATION (NON-FILIPINO)	52,717,485	15.23%
NICKELL INTERNATIONAL LTD.	8,935,710	2.58%
ACESITE (PHILIPPINES) HOTEL CORPORATION	1,353,000	0.39%
ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394	0.25%
TANSECO, GENEROSO	714,857	0.21%
UNITED PHILIPPINE LINES	714,854	0.21%
TAN, JESUS M. (HEIRS OF)	595,728	0.17%
BAUTISTA, DOMINGO C.	476,574	0.14%
NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508	0.09%
MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001	0.08%
MENZI, HANS (ESTATE OF)	278,001	0.08%
WELLS AND PUMPS INC.	278,001	0.08%
ROSARIO, FRANCISCO DEL	258,146	0.07%
CARLOS, GLORIA S. (HEIRS OF)	218,428	0.06%
SANCHEZ, ANDREW A.	198,579	0.06%
WESTERN STEEL INC.	198,576	0.06%
TULIO, ERMINDA L.	198,576	0.06%
COJUANCO, RAMON	198,576	0.06%

3. Dividends

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

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

There are no cash dividends declared as of December 31, 2025 and December 31, 2024 by the BOD. Moreover, the Company has not seen any restrictions that limit the ability to pay dividends on common equity or that are likely to do so in the future.

Since the temporary stoppage of operation in March 2018, non-generation of revenue resulted to non-declaration of cash dividends for the Stockholders. On June 11, 2026, the Parent Company'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 Parent Company.

4. Recent Sales of Unregistered Securities

Not applicable.

5. Corporate Governance

- a. The Company has in place a continuing evaluation program on the level of compliance of the Board of Directors and top-level management with its manual of Corporate Governance. The Compliance Officer identifies, monitors and, together with the Corporation's Legal Counsel, controls compliance risk. On a continuing basis, findings thereof are immediately reported to the Chairman of the Board for appropriate action.
- b. Several measures are practiced by the Corporation to fully comply with its Manual of Corporate Governance. The Corporation has adopted Anti-Money Laundering Guidelines, a Code of Business Ethics and a Policy Manual for Business Conduct which all employees, officers and directors are expected to follow. Upon assumption of office, directors take note of and signify their assent to their individual responsibilities under the Company's Manual of Corporate Governance. Committees are formed on the basis of each director's area of expertise. The Board considers the need for the appointment of, and may subsequently commission, independent experts to examine, validate and/or audit any matter coming to its attention. Furthermore, the accounting system and the preparation of financial statements are made compliant with Statements of International Accounting Standards (SFAS)/International Accounting Standards (IAS) in the manner specified by law. Results of the annual audit and the report of the external auditors are reviewed by the Audit Committee before final approval by the Board of Directors.
- c. For the year ended 31 December 2025, there have been no deviations from the Company's Manual of Corporate Governance, which was updated in pursuant to SEC Memorandum Circular No. 19, last May 30, 2017.

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

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

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

Item 13. Acquisition or Disposition of Property

The company has not acquired any property nor disposed of any of its property for the calendar years ended 31 December 2024 and 31 December 2025.

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

Item 14. Restatement of Accounts

There is no substantial restatement of any asset, capital or surplus account of the Company for the financial statements for the calendar year ending 31 December 2024 and 31 December 2025.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The following reports, copies of which will be duly furnished to stockholders without charge, will be submitted for stockholders' approval at the Annual Meeting of Stockholders on **09 October 2026**:

a) The agenda for the October 9, 2026 Annual Stockholders Meeting:

1. Call to Order;
2. Certification of Notice and Quorum;
3. Approval of the Minutes of the Annual Meeting of Stockholders held on August 28, 2025;
4. President's Report to the Stockholders for the Year 2025 and the approval of the Audited Financial Statements as of December 31, 2025;
5. Ratifications of the Acts of the Board and Management for the year 2025;
6. Election of the Board of Directors to Serve for the Term 2026-2027;
7. Appointment of External Auditor for the year 2026-2027;
8. Appointment of External Counsel for the year 2026-2027 and
9. Other business matters; and
10. Adjournment.

b) The Minutes of the August 28, 2025 Annual Stockholder's Meeting will be presented for approval.

The Chairman of the Board, Mr. Arthur Lopez has called the meeting last August 28, 2025. The Minutes of Stockholders' Meeting held on August 28, 2025 was approved.

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

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

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

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

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

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

The stockholders re-appointed the law firms of Corporate Counsels Philippines Law Offices and Gancayco, Balasbas & Associates in the last annual meeting held August 28, 2025 as the legal counsels of the Company. Representatives of the said law firms shall be attending the annual meeting of stockholders on October 09, 2026 to respond to appropriate questions and have an opportunity to make a statement if they so desire. Law Firms of Corporate Counsels, Philippines Law Offices; and Gancayco, Balasbas & Associates stand for re- appointment on October 09, 0026.

The accounting firm of R.G. Manabat & Co., formerly KPMG Manabat Sanagustin& Co. has acted as the External Auditors for calendar year 2025 and also stands for re-appointment. There are no disagreements with R.G. Manabat & Co. on any matter of accounting and financial disclosure.

Item 16. Matters Not Required to be Submitted

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

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

- a) In compliance with SEC Memorandum No. 6, Series of 2014, dated February 20, 2014, the Company's Board approved the amendment of the Articles of Incorporation on July 2, 2014 to reflect the change in principal office address from "City of Manila, Philippines" to "7th Floor, Manila Pavilion Hotel, United Nations Avenue corner Maria Orosa Street, Ermita, Manila, Philippines". The amendment was presented to the stockholders for approval on October 25, 2018 annual stockholders' meeting. However, this was not approved due to the lack of required number of shares represented in said meeting. On July 31, 2019, the Company's Board approved the amendment to state the specific principal office address of the Company from "City of Manila, Philippines" to "8th Floor, Waterfront Manila Hotel and Casino, United Nations Avenue corner Maria Orosa Street,

Ermita, Manila, Philippines, Philippines, Zip Code 0903". On November 5, 2019, the same was approved by the Company's stockholders. On July 7, 2020, the Securities and Exchange Commission approved the amendment to Article 3 of the Company's Articles of Incorporation.

- b) On July 31, 2019, the Company's Board approved the amendment to change the business name of the Company from Acesite (Phils.) Hotel Corporation to Acesite (Phils.) Hotel Corporation (Doing business under the name and style of Waterfront Manila Hotel and Casino). On November 5, 2019, the same was approved by the Company's stockholders. On July 7, 2020, the Securities and Exchange Commission approved the amendment to Article 1 of the Company's Articles of Incorporation.
- c) On July 31, 2019, the Company's Board approved the amendment of the by-laws to reflect the change in corporate name. On November 5, 2019, the same was approved by the Company's stockholders. On July 7, 2020, the Securities and Exchange Commission approved the said amendment.
- d) On May 19, 2026, the Securities and Exchange Commission (SEC) approved the amendment of Company's By-Laws to change the schedule of the Annual Meeting from the third Wednesday of June of each year at 4:00 p.m. to the second Friday of October of each year. For 2026, the Annual Meeting is scheduled to be held on October 9.

Item 18. Other Proposed Action

There are no other proposed actions.

Item 19. Voting Procedures

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

MANAGEMENT REPORT

Management's Discussion and Analysis or Plan of Operation

The hotel will remain suspended for the next approximately two (2) years as the reconstruction of the building is currently estimated to resume in 2028. In the interim, management intends to undertake such appropriate and necessary maintenance activities as may be required to preserve the hotel superstructure and maintain the property in sound physical condition pending the commencement of the reconstruction works.

RESULTS OF OPERATIONS

A. FULL FISCAL YEARS

Year Ended 31 December 2025 to Year Ended 31 December 2024

The year ended 31 December 2025 and 2024 reported zero revenues caused by the cease of operations in 2018.

Cost and expenses other than depreciation, financing and income tax expense for the year ended 31 December 2025 amounted to P113.52 million, compared with P97.03 million for the year ended 31 December 2024. Gross loss amounted to P113.52 million for 2025. Last year's gross loss was P97.03 million.

Fixed, financial and other expenses/(income) in 2025 amounted to P21.21 million as compared to (P15.32) million in 2024. Depreciation expense remained at P19.57 million for both 2025 and 2024, as there were no equipment purchases or disposals during the current year.

For the year ended 2025, the Company incurred a net loss of P107.45 million or (P0.31) per share compared with net loss of P77.24 million in 2024 or (P0.22) per share. These losses pertain to the temporary cessation of operation and non-generating of revenues. For the next eighteen months, the Company is planning to operate in order to generate revenues.

Total assets of the company decreased from P2.877 billion as of the end of 2024 to P2.868 billion as of the end of 2025. Current assets decreased from P251 million last year to P48.15 million this year due to the adjustment made from Notes Receivables. Trade and other receivables decreased from P22.34 million in 2024 to P12.19 million in 2025. Prepayments and other current assets increased from P22.9 million to P30.82 million, due increase of Input VAT and adjustment made from Deferred Output VAT. Non-current assets increased from P2.63 billion to P2.82 billion due to adjustment made from Notes Receivable and Related party transactions. Current liabilities increased from P871.76 million to P948.90 million due to the increase in both trade payables and related party transactions. The Long-Term Liabilities decreased from P292.19 million in 2024 to P279.27 million in 2025. Stockholders' equity decreased from P1.71 billion to P1.64 billion over the same comparative periods.

Year Ended 31 December 2024 to Year Ended 31 December 2023

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

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

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

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

Total assets of the company decreased from P2.877 billion as of the end of 2023 to P2.869 billion as of the end of 2024 due to decrease in investment in subsidiaries. Current assets decreased from P455 million last year to P251 million this year due to the reclassification of Input VAT to Non-current assets. Trade and other receivables decreased from P45.21 million in 2023 to P22.34 million in 2024. Prepayments and other current assets decreased from P206.09 million to P22.90 million, due to reclassification of the VAT input to non-current assets because it is not expected to be utilized in 2025. Non-current assets increased from P2.47 billion to P2.63 billion due to reclassification of the VAT input. Current liabilities increased from P836.56 million to P871.76 million due to the increase in both trade payables and related party transactions. The Long-Term Liabilities decreased from P296.48 million in 2023 to P292.19 million in 2024. Stockholders' equity decreased from P1.79 billion to P1.71 billion over the same comparative periods.

Year Ended 31 December 2023 to Year Ended 31 December 2022

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

Cost and expenses other than depreciation, financing and income tax expense for the year ended 31 December 2023 amounted to 63.42 million, compared with P63.05 million for the year ended 31 December 2022. Gross loss amounted to P63.42 million for 2023. Last year's gross loss was P63.05 million. 2021. Gross loss amounted to P63.05 million for 2022. Last year's gross loss was P65.91 million.

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

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

Total assets of the company decreased from P3.01 billion as of the end of 2022 to P2.925 billion as of the end of 2023. Current assets decreased from P563 million last year to P455 million this year due to the decrease in cash and cash equivalents. Trade and other receivables decreased from P117.90 million in 2022 to P45.21 million in 2023. Prepayments and other current assets increased from P203.63 million to P206.09 million. Non-current assets increased by 0.79% from P2.45 billion to P2.47 billion due to increase in property and equipment which represents the

increase in Construction-In-Progress. Current liabilities decreased from P849.82 million to P836.56 million due to the decrease in both trade payables and related party transactions. The Long-Term Liabilities decreased from P297.68 million in 2022 to P296.48 million in 2023; this is because of the increase in retention payables. Stockholders' equity decreased from P1.87 billion to P1.79 billion over the same comparative periods.

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

- i. The Company is involved in a number of minor legal cases (labor and civil). However, adverse judgments on these will not affect the short-term liquidity of the Company. For such contingencies, management has provided adequate reserves. Aside from this, the management is not aware of trends and events that would have a material impact on the company's liquidity.
- ii. Aside from the above-mentioned items, the company does not know of other material events that will trigger direct or material contingent financial obligation to the company.
- iii. There are no off-balance sheet transactions, arrangements, obligations, and other relationships of the company with unconsolidated or other persons created during the reporting period.
- iv. The company does not know of any known trends, events, or uncertainties with a material impact on sales.
- v. From the cessation of the operations, the Company has been significantly affected since there are no operations. Revenue has declined by 100% and expenses have increased by 36.63% leading to a net loss of P 618.42M in 2018.
- vi. Causes of material changes in the items in the financial statements from the years 2025, 2024 and 2023 have been discussed under management discussion and analysis. Moreover, analyses and the causes of changes have been briefly discussed below.

Balance Sheet			
	Year Ending	Year Ending	Year Ending
	December 31, 2025	December 31, 2024	December 31, 2023
Current Assets	48,150,432	251,000,569	455,205,683
Total Assets	2,868,474,627	2,877,481,928	2,925,078,600
Current Liabilities	948,901,941	871,757,497	836,274,111
Total Liabilities	1,228,170,541	1,163,946,281	1,133,042,342
Retained Earnings/ (Deficit)	1,096,924,020	1,189,698,974	1,252,266,664
Stockholders' Equity	1,640,454,518	1,713,535,647	1,792,036,259

Income Statement			
	Year Ending	Year Ending	Year Ending
	December 31, 2025	December 31, 2024	December 31, 2023
Operating Revenue	-	-	-
Other Revenue	-	-	-

Gross Revenue	-	-	-
Operating Expense	-	-	-
Other Expense	113,524,208	97,348,385	63,415,187
Gross Expense	(21,214,540)	(15,327,265)	16,773,916
Net Income/(Loss) Before Tax	(134,738,748)	(81,705,331)	(80,189,103)
Income Tax Expense	(27,287,344)	(4,461,191)	(5,265,060)
Net Income/(Loss) After Tax	(107,451,404)	(77,244,140)	(74,924,043)

- ❖ Revenues from lease activities (Revenues – Rental): No rental revenues for the year 2025 same for the years 2024 and 2023 due to the temporary cessation of operations starting March 2018.
 - ❖ Revenues from Rooms (Revenues – Rooms): No room revenues for the year 2025 same for the years 2024 and 2023 due to temporary cessation of operations starting March 2018.
 - ❖ Revenues from Food and Beverage (Revenues – F&B): No F&B revenues for the year 2025 same for the years 2024 and 2023. F&B revenue has been affected since the closure of the outlets due to the fire incident in March 2018.
 - ❖ Revenues from Others: No Other revenues were recorded for the year 2025 same for the years 2024 and 2023.
 - ❖ Cost of Sales (F&B): No F&B cost of sales for 2025 same for the years 2024 and 2023 due to the closure of outlets in March 2018.
 - ❖ Personnel: Personnel costs for the year ended 31 December 2025 amounted to P20.80 million as compared to P P22.56 million in the year 2024. The decrease in Personnel Cost was due to a decrease in the number of employees.
 - ❖ Energy Cost: Energy cost for the year amounted to P1.99 million as compared to 2023 of P2.40 million. A decrease of P1.51 million.
 - ❖ Others: These are various costs and expenses under different departments which summed up to P90.74 million in the year 2025 as compared to 2024 of P72.07 million. An increase of P18.68 million due to various charges and adjustments related to prior periods.
 - ❖ Depreciation: Depreciation expense was retained at P19.82 million, as no purchases or disposals of property, plant, and equipment (PPE) were noted during the year.
 - ❖ Foreign Exchange Loss: Foreign exchange gain for the year 2025 is (P0.049) million while foreign exchange is P0.010 in 2024. No loan has been signed in 2025.
 - ❖ Due to a Related Party: Due to related parties of 31 December 2025 amounted to P717.12 million as compared to that as of 31 December 2024 which is P536.03 million.
- vii. The company does not know of any seasonal aspects that had a material effect on the financial condition or results of operations.

B. INTERIM PERIODS

Quarter Ended 30 June 2026 and Quarter Ended 30 June 2025

No gross revenues registered in the same comparative period in 2026 and 2025. No room sales were reported due to the fire incident. There was zero occupancy in 2Q2026 same as 2Q2025. No room revenue contribution to the gross revenues for 2Q2026 and 2Q2025, respectively. Zero average room rate for both 2Q2026 and 2Q2025.

Zero Food and Beverage revenue was recorded in 2Q2026 and 2Q2025. Food and beverages sales have no contribution to gross revenues. Revenues generated by other operating departments including Telephone department went down completely in 2Q2026 and 2Q2025. Rent and other income have remained zero in 2Q2026 and in 2Q2025.

There was no F&B Revenue, thus, no cost of sales in both 2Q2026 and in 2Q2025. Permanent Lay Off has been filed at the DOLE NCR on November 24, 2018 due to the fire incident that occurred in the hotel last March 18, 2018. The Energy cost was recorded at P.534 million in 2Q2026.

The Company posted a gross operating loss of P8.68 million in 2Q2026, representing decrease of P.56 million from that recorded in 2Q2025 of P9.24 million. Gross operating profit/loss ratio in 2Q2026 and 2Q2025 stood both at 0%.

Fixed financial, operating and other expenses decreased from P7.30 million in 2Q2025 to P6.28 million in 2Q2026 with the major decrease coming from general and administrative expenses. The general and administrative expenses decreased from P9.11 million in 1Q2024 to P0.08 million in 1Q2025 due to a decrease in Insurance – Building. P1.17 million corporate expenses were recorded in 2Q2026. Real estate tax increased from P4.16 million in 2Q2025 to P4.29 million in 2Q2026. For 2Q2026, the Company posted a net loss of P19.95 million representing a decrease of 7.33% from loss of P21.52 million in 2Q2025.

Quarter Ended 30 June 2025 and Quarter Ended 30 June 2024

No gross revenues registered in the same comparative period in 2025 and 2024. No room sales were reported due to the fire incident. There was zero occupancy in 2Q2025 same as 2Q2024. No room revenue contribution to the gross revenues for 2Q2025 and 2Q2024, respectively. Zero average room rate for both 2Q2025 and 2Q2024.

Zero Food and Beverage revenue was recorded in 2Q2025 and 2Q2024. Food and beverages sales have no contribution to gross revenues. Revenues generated by other operating departments including Telephone department went down completely in 2Q2025 and 2Q2024.

Rent and other income have remained zero in 2Q2025 and in 2Q2024.

There was no F&B Revenue, thus, no cost of sales in both 2Q2025 and in 2Q2024. Permanent Lay Off has been filed at the DOLE NCR on November 24, 2018 due to the fire incident that occurred in the hotel last March 18, 2018. The Energy cost was recorded at P.35 million in 2Q2025.

The Company posted a gross operating loss of P9.24 million in 2Q2025, representing increase of P8.76 million from that recorded in 2Q2024 of P.48 million. Gross operating profit/loss ratio in 2Q2025 and 2Q2024 stood both at 0%

Fixed financial, operating and other expenses decreased from P18.36 million in 2Q2024 to P7.3 million in 2Q2025 with the major decrease coming from general and administrative expenses. The general and administrative expenses decreased from P7.58 million in 2Q2024 to P.078 million in 2Q2025 due to a decrease in general expenses. P1.55 million corporate expenses were recorded in 2Q2025. Real estate tax increased from P3.32 million in 2Q2024 to P4.16 million in 2Q2025. For 2Q2025, the Company posted a net loss of P21.52 million representing a decrease of 9.75% from loss of P23.85 million in 2Q2024

FINANCIAL CONDITION

As of 30 June 2026, and Year Ended 31 December 2025

Total assets decreased to P2.861 billion in 30 June 2026 as compared to P2.869 billion as of 31 December 2025. Current assets increased from P48.15 million as of 31 December 2025 to P50.04 million as of end of 2Q2026, this is due to increase in Cash and Cash Equivalents and Prepaid expenses paid. Cash ending balance as of 30 June 2026 of P5.34 million. Trade receivables as of 30 June 2026 amounted to P12.22 million. No changes have been noted from the Inventories from 31 December 2025 to 2Q2026.

Property and equipment account decreased from P1.834 billion as of 31 December 2025 to P1.824 billion as of 30 June 2026. Other non-current assets of P837 million as of end of 2Q2026.

Total liabilities increased from P1.23 billion as of 31 December 2025 to P1.26 billion as of 30 June 2026. Trade and other current payables increased from P231.77 million as of 31 December 2025 to P239.34 million as of 30 June 2026. Non-current liabilities increased from P279.27 million as of 31 December 2025 to P280 million as of 30 June 2026.

As of 30 June 2025, and Year Ended 31 December 2024

Total assets decrease to P2.869 billion in 30 June 2025 as compared to P2.877 billion as of 31 December 2024. Current assets increased from P.251 billion as of 31 December 2024 to P.252 billion as of end of 2Q2025, this is due to increase in Trade and other receivables. Cash ending balance as of 30 June 2025 is P15.24 million posted a decrease from P20.883 million. Trade receivables decreased by P 22.268 million as of 30 June 2025 from P22.339 million as of 31 December 2024. No changes have been noted from the Inventories from 31 December 2024 to 2Q 2025. Prepayments and other current assets increased to P23.970 million as of 30 June 2025 from P22.90 million as of 31 December 2024.

Property and equipment account increased from P1.75 billion as of 31 December 2024 to P1.74 billion as of 30 June 2025. No changes have been noted from the Available for Sale investment account from 31 December 2024 to the 2Q2025. Other non-current assets of P859.91 million as of end of 2Q2025 decreased by P.473 million from P860.38 million as of 31 December 2024.

Total liabilities increased from P1.164 billion as of 31 December 2024 to P1.197 billion as of 30 June 2025. Trade and other current payables increased from P335.72 million as of 31 December 2024 to P340.91 million as of 30 June 2025. Non-current liabilities increased by P.218 million from P292.19 million as of 31 December 2024 to P292.407 million as of 30 June 2025.

- i. The Company is involved in a number of legal cases (labor and civil). However, adverse judgments on these will not affect the short-term liquidity of the Company. For such contingencies, management has provided adequate reserves.
- ii. Aside from the above-mentioned items, management does not know of trends and events that would have a material impact on the Company's liquidity.
- iii. On March 18, 2018, a fire broke out in the hotel property that damaged the lower floors of the main building as well as the Podium building occupied by the casino area that resulted to the suspension of the hotel operations.
- iv. There are no off-balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated or other persons created during the reporting period.
- v. The business operation during the 2nd quarter of 2018 has temporary ceased due to the damages caused by fire to the property. By the end of 2nd quarter of 2026, the business operation has not yet commenced.
- vi. For the 2nd quarter of 2026, the material or significant elements of loss did not arise from the Company's operations, however, contributable to the non-generation of any revenue brought by temporary closure.
- vii. Causes of material changes in the items in the statement of financial positions and income statements from the interim year-to-date ending 30 June 2026 to the interim year-to-date ending 30 June 2025 has been discussed under management discussion and analysis under Interim Reports. The following comparisons are supplementary to the management discussion and analysis and are presented for discussion purposes only.

Statement of Financial Position		
	Period Ended	Fiscal Year Ended (Audited)
	June 30, 2026	December 31, 2025
Current Assets	50,044,783	48,150,432
Total Assets	2,860,952,400	2,868,625,058
Current Liabilities	979,926,034	948,901,939
Total Liabilities	1,259,925,604	1,228,170,539
Retained Earnings	1,057,496,299	1,096,924,022
Stockholders' Equity	1,601,026,796	1,640,454,520

Income Statement				
	Current Year	Previous Year	Current Year- To-Date	Previous Year- To-Date
	(3 Months)	(3 Months)		
Operating Revenue	-	-	-	-
Other Revenue	-	-	-	-

Gross Revenue	-	-	-	-
Operating Expense	19,947,276	21,524,390	39,427,723	41,737,138
Other Expense				
Gross Expense	19,947,276	21,524,390	39,427,723	41,737,138
Net Income/(Loss) Before Tax	(19,947,276)	(21,524,390)	(39,427,723)	(41,737,138)
Income Tax Expense	-	-	-	-
Net Income/(Loss) After Tax	(19,947,276)	(21,524,390)	(39,427,723)	(41,737,138)

TOP FIVE (5) PERFORMANCE INDICATORS

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

	June 2026	June 2025
Occupancy Rate	-	-
Average Room Rate	-	-
Revenues	-	-
Gross Operating Profit	(19,947,276)	(21,524,390)
Gross Operating Profit Ratio	-	-

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

PART II.

INFORMATION REQUIRED IN A PROXY FORM

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

Item 1. **Identification**

Not Applicable.

Item 2. **Instruction**

Not Applicable.

Item 3. **Revocability of Proxy**

Not Applicable.

Item 4. **Persons Making the Solicitation**

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

Not Applicable.

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

Not Applicable.

PART III.

SIGNATURE

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

By:


ARTHUR R. PONSARAN
Corporate Secretary

Manila City, Philippines, September 17, 2025

SEPT 17 2025
SUBSCRIBED AND SWORN TO BEFORE ME THIS ____ DAY OF
AT CITY OF MANILA, PHILIPPINES

DOC NO 260
PAGE NO 13
BOOK NO 28
SERIES OF 1014


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-0610142, 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 **ACESITE (PHILS) HOTEL CORPORATION** and have been its independent director since July 2021.
2. I am affiliated with the following companies or organizations:

COMPANY	POSITION	PERIOD OF SERVICE
Meycauayan College, Inc.	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
Idealland Realty & Development Corp.	President and Chief Operating Officer (COO)	November 2009 – present
Philstar Innovation Realty Corp.	Director and Corp Secretary	October 2011 – present
Statosphere Realty & Development Corp.	President and Chief Operating Officer (COO)	October 2011 – present
Jose & Luz Locsin Foundation	President	November 2012 – present
Justino Emelia Realty and Management & Dev't Corp.	Corporate Secretary	March 2008 – present
Waterstreet Realty Corp.	President	June 2012 - present
Metro Alliance Holdings & Equities Corp	Director	September 2015 – present
Waterfront Philippines, Inc.	Lead Independent Director	July 2021 – present
Wellex Industries, Inc.	Independent Director	October 26, 2021
Forum Pacific, Inc.	Independent Director	October 27, 2021

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

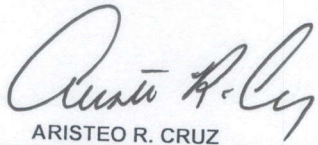
NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A	N/A	N/A

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

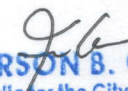
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Acesite (Phils) Hotel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

Done, this SEP 03 2026 day CITY OF MANILA, at _____


ARISTEO R. CRUZ
Affiant

SUBSCRIBED AND SWORN to before me this SEP 03 2026 day of 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. 484
Page No. 91
Book No. XVIII
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
MCLC Compliance No. VIII-0010142, Valid Until April 14, 2028

CERTIFICATION OF INDEPENDENT DIRECTOR

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

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

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Sta Lucia Land Inc	Independent Director	May 2, 2023 - present
Waterfront Philippines Incorporated	Independent Director	2019-present
Philippine Estates Corporation	Independent Director	2020 -present
Forum Pacific Inc	Independent Director	2020 - 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 Acesite (Phils) Hotel Corporation. as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director /officer/substantial shareholder of Acesite (Phils) Hotel Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

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

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

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

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

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

CERTIFICATION OF INDEPENDENT DIRECTOR

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

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

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

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

Done, this SEP 03 2026 day of CITY OF MANILA.

NOEL M. CARINO

Affiant

SUBSCRIBED AND SWORN to before me this SEP 03 2026 day of CITY OF MANILA, affiant personally appeared before me and exhibited to me his Tax Identification Number 106-809-774-000.

Doc. No. 483;
Page No. 17;
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

PROXY FORM

KNOW ALL MEN BY THESE PRESENTS:

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

Mr. _____, or in his absence

Mr. _____, or in his absence

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

To attend, be present and represent the undersigned at the stockholders' meeting to be held on **Friday, October 9, 2026 AT 10.00 A.M.** or any adjournment as well as any and all meetings of the stockholders of **ACESITE (PHILIPPINES) HOTEL CORPORATION** including any adjournment or postponement thereof; take part in the deliberations thereon; vote any and all shares that the undersigned now owns or may hereafter own in said Corporation in any matter, motion, resolution that may be taken up in said meeting/s in such manner as his/her/its aforesaid attorney-in-fact shall deem acceptable in the premises.

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

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

_____, _____ 2026

PRINTED NAME OF STOCKHOLDER

SIGNATURE OF STOCKHOLDER

COVER SHEET

7 1 9 9

S.E.C Registration No.

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

(Company's Full name)

7 T H F L O O R M A N I L A P A V I L I O N
H O T E L , U . N . A V E N U E C O R N E R
M . O R O S A S T R E E T E R M I T A
M A N I L A

Business Address : No. Street City/Town Provinces

AMANDO J. PONSARAN, JR.

Contact Person

8687-7536

Tel. No.

PSE REPORT ON LIST OF STOCKHOLDERS AS OF RECORD DATE SEPTEMBER 15, 2026

1 7 - C

FORM TYPE

Secondary License, (if applicable type)

Foreign

Total stockholders

Domestic

rned

To be accomplished by SEC personnel conce

LCU

File Number

Cashier

Document I.D.

STAMPS

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

Acesite (Phils.) Hotel Corporation ACE

PSE Disclosure Form 17-11 - List of Stockholders Reference: Section 17.11 of the Revised Disclosure Rules

Type of Securities

- ☒ Common
- ☐ Preferred -
- ☐ Others -

Record Date of Stockholders' Meeting	Sep 15, 2026
Date of Stockholders' Meeting	Oct 9, 2026
Type of Stockholders' Meeting (Annual or Special)	ANNUAL

Other Relevant Information

-

Filed on behalf by:

Name	Amarco Ponsaran Jr.
Designation	Assistant Corporate Secretary

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
Stockholder MasterList
As of 09/15/2026

Page No. 1

Count	Name	Holdings
1	ABAD SANTOS, VICTOR E.	19,855
2	ACESITE (PHILIPPINES) HOTEL CORPORATION	1,353,000
3	ACOSTA, FRANCISCO P.	700
4	AGUAS, FORTUNATO	19,855
5	AGUILA, ARTHUR	19,855
6	ANDRADA CONSTRUCTION & DEV. INC.	99,291
7	ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394
8	ANTONIO, ARTURO	19,855
9	ANTONIO, SILVINO JR.	19,855
10	ANUP TRADING	198,576
11	AQUINO, ERNESTO R.	99,291
12	ARANETA, SALVADOR (HEIRS OF)	139,002
13	ARROYO, TOMAS	19,855
14	ASIAMERIT SECURITIES, INC. FAO MC142	1,984
15	ATILANO, VICENTE C.	3,500
16	AURELIO, MANUEL &/OR LILIA	39,714
17	AVENDANO, ANTONIO	1,298
18	AZORES, NORMA T.	196
19	BALUYUT, SISENANDO	148,928
20	BARREDO, LUISA	19,855
21	BAUTISTA, DOMINGO C.	476,574
22	BELLO JR., SILVESTRE H.	3,500
23	BENITEZ, CONRADO II	19,855
24	BONDOC, ANGELITA L.	19,855
25	BUGARIN, JOLLY R.	79,432
26	BUSUEGO, ARACELI A.	39,714
27	CABANERO, GILDA	19,855
28	CABANERO, LEONARDO	19,855
29	CABANERO, LORNA	19,855
30	CABANERO, MA. CECILIA	19,855
31	CABANERO, NORBERTO S.	19,855
32	CABANERO, REBECCA S.	19,855
33	CABANEZ, LORETO	19,855
34	CANCIO, AGUSTIN S.	79,429
35	CAPILITAN ANDRADA ENGINEERING CORP	99,291
36	CARINO, DANILO	19,855
37	NOEL MABUNAY CARIÑO	100
38	CARLOS, GLORIA S. (HEIRS OF)	218,428
39	CARLOS, MA. NELIA	19,855
40	CARPO, PIXIE R.	39,707
41	CASTILLO, DOMINGO	19,855
42	CASTRILLO, EDUARDO	19,855
43	CASTRO, FERNANDO L. (HEIRS OF)	39,707
44	CATO, BENJAMIN	19,855
45	CHAN, JEANIE	196
46	CHAVARRIA, BENEDICTO	39,707
47	CHEN PENG JING	700
48	CHICO, PACIFICO	19,855
49	CHIU KWOK SHING	700
50	CHOI, DAVIS	600
51	CHUA, VICENTE YU	59,570

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
Stockholder MasterList
As of 09/15/2026

Page No. 2

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

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
Stockholder MasterList
As of 09/15/2026

Page No. 3

Count	Name	Holdings
103	LAND, FREDERICK JR. (HEIRS OF)	39,707
104	LAUREL, MA. PAZ R.	39,714
105	LAZARTE, GREGORIO (HEIRS OF)	39,714
106	LI HUI	700
107	LICAROS, GREGORIO JR.	39,714
108	LIM, CHOA	39,714
109	LIM, LEONOR D.	19,855
110	LIM, VICTOR Y.	19,855
111	LOPEZ, ARTHUR M.	350
112	LORENZO, LUISA DE R.	198,576
113	LUCIANO, VICTOR	19,855
114	LUCOT III, ISMAEL EUFEMIO S.	1,000
115	MACASAET, AMADO P.	19,855
116	MAGADIA, RENATO B.	350
117	FRANCISCO D. MAGSAYSAY	19,870
118	MARGARITA D. MAGSAYSAY	19,870
119	MAKALINTAL, QUERUBIN F.	59,570
120	MANILA SANDS HOTEL & CASINO, INC.	10,000
121	MARILEX REALTY DEVELOPMENT CORP.	39,714
122	MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001
123	MENZI, HANS (ESTATE OF)	278,001
124	MERCADO JR., LAMBERTO B.	350
125	MOSQUEDA, JOSE O.	39,714
126	NADAL, EDGARDO	39,714
127	NALDOZA, JOHN CLARK L.	199
128	NICKELL INTERNATIONAL LTD.	8,935,710
129	NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508
130	NICKELL INTERNATIONAL	55,601
131	ORTEGA, MANUEL JIZ DE (HEIRS OF)	39,714
132	ORTIZ, RICARDO L.	19,855
133	ORTIZ-LUIZ JR., SERGIO R.	350
134	PAILIAN, PETER GO	158,858
135	PALAD JR., ABELARDO C.	350
136	CYRIL S. PALLASIGUI	30,000
137	PATERNO, VICENTE	19,855
138	PCD NOMINEE CORPORATION (NON-FILIPINO)	52,717,485
139	PCD NOMINEE CORPORATION	80,339,450
140	PE, HARRY C.	794
141	PECAYO, DOMINADOR	19,855
142	PEDROSA, CARLOS A.	39,714
143	PEDROSA, PIO (HEIRS OF)	39,707
144	PELAEZ JR., EMMANUEL	196
145	PELAEZ, EMMANUEL	129
146	PHIL. INSTITUTE OF HOTEL ADMINISTRATION	39,707
147	PHILADELPHIA STEEL CORPORATION	19,855
148	PHILIPPINE TA SECURITIES, INC.	399
149	PONSARAN, ARTHUR R.	350
150	MARIA INES D. PRIETO	9,936
151	PUA, MARCIANA G.	19,855
152	PUGAO, RAMON	19,855
153	RADIOWEALTH INC.	99,291

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
Stockholder MasterList
As of 09/15/2026

Page No.

4

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

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
Stockholder MasterList
As of 09/15/2026

Page No. 5

Count	Name	Holdings
205	YU PUN HOI	392
206	YU, MANUEL L.	119,140
Total Stockholders :		----- 346,100,578 =====

ADDITIONAL REQUIREMENT (SRC Rule 68)

A schedule showing financial soundness indicators in two comparative period:

CURRENT / LIQUIDITY RATIO

Current Ratio	December 31, 2025	December 31, 2024
Current Assets	48,150,432	251,000,569
Current Liabilities	948,901,941	871,757,497
Ratio	0.0507	0.2879

Quick Ratio	December 31, 2025	December 31, 2024
Cash+AR+ST Mkt Securities	16,601,655	43,221,929
Current Liabilities	948,901,941	871,757,497
Ratio	0.0175	0.0496

Cash Ratio	December 31, 2025	December 31, 2024
Cash+ST Mkt Securities	4,410,181	20,883,077
Current Liabilities	948,901,941	871,757,497
Ratio	0.0046	0.0240

SOLVENCY RATIO

Current Liabilities to Equity Ratio	December 31, 2025	December 31, 2024
Current Liabilities	948,901,941	871,757,497
Total Equity	1,640,454,518	1,713,535,647
Ratio	0.5784	0.5087

Total Liabilities to Equity Ratio	December 31, 2025	December 31, 2024
Total Liabilities	1,228,170,541	1,163,946,281
Total Equity	1,640,454,518	1,713,535,647
Ratio	0.7487	0.6793

Fixed Assets to Equity Ratio	December 31, 2025	December 31, 2024
Fixed Assets	1,834,009,997	1,747,717,909
Total Equity	1,640,454,518	1,713,535,647
Ratio	1.1198	1.0199

Assets to Equity Ratio	December 31, 2025	December 31, 2024
Total Assets	2,868,474,627	2,877,481,928
Total Equity	1,640,454,518	1,713,535,647
Ratio	1.7486	1.6793

PROFITABILITY RATIO

Interest Coverage Ratio	December 31, 2025	December 31, 2024
Net Income After Tax	(107,451,404)	(77,244,140)
Net Sales	-	-
Ratio	-	-

Return on Assets (ROA) Ratio	December 31, 2025	December 31, 2024
Net Income After Tax	(107,451,404)	(77,244,140)
Total Assets	2,868,474,627	2,877,481,928
Ratio	(0.0375)	(0.0268)

Return on Equity Ratio	December 31, 2025	December 31, 2024
Net Income After Tax	(107,451,404)	(77,244,140)
Total Equity	1,640,454,518	1,713,535,647
Ratio	(0.0655)	(0.0451)

**ACESITE
(PHILIPPINES)
HOTEL CORPORATION**

August 14, 2026

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

Company: Acesite (Phils.) Hotel Corporation

Subject: SEC Form 17-Q – Quarterly Report – 2nd Quarter

Gentlemen:

We submit herewith SEC FORM 17-Q QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) for year 2026 of Acesite (Phils.) Hotel Corporation (ACE).

Thank you.

Very truly yours,

Acesite (Phils.) Hotel Corporation

By:



Amando J. Ponsaran Jr.
Assistant Corporate Secretary

COVER SHEET

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SEC Registration No.

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

(Company's Full Name)

W	a	t	e	r	f	r	o	n	t		M	a	n	i	l	a		H	o	t	e	l		a	n	d				
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O	r	o	s	a		S	t.		E	r	m	i	t	a	,		M	a	n	i	l	a								
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(Business Address: No. Street City / Town / Province)

JERRAEMIE NIKKA PATULOT																			
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Contact Person

(02) 8289-86-39																			
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Contact Telephone No.

1	2		3	1
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Calendar Year

		1	7	-	Q		
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FORM TYPE

Every 9 th of October	
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Month Day
Annual Meeting

--

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

Total Amount of Borrowings

207

Total No. of Stockholders

--

Domestic

--

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

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Cashier

STAMPS																			
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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. Commission identification number : **7199**
3. BIR Tax Identification No. : **002-856-627**
4. Exact name of issuer as specified in its charter : **Acesite (Phils.) Hotel Corporation**
5. Province, country or other jurisdiction of incorporation or organization : **Manila, Philippines**
6. Industry Classification Code : (SEC Use Only)
7. Address of issuer's principal office and Postal Code : **UN Ave. Cor. Ma. Orosa St., Ermita, Manila, 1000**
8. Issuer's telephone number, including area code : **(02) 8289-86-39**
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	344,747,520

11. Are any or all of the securities listed on a Stock Exchange?
Yes ☒ 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 ☒ No ☐

(b) has been subject to such filing requirements for the past ninety (90) days.
Yes ☒ No ☐

ACESITE (PHILS) HOTEL CORP

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

For the period ended June 30, 2025

BALANCE SHEET		
	Period Ended	Fiscal Year Ended (Audited)
	June 30, 2026	December 31, 2025
Current Assets	50,044,783	48,150,432
Total Assets	2,860,952,400	2,868,625,058
Current Liabilities	979,926,034	948,901,939
Total Liabilities	1,259,925,604	1,228,170,539
Retained Earnings/(Deficit)	1,057,496,299	1,096,924,022
Stockholders' Equity	1,601,026,796	1,640,454,520
Stockholders' Equity - Parent	888,409,769	910,288,213
Book Value per Share	4.64	4.76

INCOME STATEMENT				
	Current Year	Previous Year	Current	Previous
	April to June	April to June	Year-To-Date	Year-To-Date
Operating Revenue	-	-	-	-
Other Revenue	-	-	-	-
Gross Revenue	-	-	-	-
Operating Expense	19,947,276	21,524,390	39,427,723	41,737,138
Other Expense	-	-	-	-
Gross Expense	19,947,276	21,524,390	39,427,723	41,737,138
Net Income/(Loss) Before Tax	(19,947,276)	(21,524,390)	(39,427,723)	(41,737,138)
Income Tax Expense	-	-	-	-
Net Income/(Loss) After Tax	(19,947,276)	(21,524,390)	(39,427,723)	(41,737,138)
Net Income Attributable to Parent Equity Holder	(19,216,074)	(20,815,024)	(37,919,766)	(40,204,462)
Earnings/(Loss) Per Share (Basic)	(0.06)	(0.06)	(0.11)	(0.12)
Earnings/(Loss) Per Share (Diluted)	(0.06)	(0.06)	(0.11)	(0.12)

OTHER RELEVANT INFORMATION		
	CURRENT YEAR (Trailing 12 months)	Previous Year (Trailing 12 months)
Earning/(Loss) Per Share (Basic)	(0.30)	(0.22)
Earning/(Loss) Per Share (Diluted)	(0.30)	(0.22)

FINANCIAL RATIOS	Formula	Current Year	Previous year
		June 30, 2026	December 31, 2025

LIQUIDITY ANALYSIS RATIOS

Current Ratio or Working Capital Ratio	Total Current Assets divided by Total Current Liabilities	5%	5%
Quick Ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities	2%	2%
Solvency Ratio	Net Income After Tax plus Non-cash Expenses divided by Total Liabilities	-1%	-7%

FINANCIAL LEVERAGE RATIOS

Debt Ratio	Total Liabilities divided by Total Assets	44%	43%
Debt-to-Equity Ratio	Total Liabilities divided by Shareholder's Equity	79%	75%
Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charge	0%	0%
Assets to Equity Ratio	Total assets divided by Shareholder's Equity	179%	175%

PROFITABILITY RATIO

Gross Profit Margin	(Sales - Cost of Goods Sold) / Sales	0%	0%
Net Profit Margin	Net Profit / Sales	0%	0%
Return on Assets (ROA) Ratio	Net Income divided by Average Total Assets	-1%	-4%
Return on Equity Ratio	Net loss divided by Shareholder's Equity	-2%	-7%
Price / earnings Ratio	Price per Share / Earnings per Common Share	0%	0%
Book Value per Share	Total Common Stockholder's Equity / No. of Common Shares	4.64	4.76

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

Attached are the following:

Interim Consolidated Statements of Income	-	Annex 1
Interim Consolidated Statements of Financial Position	-	Annex 2
Interim Consolidated Statements of Changes in Stockholder's Equity	-	Annex 3
Interim Consolidated Statements of Cash Flows	-	Annex 4
Notes to Interim Consolidated Financial Statements	-	Annex 5
Financial Indicators/Ratios	-	Annex 6
Aging of Trade and Other Receivables	-	Annex 7

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

Please refer to Annex 8.

PART II – OTHER INFORMATION

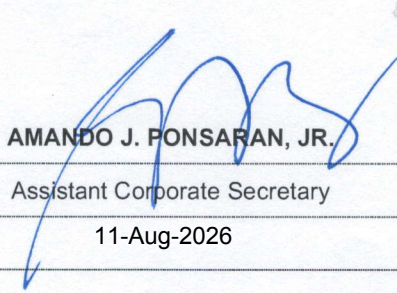
The registrant is not aware of any other information that should be reported under this item, and which was not discussed on any SEC Form 17-C.

SIGNATURES

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

Registrant: **Acesite (Phils.) Hotel Corporation**

Issuer


AMANDO J. PONSARAN, JR.

Signature and Title

Assistant Corporate Secretary

Date

11-Aug-2026

Issuer


ATTY. JERRAEMIE NIKKA PATULOT

Signature and Title

Compliance Officer

Date

12-Aug-2026

ACESITE (PHILS.) HOTEL CORPORATION
INTERIM CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIOD ENDED JUNE 30, 2026
(With Comparative Figures for June 30, 2025)

	QUARTER ENDED 30-Jun-26	YEAR TO ENDED 30-Jun-26	QUARTER ENDED 30-Jun-25	YEAR TO ENDED 30-Jun-25
INCOME				
Rooms	-	-	-	-
Food and Beverage	-	-	-	-
Telephone Exchange	-	-	-	-
Other Operated Departments	-	-	-	-
Rent and Other Income	-	-	-	-
COST OF SALES AND SERVICES				
Food and Beverage	-	-	-	-
Telephone Exchange	-	-	-	-
Other Operated Departments	-	-	-	-
Rental and Other Income	-	-	-	-
Payroll and Related Expenses	5,284,783	10,444,799	5,333,218	10,205,702
Other Expenses	2,865,596	5,434,395	3,560,117	7,055,482
	8,150,379	15,879,195	8,893,335	17,261,184
Energy Cost	533,867	976,389	350,297	1,001,679
Property operations and maintenance	-	-	-	-
Land rental	-	-	-	-
	533,867	976,389	350,297	1,001,679
	8,684,246	16,855,584	9,243,633	18,262,863
GROSS OPERATING PROFIT (LOSS)	(8,684,246)	(16,855,584)	(9,243,633)	(18,262,863)
FIXED, FINANCIAL, OPERATING AND OTHER EXPENSES				
General and Administrative Expenses	78,947	157,895	78,947	157,895
Marketing and Guest Entertainment	-	-	-	-
Foreign Exchange (Gain) Loss	(991)	(4,911)	7,392	7,967
Interest Expense	-	-	-	-
Corporate Expenses	1,167,411	2,383,445	1,554,681	2,029,442
Real Estate Tax	4,288,335	8,576,650	4,163,378	8,440,702
Insurance - Building and Contents	749,584	1,499,168	1,499,168	2,998,336
Interest and Other Charges/(Income)-Net	(520)	(634)	(3,073)	(120,593)
	6,282,766	12,611,612	7,300,494	13,513,748
INCOME (LOSS) BEFORE DEPRECIATION ON REVALUATION INCREMENT AND INCOME TAX	(14,967,012)	(29,467,196)	(16,544,126)	(31,776,611)
DEPRECIATION ON COST	4,980,264	9,960,527	4,980,264	9,960,527
DEPRECIATION - REVALUATION INCREMENT	-	-	-	-
INCOME (LOSS) BEFORE INCOME TAX	(19,947,276)	(39,427,723)	(21,524,390)	(41,737,138)
PROVISION FOR INCOME TAX	-	-	-	-
NET INCOME (LOSS)	(19,947,276)	(39,427,723)	(21,524,390)	(41,737,138)
OTHER COMPREHENSIVE INCOME (LOSS)				
Appraisal increase in property and equipment for the year	-	-	-	-
Unrealized Loss on AFS investment recognized for the year	-	-	-	-
Income tax on other comprehensive income	-	-	-	-
	-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	(19,947,276)	(39,427,723)	(21,524,390)	(41,737,138)
Net Income(Loss)	(19,947,276)	(39,427,723)	(21,524,390)	(41,737,138)
No. of shares issued and outstanding	344,747,520	344,747,520	344,747,520	344,747,520
INCOME(LOSS) PER SHARE	(0.06)	(0.11)	(0.06)	(0.12)

ACESITE (PHILS.) HOTEL CORPORATION
INTERIM CONSOLIDATED STATEMENTS FINANCIAL POSITION
AS OF THE QUARTER ENDING JUNE 30, 2026
(With Comparative Figures as of December 31, 2025)

	30-Jun-26	31-Dec-25
ASSETS		
Current Assets		
Cash and cash equivalents	5,341,676	4,410,181
Trade and other current receivables - net	12,216,613	12,191,474
Inventories	726,641	726,641
Due from parent company	-	-
Prepaid expenses and other current assets	31,759,854	30,822,135
Total Current Assets	50,044,783	48,150,432
Noncurrent Assets		
Property and equipment - net	1,824,049,470	1,834,009,997
Note receivable	56,534,541	56,142,228
Due from a related party	70,527,499	70,526,295
Equity security - at fair value through other comprehensive income	22,544,600	22,544,600
Other noncurrent assets - net	837,251,506	837,251,506
Total Noncurrent Assets	2,810,907,617	2,820,474,626
TOTAL ASSETS	2,860,952,400	2,868,625,058
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other current payables	239,340,599	231,769,980
Due to related parties	740,585,435	717,131,960
Total Current Liabilities	979,926,034	948,901,939
Noncurrent Liabilities		
Retirement benefits liability	8,172,309	7,441,339
Retention payables	93,535,758	93,535,758
Deferred tax liability - net	178,291,503	178,291,503
Total Noncurrent Liabilities	279,999,570	279,268,599
Total Liabilities	1,259,925,604	1,228,170,539
Equity		
Capital stock	346,100,578	346,100,578
Revaluation surplus on property and equipment	136,447,841	136,447,841
Retirement benefits reserve	62,729,649	62,729,649
Fair value reserve	10,294,130	10,294,130
Retained earnings	1,057,496,299	1,096,924,022
Treasury stock	(12,041,700)	(12,041,700)
Total Equity	1,601,026,796	1,640,454,520
TOTAL LIABILITIES AND EQUITY	2,860,952,400	2,868,625,058

ACESITE (PHILS.) HOTEL CORPORATION
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
AS OF THE QUARTER ENDING JUNE 30, 2026
(With Comparative Figures as of June 30, 2025)

	CAPITAL STOCK COMMON	TREASURY SHARES	REVALUATION INCREMENT IN PROPERTY AND EQUIPMENT	RETIREMENT BENEFITS RESERVE	UNREALIZED VALUATION LOSS ON AFS INVESTMENTS	RETAINED EARNINGS	TOTAL
Balance at December 31, 2025	346,100,578	-12,041,700	136,447,841	62,729,649	10,294,130	1,096,924,022	1,640,454,520
Transfer of revaluation increment deducted from operations through additional depreciation charges							
Net income (loss)						-39,427,723	-39,427,723
Balance at June 30, 2026	346,100,578	-12,041,700	136,447,841	62,729,649	10,294,130	1,057,496,299	1,601,026,796
Balance at December 31, 2024	346,100,578	-12,041,700	121,080,712	62,565,033	6,132,050	1,189,698,974	1,713,535,647
Transfer of revaluation increment deducted from operations through additional depreciation charges							
Net income (loss)						-21,524,390	-21,524,390
Balance at June 30, 2026	346,100,578	-12,041,700	121,080,712	62,565,033	6,132,050	1,168,174,584	1,692,011,257

ACESITE (PHILS.) HOTEL CORPORATION
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDING JUNE 30, 2026
(With Comparative Figures for June 30, 2025)

	QUARTER ENDED 30-Jun-26	YEAR TO DATE 30-Jun-26	QUARTER ENDED 30-Jun-25	YEAR TO DATE 30-Jun-25
CASH FLOW FROM OPERATING ACTIVITIES				
Income(Loss) before income tax	(19,947,276)	(39,427,723)	(21,524,390)	(41,737,138)
Adjustments for:				
Depreciation	4,980,264	9,960,527	4,980,264	9,960,527
Interest Expense	-	-	-	-
Unrealized foreign exchange loss	(991)	(4,911)	-	-
Retirement benefits expense	470,092	730,970	268,061	268,061
Provision for doubtful accounts	-	-	-	-
Interest Income	(593)	(1,321)	(3,020)	(3,020)
Foreign exchange losses - net	-	-	-	-
Operating income before working capital changes	(14,498,504)	(28,742,456)	(16,279,085)	(31,511,570)
Decrease (increase) in:				
Receivables	(16,091)	(25,138)	73,422	73,422
Inventories	-	-	-	-
Prepaid expenses	(47,281)	(937,718)	(648,767)	(648,767)
Increase (decrease) in:				
Accounts payable and accrued expenses	6,398,919	6,839,648	3,621,199	3,621,199
Net Cash flow from Insurance claims	-	-	-	-
Retirement benefit plan obligation	462,909	730,970	-	-
Concessionaires and other deposits	-	-	-	-
Rental paid in advance	-	-	-	-
Net cash generated from operations	(7,700,047)	(22,134,694)	(13,233,231)	(28,465,716)
Interest received	593	1,321	3,020	3,020
Income taxes paid	-	-	-	-
Net cash from operating activities	(7,699,454)	(22,133,374)	(13,230,211)	(28,462,696)
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in receivable from affiliates	8,097,899	23,453,475	17,508,383	17,508,383
Note receivable	200,179	(393,518)	(2,472,972)	(2,472,972)
Proceeds from insurance claims on property damages	-	-	-	-
Other noncurrent assets	-	-	-	-
Acquisition of property and equipment	(0)	-	(844,690)	(844,690)
Decrease (increase) in other assets	145,000	-	473,027	473,027
Net cash from (used) in investing activities	8,443,078	23,059,958	14,663,748	14,663,748
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of loan	-	-	-	-
Interest paid	-	-	-	-
Increase (decrease) in contract payable	-	-	-	-
Increase (decrease) in lease rental payable (Cimar)	-	-	-	-
Cash used in financing activities	-	-	-	-
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	991	4,911	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	744,614	931,495	1,433,537	(13,798,948)
CASH AND CASH EQUIVALENTS, BEGINNING	4,597,062	4,410,181	20,883,077	20,883,077
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5,341,676	5,341,676	22,316,614	7,084,129

ITEM 1 – FINANCIAL STATEMENTS

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

I. Reporting Entity

Acesite (Phils.) Hotel Corporation (the “Company”) is a 55.49%-owned subsidiary of Waterfront Philippines, Incorporated (WPI) and its ultimate parent is The Wellex Group, Inc. It was incorporated and registered with the Philippines Securities and Exchange Commission (SEC) on October 10, 1952 primarily to engage in the business of operating a hotel, or other accommodations, for the general public and to construct such facilities as may be reasonably necessary or useful in connection with the same.

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

The details of the equity interest of the Parent Company in its subsidiaries are as follows:

	Percentage of Ownership	
	Direct	Indirect
Real Estate		
Acesite Realty. Inc. (ARI)	100%	-
Hotel Management and Operation		
Pavillion Leisure and Entertainment Corp. (PLEC)*	86%	14%
Pavillion Enterprises Corp. (PEC)*	100%	-

**non-operating entities*

Office Address

The Company’s registered office address is Waterfront Manila Hotel and Casino, UN Ave. cor. Ma. Orosa St., Ermita, Manila 1000.

II. Basis of Preparation**Statement of Compliance**

The interim financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS). The financial statements of the company for the period ending June 30, 2026, were approved.

Basis of Measurement

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

Functional and Presentation Currency

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

Use of Estimates and Judgments

The preparation of interim financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying

values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

III. **Summary of Significant Accounting Policies**

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

Adoption of Amendments to Standards

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

- Borrowing costs eligible for capitalization (Amendments to PAS 23, Borrowing Costs). The amendments clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale are included in that general pool.

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

IV. Cash and Cash Equivalents

Cash and cash Equivalents are only composed of cash on hand and cash in banks.

V. Accounts Receivables

This account consists of:

	June 2026	December 2025
Trade	16,844,094	16,844,094
Others	28,480,990	28,455,851
Total Receivables	45,325,084	45,299,944
Less: Allowance for Doubtful Accounts	(33,108,471)	(33,108,471)
Net Receivables	12,216,613	12,191,474

VI. Inventories

This account consists of:

	June 2026	December 2025
Food and Beverages	-	-
Operating Supplies	-	-
Others	726,641	726,641
Total	726,641	726,641

VII. Accounts Payable and Accrued Expenses

This account consists of:

	June 2026	December 2025
Trade	32,405,810	32,377,922
Accrued Expenses	206,934,789	199,392,058
Others	-	-
Total	239,340,599	231,769,980

VIII. Related Party Transactions

The Company's related party transactions include transactions in the ordinary course of business, companies within the group extend/obtain non-interest bearing, collateral free cash advances to/from one another and other related parties to finance working capital requirements, as well as to finance the construction of certain hotel projects.

IX. Loan Payable

There is no currently existing loan.

The earnings (losses) per share are as follows:

	June 2026	June 2025
--	--------------	--------------

Net Income (Loss)	(39,427,723)	(41,737,138)
Weighted Average Number of Shares Outstanding	344,747,520	344,747,520
Earnings (Loss) per share	(0.11)	(0.12)

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

- Aside from the above-mentioned items, management does not know of trends and events that would have a material impact on the Company's liquidity.
- On March 18, 2018, a fire broke out in the hotel property that damaged the lower floors of the main building as well as the Podium building occupied by the casino area that resulted in the suspension of the hotel operations.
- The proceeds from the insurance claims shall be used to restore the hotel for its continued operation.
- There are no off-balance sheet transactions, arrangements, obligations or other relationships of the company with unconsolidated or other persons created during the reporting period.
- Business operation during the 2nd quarter of 2018 has temporarily ceased due to the damage caused by fire to the property. By the end of 1st quarter of 2026, the business operation has not yet commenced.
- For the 1st quarter of 2026, the material or significant elements of loss did not arise from the Company's operations, however, contributable to the non-generation of any revenue brought by temporary closure.
- Causes of material changes in the items in the financial statements from 2025 to 2026 have been discussed under management discussion and analysis on Annex 7.
- Causes of material changes in the items in the income statements for the 2nd quarter of 2026 and 2025, and the balance sheets as of 30 June 2026 and 31 December 2025 have been discussed under management discussion and analysis on Annex 7.

ACESITE (PHILS.) HOTEL CORPORATION
FINANCIAL INDICATORS / RATIOS
FOR THE PERIODS ENDING JUNE 30, 2026, AND DECEMBER 31, 2025

FINANCIAL RATIOS	Formula	Current Year	Previous year
		June 30, 2026	December 31, 2025

LIQUIDITY ANALYSIS RATIOS

Current Ratio or Working Capital Ratio	Total Current Assets divided by Total Current Liabilities	5%	5%
Quick Ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities	2%	2%
Solvency Ratio	Net Income After Tax plus Non-cash Expenses divided by Total Liabilities	-1%	-7%

FINANCIAL LEVERAGE RATIOS

Debt Ratio	Total Liabilities divided by Total Assets	44%	43%
Debt-to-Equity Ratio	Total Liabilities divided by Shareholder's Equity	79%	75%
Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charge	0%	0%
Assets to Equity Ratio	Total assets divided by Shareholder's Equity	179%	175%

PROFITABILITY RATIO

Gross Profit Margin	(Sales - Cost of Goods Sold) / Sales	0%	0%
Net Profit Margin	Net Profit / Sales	0%	0%
Return on Assets (ROA) Ratio	Net Income divided by Average Total Assets	-1%	-4%
Return on Equity Ratio	Net loss divided by Shareholder's Equity	-2%	-7%
Price / earnings Ratio	Price per Share / Earnings per Common Share	0%	0%
Book Value per Share	Total Common Stockholder's Equity / No. of Common Shares	4.64	4.76

ACESITE (PHILS.) HOTEL CORPORATION
AGING OF TRADE AND OTHER RECEIVABLES
FOR THE PERIODS ENDING JUNE 30, 2026

Company/Partner	Current	31-60	61-90	91-120	121 - Over	Total
Trade Receivables						
City Ledger-Company					13,197,083.70	13,197,083.70
Guest Ledger					3,645,204.29	3,645,204.29
Tenants & Concession					1,805.57	1,805.57
Sub Total					16,844,094.26	16,844,093.56
Other Receivables						
Advances to Employees					345,396.84	345,396.84
Social Security Systems					43,770.00	43,770.00
Barter Dues					207,398.46	207,398.46
Sundry					10,794,536.74	10,794,536.74
Others Premier					10,000,000.00	10,000,000.00
Interest Receivable					6,931,194.68	6,931,194.68
Image Travel & Tours Corpora					151,792.76	151,792.76
El-Rey Music Lounge					6,900.00	6,900.00
Sub Total					28,480,990.48	28,480,990.48
Grand Total	-	-	-	-	45,325,084.74	45,325,084.04

ITEM 2 – 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 quarter ending June 30, 2026, and June 30, 2025, together with its financial conditions as of the same period.

I. Results of Operation

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

	June 2026	June 2025
Revenues	-	-
Less: Costs and Expenses	14,967,012	16,544,126
Net Income (Loss) Before Fixed Financial and Other Charges	(14,967,012)	(16,544,126)
Less: Fixed Financial and Other Charges (Depreciation, Amortization and Interest)	4,980,264	4,980,264
Income (Loss) before Income Taxes	(19,947,276)	(21,524,390)
Income Tax Expense (Benefit)	-	-
Net Income (Loss)	(19,947,276)	(21,524,390)
No. of shares issued	346,100,520	346,100,520
Earnings (Loss) per share	(0.06)	(0.06)

II. Income Statement

No gross revenue recognized for comparative period June 2026 and June 2025.

The company reported consolidated operating loss of P19.94M in 2nd quarter of 2026, which is lower by P1.57M or 7.33% compared to P21.52M of 2nd quarter of 2025, mainly due to decrease of various expenses related to administrative and general expenses like security services, repairs and maintenance costs, etc by P694k in 2nd quarter of 2026, decreased by P387k or 25% compared to P1.5M in the 2nd quarter of 2025, corporate expenses, P749K, or a 50% decrease in insurance expense this quarter compared to the same quarter last year.

III. Top Five Performance Indicators

	June 2026	June 2025
Occupancy Percentage	-	-
Average Room Rates	-	-
Revenues	-	-
Gross Operating Profit/ (Loss)	(8,684,246)	(9,243,633)
Gross Operating Profit/ (Loss) Ratio	-	-

- **Occupancy Percentage**

NIL, due to non-operation for 2nd Quarter ending June 2026 and June 2025.

- **Average Room Rate**

NIL, due to non-operation for 2nd Quarter ending June 2026 and June 2025.

- **Revenues**

NIL, due to non-operation for 2nd Quarter ending June 2026 and June 2025.

- **Gross Operating Profit and Gross Operating Profit Ratio**

Declared a total of P19.94M Gross Loss for Q2 2026, lower by P1.57M of Q1 2025 due to decrease in corporate cost, insurance expenses, and other expenses.

IV. Financial Condition

Total Assets decreased by P7.6 million from P2.868B as of December 31, 2025, to P2.860B ending June 30, 2026, mainly due to depreciation expense. Higher Liabilities by P31.75M compared to total liabilities as of December 31, 2025, due to additional advances from related parties.

- **Cash and cash equivalents**
Increased by P931K to fund urgent scheduled payments for utility expenses, payroll, real property taxes, and other operating expenses during the quarter.
- **Receivables**
Has increased within the tolerable limit.
- **Notes Receivable**
Increased minimally by P392K, equivalent to 0.69%.
- **Inventories**
No recorded inventory balance in Q2 2026.
- **Due from related parties**
Minimal movement compared to December 31, 2025 balance.
- **Prepaid expenses and other current assets**
An increase of P937k from P30.82M in December 2025 to P31.75M in June 2026.
- **Property plant & equipment (PPE)**
There is no additional capital expenditure this year 2026, as of June 30, 2026. Decrease of P9.96M in PPE pertains only to depreciation.
- **Other noncurrent assets**
There is no movement from December 31, 2025 to June 30, 2026.
- **Current Liabilities**
There is an increase of P31.02M from P1.23B in December 2025 to P1.26B in June 30, 2026, due to additional borrowings from related parties.

V. FINANCIAL RISK MANAGEMENT

- **Risk Management Structure**

Board of Directors (BOD)	Risk Management	Capital Management
The BOD is primarily responsible for the overall risk management approach of ACE and its subsidiaries, including the approval of risk strategies, principles, frameworks, policies and limits. The BOD also exercises overall oversight over the Group's risk management.	Management is responsible for implementing and monitoring the Group's risk management policies and procedures. Management identifies, assesses and manages material and emerging risks in accordance with the strategies, policies and limits approved by the BOD. Significant risk matters are reported to the BOD.	The Group manages its capital to ensure that it maintains an appropriate capital structure and sufficient resources to support its operations and meet its financial obligations. Capital requirements and the capital structure are monitored by Management, with significant matters subject to BOD oversight.

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

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group grants advances to its affiliates in accordance with established policies and procedures, subject to appropriate review and approval. The BOD provides overall oversight of the Group's credit risk management framework.

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

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

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

- **Liquidity Risk**

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

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

Ultimate responsibility for liquidity risk oversight rests with the BOD, which provides overall establishes of the Group's liquidity risk management framework and oversees its funding and liquidity requirements. Management is responsible for implementing and monitoring the Group's liquidated risk management policies and procedures.

The Group's approach to managing liquidity is to ensure, as far as possible, that maintains have sufficient liquidity to meet its obligations when due, under both normal and stressful conditions, without incurring unacceptable losses or risking reputational damage. To achieve this, the Group maintains adequate reserves, continuously monitors forecasted and actual cash flows and aligns the maturity profiles of financial assets and liabilities.

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

- **Market Risks**

Market risk is the risk that the fair value or future cash flows of a financial instrument held by the Group will fluctuate because of changes in market prices. Market risk comprises interest rate risk, foreign currency risk, and other price risks. The Group is primarily exposed to the financial risk of changes in the equity prices of its equity securities - at FVOCI. The Group is not significantly exposed to changes in interest and foreign currency exchange rates.

- **Equity Price Risk**

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

The Group is exposed to equity price risk because of its investment in shares of stock of WIN held by the Group which is classified in the statements of financial position as AFS investment. These securities are listed in the PSE. The Group has an outstanding investment in these securities equivalent to 86,710,000 shares as of June 30, 2026.

The Group is not exposed to commodity price risk.

VI. FINANCIAL INSTRUMENTS

- **Fair Value of Financial Assets and Liabilities**

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

The fair values of concessionaires and deposits approximate their carrying amount as these are carried at present values discounted using discount rates approximating average market rates as of reporting periods.

- **Fair Value Hierarchy**

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

- **Determination of Fair Value**

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

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

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

COVER SHEET

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S.E.C Registration No.

[illegible]

(Company's Full name)

[illegible]

Business Address : No. Street City/Town Provinces

ARSENIO A. ALFILER, JR.

Contact Person

687-7536

Tel. No.

LIST OF TOP 100 STOCKHOLDERS REPORT AS OF 30 JUNE 2026

[illegible]

FORM TYPE

Secondary License, (if applicable type)

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Dept. requiring this doc

N/A

Amended Articles number

Total stockholders

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Domestic

Foreign

To be accomplished by SEC personnel concerned

[illegible]

File Number

LCU

[illegible]

Document I.D.

Cashier

STAMPS

STAMPS

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

Acesite (Phils.) Hotel Corporation
ACE

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

Type of Securities

☒ Common

For the period endedJun 30, 2026

Description of the Disclosure

ACESITE (PHILS.) HOTEL CORPORATION LIST OF TOP 100 STOCKHOLDERS AS OF JUNE 30, 2026

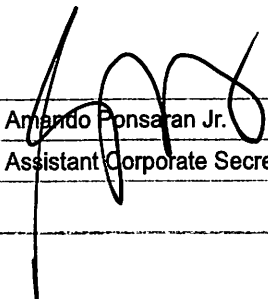
Number of Issued Common Shares	346,100,578
Number of Treasury Common Shares, if any	1,353,058
Number of Outstanding Common Shares	344,747,520
Number of Listed Common Shares	346,100,578
Number of Lodged Common Shares	133,056,935
PCD Nominee - Filipino	80,339,450
PCD Nominee - Non-Filipino	52,717,485
Number of Certificated Common Shares	213,043,643

Change from previous submission

TOP 100 AS OF 31 MARCH 2026
PCD Nominee – Filipino – 80,340,450
PCD Nominee - Non-Filipino – 52,727,475
Lodge Shares – 133,055,935
Certificated Shares – 213,044,643

TOP 100 AS OF 30 JUNE 2026
PCD Nominee – Filipino – 80,339,450
PCD Nominee - Non-Filipino – 52,717,485
Lodge Shares - 133,056,935
Certificated Shares – 213,043,643

Filed on behalf by:

Name	 Amardo Ponsaran Jr.
Designation	Assistant Corporate Secretary

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 06/30/2026

Page No. 1

Rank	Name	Holdings	Percentage
1	WATERFRONT PHILIPPINES, INC.	192,045,057	55.49%
2	PCD NOMINEE CORPORATION	80,339,450	23.21%
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	52,717,485	15.23%
4	NICKELL INTERNATIONAL LTD.	8,935,710	02.58%
5	ACESITE (PHILIPPINES) HOTEL CORPORATION	1,353,000	00.39%
6	ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394	00.25%
7	TANSECO, GENEROSO	714,857	00.21%
8	UNITED PHILIPPINE LINES	714,854	00.21%
9	TAN, JESUS M. (HEIRS OF)	595,728	00.17%
10	BAUTISTA, DOMINGO C.	476,574	00.14%
11	NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508	00.09%
12	WELLS AND PUMPS INC.	278,001	00.08%
13	MENZI, HANS (ESTATE OF)	278,001	00.08%
14	MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001	00.08%
15	ROSARIO, FRANCISCO DEL	258,146	00.07%
16	CARLOS, GLORIA S. (HEIRS OF)	218,428	00.06%
17	SANCHEZ, ANDREW A.	198,579	00.06%
18	WESTERN STEEL INC.	198,576	00.06%
19	TULIO, ERMINDA L.	198,576	00.06%
20	COJUANGCO, RAMON (HEIRS OF)	198,576	00.06%
21	LORENZO, LUISA DE R.	198,576	00.06%
22	ANUP TRADING	198,576	00.06%
23	PAILIAN, PETER GO	158,858	00.05%
24	BALUYUT, SISENANDO	148,928	00.04%
25	ARANETA, SALVADOR (HEIRS OF)	139,002	00.04%
26	REYES, ALEX (HEIRS OF)	139,002	00.04%

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 06/30/2026

Page No. 2

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

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 06/30/2026

Page No. 3

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

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 06/30/2026

Page No. 4

Rank	Name	Holdings	Percentage
79	ANTONIO, ARTURO	19,855	00.01%
80	ANTONIO, SILVINO JR.	19,855	00.01%
81	ARROYO, TOMAS	19,855	00.01%
82	BARREDO, LUISA	19,855	00.01%
83	CABANEZ, LORETO	19,855	00.01%
84	BONDOC, ANGELITA L.	19,855	00.01%
85	BENITEZ, CONRADO II	19,855	00.01%
86	CASTILLO, DOMINGO	19,855	00.01%
87	CASTRILLO, EDUARDO	19,855	00.01%
88	CABANERO, REBECCA S.	19,855	00.01%
89	CABANERO, GILDA	19,855	00.01%
90	CABANERO, LORNA	19,855	00.01%
91	CABANERO, MA. CECILIA	19,855	00.01%
92	CABANERO, LEONARDO	19,855	00.01%
93	CABANERO, NORBERTO S.	19,855	00.01%
94	CHICO, PACIFICO	19,855	00.01%
95	COMMON TRADE INC.	19,855	00.01%
96	CARLOS, MA. NELIA	19,855	00.01%
97	CATO, BENJAMIN	19,855	00.01%
98	COLAYCO, FRANCISCO J.	19,855	00.01%
99	FELICIANO JR., GUILLERMO	19,855	00.01%
100	FELICIANO, GRACE K.	19,855	00.01%

Total Top 100 Shareholders :	-----	-----
	345,266,953	99.75%
	=====	=====

Total Issued Shares	-----
	346,100,578
	=====

ACE000000000 June 30, 2026

OUTSTANDING BALANCES FOR SPECIFIC COMPANY

June 30, 2026

ACE000000000

BPNAME	QUANTITY
UPCC SECURITIES CORP.	14,182
A & A SECURITIES, INC.	365,000
ABACUS SECURITIES CORPORATION	288,810
PHILSTOCKS FINANCIAL INC	1,438,374
BA SECURITIES, INC.	2,214,000
AP SECURITIES INCORPORATED	101,500
ANSALDO, GODINEZ & CO., INC.	149,000
AB CAPITAL SECURITIES, INC.	454,171
SB EQUITIES,INC.	11,500
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	100,000
ASIASEC EQUITIES, INC.	149,750
CHINA BANK SECURITIES CORPORATION	2,895,000
BELSON SECURITIES, INC.	85,000
JAKA SECURITIES CORP.	500
BPI SECURITIES CORPORATION	410,180
CAMPOS, LANUZA & COMPANY, INC.	3,500
CTS GLOBAL EQUITY GROUP, INC.	308,698
TRITON SECURITIES CORP.	3,261,290
DAVID GO SECURITIES CORP.	5,700
DIVERSIFIED SECURITIES, INC.	7,350
E. CHUA CHIACO SECURITIES, INC.	21,292
EASTERN SECURITIES DEVELOPMENT CORPORATION	54,500
EVERGREEN STOCK BROKERAGE & SEC., INC.	331,000
FIRST ORIENT SECURITIES, INC.	10,500
F. YAP SECURITIES, INC.	6,000
GUILD SECURITIES, INC.	8,872
CNN SECURITIES, INC.	5,986,406
I. B. GIMENEZ SECURITIES, INC.	52,157,527
INVESTORS SECURITIES, INC,	28,020
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	5,600
INTRA-INVEST SECURITIES, INC.	170,000
LARRGO SECURITIES CO., INC.	88,000
MANDARIN SECURITIES CORPORATION	1,000
COL Financial Group, Inc.	6,042,745
DA MARKET SECURITIES, INC.	3,000
MERCANTILE SECURITIES CORP.	6,000
MERIDIAN SECURITIES, INC.	7,000
MOUNT PEAK SECURITIES, INC.	15,000
OPTIMUM SECURITIES CORPORATION	5,000
RCBC SECURITIES, INC.	19,211
PNB SECURITIES, INC.	1,550

QUALITY INVESTMENTS & SECURITIES CORPORATION	150,000
R & L INVESTMENTS, INC.	10,000
R. COYIUTO SECURITIES, INC.	476,850
REGINA CAPITAL DEVELOPMENT CORPORATION	676,850
AAA SOUTHEAST EQUITIES, INCORPORATED	12,000
R. S. LIM & CO., INC.	475,000
S.J. ROXAS & CO., INC.	210,000
SECURITIES SPECIALISTS, INC.	9,047
SUMMIT SECURITIES, INC.	10,000
TANSENGCO & CO., INC.	101,876
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	19,855
TOWER SECURITIES, INC.	1,301,250
DRAGONFI SECURITIES, INC.	11,466
LANDBANK SECURITIES, INC.	7,250
FIRST METRO SECURITIES BROKERAGE CORP.	326,004
WEALTH SECURITIES, INC.	32,000
WESTLINK GLOBAL EQUITIES, INC.	46,111,358
YAO & ZIALCITA, INC.	362,500
BDO SECURITIES CORPORATION	190,555
EAGLE EQUITIES, INC.	65,000
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	70
SOLAR SECURITIES, INC.	234,000
G.D. TAN & COMPANY, INC.	2,557,287
UNICAPITAL SECURITIES INC.	4,000
SunSecurities, Inc.	7,000
ARMSTRONG SECURITIES, INC.	2,463,218
ACESITE (PHILS.) HOTEL CORP.	771
Total Lodged Shares	133,056,935

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Acesite (Phils.) Hotel Corporation
ACE

PSE Disclosure Form 4-35 - Submission for Internal Purposes

Subject of the Disclosure
SECRETARY CERTIFICATE RE: CAPITAL STRUCTURE OF ACESITE (PHILS.) HOTEL CORPORATION
Description of the Disclosure
SECRETARY CERTIFICATE RE: CAPITAL STRUCTURE OF ACESITE (PHILS.) HOTEL CORPORATION AS OF 30 JUNE 2026
Reason
-

Filed on behalf by:	
Name	Amango Ponsaran Jr.
Designation	Assistant Corporate Secretary

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

SECRETARY’S CERTIFICATE

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

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

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

3. Based on the records of the Corporation as of 30 June 2026 (the "Covered Period"), the Corporation's capital structure is as follows:

Authorized Capital Stock	PhP1,210,000,000.00
Number, Classes of Shares, Par Value per Share	1,200,000,000 common/PhP1.00 20,000 PREFERRED/PhP500.00
Issued and Outstanding Shares	346,100,578
Fully-paid Shares	346,100,578
Treasury Shares	1,353,058
Outstanding Shares	344,747,520
Listed Shares	346,100,578
Certificated Shares	213,043,643

4. Based on the records of PDTC as of the Covered Period, there are 133,056,935 lodged shares, broken down, as follows:

PCD Nominee - Filipino	80,339,450
PCD Nominee – Non-Filipino	52,717,485

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

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

7. All shares had been issued were fully paid.

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, 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.

Doc. No. 225
Page No. 46
Book No. 20
Series of 2026.

Pasig City

ALY M. HIZOLA
NOTARY PUBLIC
City of Pasig, San Juan, Pateros, Metro Manila
3809 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

COVER SHEET

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SEC Registration No.

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

(Company's Full Name)

W	a	t	e	r	f	r	o	n	t		M	a	n	i	l	a		H	o	t	e	l		a	n	d		
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C	a	s	i	n	o		U	N		A	v	e	n	u	e		c	o	r	n	e	r		M	a			
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(Business Address: No. Street City / Town / Province)

JERRAEMIE NIKKA PATULOT

Contact Person

(02) 8289-86-39

Contact Telephone No.

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Calendar Year

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FORM TYPE

Every 3 rd Wednesday of June

Month Day
Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

208

Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the calendar year ended : **December 31, 2025**
2. Commission identification number : **7199**
3. BIR Tax Identification No. : **002-856-627**
4. Exact name of issuer as specified in its charter : **Acesite (Phils.) Hotel Corporation**
5. Province, country or other jurisdiction of incorporation or organization : **Manila, Philippines**
6. Industry Classification Code : (SEC Use Only)
7. Address of issuer's principal office and Postal Code : **UN Ave. Cor. Ma. Orosa St., Ermita, Manila, 1000**
8. Issuer's telephone number, including area code : **(02) 8289-86-39**
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 – P1.00 par value	344,747,520

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

If yes, state the name of such stock exchange and the classes of securities listed therein:
Philippine Stock Exchange - Common

12. Indicate by check mark whether the registrant:
- (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)
☒ Yes
☐ No
- (b) has been subject to such filing requirements for the past ninety (90) days
☒ Yes
☐ No

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

Unaffiliated shares	:	152,692,513
Last Trading Price	:	Php 1.36 as of May 29, 2026
Aggregate Market Value	:	Php 207,661,817.68

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

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

☒ Yes
☐ No

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) Any annual report to security holders – Not applicable
- (b) Any information statement filed pursuant to SRC Rule 20 – Not applicable
- (c) Any prospectus filed pursuant to SRC Rule 8.1 – Not applicable

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

ACESITE (PHILS.) HOTEL CORPORATION

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

For the Calendar year ended:	December 31, 2025
Currency (indicate units, if applicable)	PhP

Balance Sheet	December 31, 2025	December 31, 2024
Current Assets	48,150,432	251,000,569
Total Assets	2,868,625,059	2,877,481,928
Current Liabilities	948,901,941	871,757,497
Total Liabilities	1,228,170,541	1,163,946,281
Retained Earnings/ (Deficit)	1,096,924,020	1,189,698,974
Stockholders' Equity	1,640,454,518	1,713,535,647
Stockholders' Equity – Parent	1,585,247,287	1,661,612,213
Book Value per Share	4.76	4.97

Income Statement	December 31, 2025	December 31, 2024
Operating Revenue	-	-
Other Revenue	-	-
Gross Revenue	-	-
Operating Expense	113,524,208	97,032,596
Other Expense	21,214,540	(15,327,265)
Gross Expense	134,738,748	81,705,331
Net Income/ (Loss) Before Tax	(134,738,748)	(81,705,331)
Income Tax Expense	(27,287,344)	(4,461,191)
Net Income/(Loss) After Tax	(107,451,404)	(77,244,140)
Net Income Attributable to Parent Equity Holder	(110,735,310)	(73,420,316)
Earnings/(Loss) Per Share (Basic)	(0.31)	(0.22)
Earnings/(Loss) Per Share (Diluted)	(0.31)	(0.22)

Financial Ratios	Formula	Calendar Year Ended	Calendar Year Ended
		December 31, 2025	December 31, 2024
Liquidity Analysis Ratios:			
Current Ratio	Current Assets / Current Liabilities	5%	29%
Acid Test Ratio	(Current Assets - Inventory - Prepayments)/ Current Liabilities	2%	26%
Solvency Ratio	Net Income After Tax plus Non-cash Expenses divided by Total Liabilities	(7%)	(5%)
Financial Leverage Ratios:			
Debt Ratio	Total Debt / Total Assets	43%	40%
Debt-to-Equity Ratio	Total Debt / Total Stockholders' Equity	75%	68%
Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	0%	0%
Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	175%	168%
Profitability Ratios:			
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service/ Sales	0%	0%
Net Profit Margin	Net Profit / Sales	0%	0%
Return on Assets	Net Income before Tax/ Total Assets	(4%)	(3%)
Return on Equity	Net Income before Tax / Total Stockholders' Equity	(7%)	(5%)
Price/Earnings Ratio	Price Per Share / Earnings Per Common Share	(3.89)	(2.06)

TABLE OF CONTENTS

PART I – BUSINESS AND GENERAL INFORMATION

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

PART II – OPERATIONAL AND FINANCIAL INFORMATION

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

PART III – CONTROL AND COMPENSATION INFORMATION

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

PART IV – CORPORATE GOVERNANCE

- Item 13 Corporate Governance

PART V – EXHIBITS AND SCHEDULES

- Item 14 Exhibits and Reports on SEC Form 17-C

SIGNATURES

SUPPLEMENTARY SCHEDULES

ANNEXES

- Annex "A" – Statement of Management's Responsibility for Financial Statements
- Annex "B" – Audited Consolidated Financial Statements
- Annex "C" – Audited Parent Financial Statements
- Annex "D" – Sustainability Report

PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

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

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

The Company has not been involved in any bankruptcy, receivership or similar proceedings for the past three (3) years.

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

A) Principal Product or Service

The company operates the Waterfront Manila Hotel and Casino (*formerly*, Manila Pavilion Hotel), located along United Nations Avenue, Ermita, Manila. Aside from hotel operations, business activities of the company include restaurant operations. Following a significant fire incident in 2018, which resulted in substantial damage to building, the hotel operations remain suspended. *Consequently*, the Company reported no revenue contribution from these operations for the 2025 fiscal year.

For the Fiscal Year Ended 31 December 2025

Product & Services	Amount (PhP)	% Contribution
Food & Beverage (F&B)	0.00	-
Rooms	0.00	-
Rental Income	0.00	-
Other Operating Departments	0.00	-
Miscellaneous/Others	0.00	-
TOTAL	0.00	0.00%

B) Room Sales to Foreign and Domestic Markets

For the fiscal years 2025 and 2024, the Company reported nil room sales across all geographic segments, including both foreign and domestic markets. This is attributed to the continued suspension of hotel operations. *Consequently*, no room nights were generated during these periods.

Geographic Source	% Contribution to Total Room Nights	
	2025	2024
Asia	-	-
Middle East	-	-
North America	-	-
Europe	-	-
Australia	-	-
Africa	-	-
Philippines (Domestic Mkt)	-	-
TOTAL	0.00%	0.00%

C) Distribution Methods of the Products or Services

The Company's primary offerings, including room accommodation and Food & Beverage (F&B) services, are traditionally distributed through direct bookings, corporate partnerships, and online travel agencies (OTAs).

However, following the suspension of operations at the Waterfront Manila Hotel and Casino, there were no active distribution channels or commercial activities for these segments during the 2025 fiscal year.

D) Description of Products and Services

Food and Beverage (F&B)

During the 2025 fiscal year, there were no operational F&B outlets. Consequently, the segment yielded nil revenue contribution.

Rooms

The Company recorded no room revenue for 2025. This is attributed to the continued suspension of hotel operations.

E) Status of Any Publicly Announced New Product or Service

There were no new products or services announced or launched by the Company during the 2025 reporting period. The Company's primary focus remains the rehabilitation of its existing assets

F) Top Five (5) Performance Indicators

The following table reflects the Company's performance indicators. The lack of operational data is a direct result of the 2018 fire incident and subsequent closure of the property.

Key Performance Indicators	2025	2024
Occupancy Rate	-	-
Average Daily Rate	-	-
Total Revenues (PhP)	-	-
Gross Operating Profit/(Loss) (PhP)	(113,524,208)	(97,032,596)
Gross Operating Income Ratio	-	-

Note: The Gross Operating Loss for 2025, amounting to PhP113,524,208, primarily reflects unavoidable fixed costs, administrative expenses, and maintenance requirements during the non-operational phase.

G) Sources and Availability of Raw Materials

Historically, the Hotel sources its operational requirements, including food, beverages, guest room amenities, linens, and office supplies, from a diverse base of local suppliers. However, no procurement or sourcing activities were conducted in 2025 due to the suspension of operations.

H) Major Customers

No major customer, as the Company is currently non-operational.

I) Transactions with Related Parties

The Corporation had invested in 86,710,000 shares of Wellex Industries, Inc. a related company listed on the Philippine Stock Exchange, at Php0.50 per share or a total of Php43,355,000.00. Net transactions with WPI amounted to (Php14.86) million in 2025.

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

The Company and its subsidiaries are not covered with any patent, trademark, copyright, franchise, concession or royalty agreements.

K) Government Approval of Principal Products or Services

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

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

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

M) Research and Development Activities

Not Applicable

N) Compliance with Environmental Laws

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

O) Manpower Count

The following table summarizes the actual manpower headcount for the fiscal years ending 2024 and 2025:

Employee Category	Actual Manpower as of	
	31-Dec-2025	31-Dec-2024
Department Heads	8	8
Managerial and Supervisors	5	5
Line Staff	4	4
Casual Direct	-	-
Total	17	17

Following a fire incident in March 2018 and the subsequent cessation of operations, the Company implemented a Permanent Lay-off effective 24 November 2018. This filing with the Department of Labor and Employment (DOLE) coincided with the dissolution of the Labor Union and the expiration of all existing Collective Bargaining Agreements (CBA).

On 01 October 2020, the Company filed a Temporary Lay-off covering 01 October 2020 to 31 March 2021. The Company filed an extension for another six (6) months from 01 April 2021 to 30 September 2021.

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

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

P) Additional Requirements as to Certain Issues or Issuers

As of 31 December 2025, the Company has a net worth of P1,640,454,518 and is not planning to issue any unsecured bonds for 2025.

ITEM 2. PROPERTIES

The principal property of the Company is a 22-storey building known as the Manila Pavilion Hotel located at the corner of United Nations Avenue and Maria Y. Orosa Street in Ermita, Manila. The Hotel featured 337 guestrooms and suites that were equipped with individually controlled central air conditioning, private bathrooms with bathtubs and showers, multi-channel radios, color TVs with cable channels, and telecommunications facilities.

It had three (3) function rooms and one (1) of these was the Alcuaz Room which could accommodate 250-300 guests. The hotel had approximately 2,200 sq. meters of meeting/banquet/conference facilities, and also housed several restaurants, such as Seasons Café (coffee shop), the El Rey (bar & lounge) and the Patisserie (bakeshop and deli items). Other guest services and facilities include a

chapel, swimming pool, gym, business center and a valet-service basement car park. Concessionaires and tenants include beauty salons, foot spas, photography services, transportation services, travel agency, flower shop and boutiques. In addition, Casino Filipino – Pavilion, owned and operated by PAGCOR, occupied 12,696.17 square meters of space across the first (1st), second (2nd), third (3rd), fourth (4th) and fifth (5th) floors.

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

On 18 March 2018 a fire broke out in APHC's hotel 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 23 April 2018, the cause of the subject fire has been declared and classified as an accident. APHC incurred casualty losses due to damages on its inventories and hotel property (see Notes 6 and 9). APHC has filed for property damage and business insurance claims from its insurance companies, and the insurance claims were finalized in 2020 amounting to PhP1.72 billion. As at 31 December 2024, total amount of insurance was already collected. As at 31 December 2020 and 2019, APHC recognized gains on insurance claims amounting to PhP854.52 million and Php234.09 million, respectively, of which PhP850.22 million and PhP431.25 million were received in 2020 and 2019, respectively.

To Illustrate:

Period	Event/Milestone	Recognized Gain (PhP)	Amount Collected (PhP)	Notes
2018	Fire Incident (18 March 2018)	-	-	Operations suspended. Bureau of Fire Protection classified as accident
2019	Interim Recognition	234.09 million	431.25 million	Initial insurance recovery process
2020	Settlement Finalized	854.52 million	850.22 million	Total claimed finalized at PhP1.72 billion
2021-2023	Ongoing Collection			Period between finalization and full recovery
2024	Full Recovery		Full Balance	Total amount confirmed collected as of 31 December 2024.

The Company had structured the development into a phased construction program to facilitate market presence, with Phase 1 slated for completion in 2026 and Phase 2 in 2027. However, several intervening events, such as the weak Chinese gaming market, the rising popularity of online gaming vis-à-vis land-based casinos, and the high oil prices from the Iranian war, have made it prudent to pause the reconstruction activities until such time that the capital expense becomes justifiable with improved tourist arrivals and a more agreeable business climate, which is hopefully forecasted for 2028. Until such time, management intends to continue appropriate maintenance activities to keep the hotel superstructure in good physical condition.

ITEM 3. LEGAL PROCEEDINGS

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

The case involved a Petition for Prohibition and Mandamus (the 1st petition), with application for the issuance of a Temporary Restraining Order (TRO) and writ of preliminary injunction filed by the Parent Company against PAGCOR and Vanderwood Management Corp. (VMC). The Parent Company filed this case to assail PAGCOR's award of VMC of a procurement project entitled "Lease Space for a Casino Gaming Facility in Manila for a Period of Fifteen (15) Years" under

Invitation to Bid No. 09-16-2014 for being violative of the laws and rules on government procurement.

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

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

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

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

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

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

In its Orders dated January 28 and February 18, 2019, the Court admitted VMC and PAGCOR's respective documentary evidence, despite the Parent Company's objections and comments. After the parties filed their respective memoranda, the case was submitted for decision. In its decision dated June 28, 2019, the Court dismissed the Parent Company's Petition. The Parent Company filed its Motion for Reconsideration on August 12, 2019, which the Court denied in its Resolution dated October 11, 2019.

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

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

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

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

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

On October 21, 2016, the Parent Company filed with the CA a Petition for Certiorari (the 2nd petition), with application for TRO and/or writ of preliminary injunction, to assail the Court's

resolutions dated June 18, 2015 and August 1, 2016. VMC and PAGCOR filed their respective comments to the 2nd petition, to which the Parent Company filed its Consolidated Reply on December 19, 2016.

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

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

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

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

The late National Artist Federico Aguilar Alcuaz ("Mr. Alcuaz") resided in Waterfront Manila Pavilion Hotel (the "Hotel") since 1968 and treated the same as his home until his demise in 2011. After his death, an issue arose regarding who had legal rights over his artworks, some of which were already taken by his alleged heirs, while fifteen (15) remained within the premises of the Hotel.

On 26 May 2016 the alleged heirs of Mr. Alcuaz filed a Complaint for Specific Performance/Damages before the Regional Trial Court of Manila ("RTC"), docketed as Civil Case No. 16-135879. The case was raffled to Branch 52.

On 27 December 2023, the RTC rendered its Decision dismissing the case. Aggrieved, the alleged heirs elevated the case before the Court of Appeals ("CA"), docketed as CA-G.R. CV No. 123865.

Both parties have already filed their respective Memoranda before the CA.

4. People of the Philippines v. Lorna Bianes

Accused Lorna Bianes, together with her husband Joseph Bianes, obtained hotel accommodation and incurred PhP1,385,195.74 in hotel bills. Of this amount, PhP286,408.75 remains unpaid and outstanding. On 23 August 2005, Bianes attempted to leave the hotel without first paying the outstanding hotel bills, prompting the Hotel to bring Bianes to the police authorities and file a complaint for *estafa*.

The Information was filed on 2 September 2005. The prosecution rested its case on 12 April 2006. During the hearing on 25 July 2006, the accused's counsel waived her right to present her evidence and instead moved for the filing of *Memorandum*; the parties filed their respective *Memoranda*. The Decision was rendered on 2 October 2006, finding accused Lorna Bianes y Saclolo guilty of the crime charged and sentencing her to suffer the indeterminate penalty of 6 months and 1 day to 8 years and to indemnify the private complainant, Manila Pavilion Hotel, the amount of PhP286,408.75. The bond posted for her provisional liberty was thereby cancelled.

On 8 November 2006, accused filed her Notice of Appeal. Accused-appellant filed a *Motion for Extension of Time to file Appellant's Brief* until 06 October 2007.

The appealed Decision dated 2 October 2006 was reversed and set aside, and accused-appellant was acquitted of the crime of *estafa*. However, accused-appellant was ordered to pay her civil liability in the amount of PhP286,408.75, subject to legal interest of six percent (6%) per annum, computed from the date of filing the *Information* until the finality of the decision. Thereafter, the interest rate shall be at twelve percent (12%) until the civil liability is fully satisfied. [Note: The OSG represented the People of the Philippines as appellee.

Proceedings before the RTC-Branch 21, Manila. On 7 August 2008, Complainant filed a Motion for

Execution at the RTC, Br. 21, Manila, and it was set for a hearing on 15 August at 8:30 am.

In the hearing on 15 August 2008, counsel for the accused was not present. The judge asked the undersigned if we knew of the properties of the accused which may be subject of execution and then the motion was submitted for resolution. On 10 September 2008, Complainant received the *Order* dated 29 August 2008 granting our motion and directing the Branch Clerk of Court to issue the corresponding *Writ of Execution*. On 11 December 2008, we filed *Motion for Appointment of Special Sheriff*. On 22 January 2009, we received *Order* dated 19 December 2008 granting the motion, naming Sheriff Nathaniel Abaya of the OCC as Special Sheriff of purposes of implementing the decision of this court. As of today, we are unable to locate any leviable asset owned by the accused.

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

This is a complaint filed by the Hotel against defendant for collection of sum of money with damages. The Hotel contracted the services of the defendant to supply towels, bed sheets and pillow cases, for which the Hotel paid the defendant the amount of P1,063,800.00 as downpayment. Defendant, however, failed to complete delivery and supplies on their due dates. Moreover, those delivered were substandard and in violation of the specifications of the Hotel. The Hotel gave the defendant several extensions to deliver the contracted items but the latter still failed to comply with its obligation under the contract. Thus, the suit was filed against the defendant to recover the unconsumed down payment of the Hotel in the amount of PhP434,815.00.

On 5 September 2007, defendant filed a *Motion to Dismiss* on the ground that a rehabilitation case was filed by defendant in another court and a "stay order" has been issued. On 20 September 2007 we filed our *Comment on the Motion xxx*. On 24 October 2007, we received defendant's Motion for Leave to admit attached reply.

On 30 May 2008, we received the *Order* dated 08 April 2008 suspending this case pending further development in the rehabilitation proceedings. On 18 March 2009, we received *Order* dated 27 January 2009 archiving this case considering the length of time that this case had been suspended.

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

This is an action for Rescission with Damages and Application for Writ of Preliminary Attachment filed by Acesite against First Defense Enterprises represented by Lorie Dulay, seeking the reimbursement of the amount of PhP2,808,000.00 paid by Acesite to Lorie Dulay in consideration of the contract for the rehabilitation of the hotel's fire alarm system, stipulated liquidated damages in the amount of PhP608,400.00 and additional damages by way of penalty in the amount of PhP200,000.00.

Our Application for a Writ of Preliminary Attachment was denied. We filed our Motion for Reconsideration.

On 20 February 2008, we received *Order* dated 9 January 2008 setting aside the *Order* dated 2 July 2007 and issuing a Writ of Preliminary Attachment against the defendant requiring the sheriff of the court to attach the properties of said Lori Dulay doing business under the name of First Defense Enterprises not exceeding Two Million Eight Hundred Thousand Pesos (PhP2,800,000.00) in value, within the jurisdiction of the court and not exempt from execution upon the filing by the plaintiff of a bond duly approved by this Court in the sum of Two Million Eight Hundred Thousand Pesos (PhP2,800,000.00).

On 5 June 2009, we filed a Motion to Direct Garnishee-Banks Citibank and Banco de Oro Unibank to Deliver the Garnished Deposit to the OCC-RTC, Manila.

On 10 June 2009, we received an *Answer with Compulsory Counterclaim* filed by Lorie Dulay. On 22 July 2009, we filed *Reply to Answer with Compulsory Counterclaim*.

On 09 November 2011, we received the *Order* dated 17 October 2011 denying the *Motion to Direct Garnishee Bank to Deliver Garnished Deposit to the OCC RTC*, Manila. Plaintiff was directed to file

Comment within 10 days from receipt of the *Order* on the issue raised by defendant regarding the failure to submit affidavit during the hearing on the application for preliminary attachment. Thereafter, the incident was submitted for resolution. The case was sent to the archives and hearing was suspended.

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

On 12 November 2019, we received the Decision in favor of Acesite ordering defendant Dulay to return PhP 2,808,000.00 and pay liquidated damages in the amount of PhP617,760.00 to Acesite. To date, the whereabouts of defendant Dulay is unknown and we are unable to locate any properties of defendant Dulay.

7. People of the Philippines v. Josefa Buazon

This is a complaint for Qualified Theft against Renato B. Baron, Sheriff of RTC of Pasig (assigned in the City of San Juan, Br. 264 filed by Acesite (Phils.) Hotel in connection with the implementation of the Writ of Preliminary Attachment dated 24 September 2008 issued by the Court relative to Civil Case No. 71686-J entitled Edgar L. Ti v. Waterfront Manila Pavilion. On August 2010, the Office of the City Prosecutor issued a Resolution finding probable cause for the crime of Qualified Theft against the Sheriff. Criminal Case No. 143466 was raffled to Branch 160, RTC, San Juan City. The Sheriff is at large and yet to be arrested.

8. People of the Philippines v. Josefa Buazon

In March 1996, the Women Sports Foundation – Philippines contracted for food and accommodation services from the Hotel on the occasion of the 1st International Council on Health, Physical Education, Recreation and Dance Meet in the Philippines. The founding president, Ms. Josefa Bauzon, issued as payment two checks [one for PhP33,000.00 and the other for PhP100,000.00] which were both dishonored due to lack of sufficient funds. Despite demands, Josefa Bauzon failed to pay her account with the Hotel. She was sued for violation for BP. Blg. 22.

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

9. Dean Bernal et al., u. NLRC, et al.

On 12 October 2018, WMPH separated from employment all of remaining rank and file and supervisory employees on account of the indefinite suspension of its operation resulting from fire that occurred on 18 March 2018.

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

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

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

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

On 19 November 2021, we received the Decision dated 31 August 2021 of the NLRC affirming the Decision dated 24 February 2021 of the Labor Arbiter.

On 10 December 2021, we received the Motion Reconsideration filed by the complainants. On 11 March 2022, received the Resolution of the NLRC denying the Motion Reconsideration.

On 12 May 2022, we received the Petition for Certiorari filed by the three (3) remaining complainants before the Court of Appeals. On 30 August 2022, we filed our Comment/Opposition thereto.

In the Decision dated September 12, 2024, the Court of Appeals dismissed the Petition for Certiorari. A Motion for Reconsideration was filed by petitioners. We filed our Comment/Opposition on December 13, 2024.

On April 4, 2025, we received a copy of the Petition for Review on Certiorari filed by the petitioners before the Supreme Court. Awaiting the action of the Supreme Court on the matter.

**10. Jessie Dela Cruz Franco, et al., u. Acesite (Phils.) Hotel Corporation
NLRC NCR Case No. 02-00966-22, Now entitled Porferio K. Ribleza,
et al. v. National Labor Relations Commission, et al.**

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

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

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

On 18 August 2022, complainant Jessie Dela Cruz Franco filed his Memorandum of Appeal. Acesite filed our Comment/ Opposition on 30 August 2022.

On 5 September 2022, we received a Motion to Admit Amended Memorandum of Appeal filed by the complainants Porferio K. Ribleza and Leopoldo M. Vergara Jr. On 10 October 2022, we filed our Vehement Opposition to the motion.

On 15 August 2023, we received the Decision dated 31 July of the NLRC dismissing the appeal of complainants. On 13 September 2023, we received the Motion for Reconsideration filed by the complainants.

On January 5, 2024, we received the Resolution of the NLRC denying Motion for Reconsideration filed by the complainants Porferio K. Ribleza and Leopoldo M. Vergara Jr.

Only Porferio K. Ribleza and Leopoldo M. Vergara Jr. Filed Petition for Certioran to the Court of Appeals under CA-G.R. No. 183040 on March 14, 2024.

Acesite filed our Comment/Opposition on June 19, 2024 and Memorandum on November 18, 2024. Awaiting decision of the Court of Appeals.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The minutes of the Annual Meeting of Stockholders dated 28 August 2025 together with the Annual Report and Audited Financial Statements for the calendar year ended 31 December 2025.

The law firm of Corporate Counsels, Philippines Law Offices, which acted as the legal counsels of the Company since 24 June 2004, stood for reelection at the 28 August 2025 stockholders' meeting. The accounting firm of R.G. Manabat & Co., formerly KPMG Manabat, Sanagustin & Co., has acted as the External Auditors since 2008, also were re-appointed by the shareholders.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

A. Market Information

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

Quarter	2025		2024	
	High	Low	High	Low
1 st	1.49	1.49	1.77	1.76
2 nd	1.35	1.35	1.65	1.63
3 rd	1.44	1.44	1.59	1.58
4 th	1.20	1.20	1.78	1.70

The last trading price was Php 1.36 on 29 May 2026.

B. Holders

The Company had 208 registered stockholders as of 31 December 2025. The top 20 stockholders are as follows:

No.	Top 20 Stockholders as of 31 December 2025	No. Shares	% Holdings
1	WATERFRONT PHILIPPINES, INC.	192,045,057	55.49%
2	PCD NOMINEE CORPORATION	80,333,460	23.21%
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	52,727,475	15.23%
4	NICKELL INTERNATIONAL LTD.	8,935,710	02.58%
5	ACESITE (PHILIPPINES) HOTEL	1,353,000	00.39%
6	ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394	00.25%
7	TANSECO, GENEROSO	714,857	00.21%
8	UNITED PHILIPPINE LINES	714,854	00.21%
9	TAN, JESUS M. (HEIRS OF)	595,728	00.17%
10	BAUTISTA, DOMINGO C.	476,574	00.14%
11	NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508	00.09%
12	MARIN DUQUE MINING & INDUSTRIAL CORPORATION	278,001	00.08%
13	MENZI, HANS (ESTATE OF)	278,001	00.08%
14	WELLS AND PUMPS INC.	278,001	00.08%
15	ROSARIO, FRANCISCO DEL	258,146	00.07%
16	CARLOS, GLORIA S. (HEIRS OF)	218,428	00.06%
17	SANCHEZ, ANDREW A.	198,579	00.06%
18	TULIO, ERMINDA L.	198,576	00.06%
19	WESTERN STEEL INC.	198,576	00.06%
20	COJUANGCO, RAMON (HEIRS OF)	198,576	00.06%

C. Dividends

D. Recent Sales of Unregistered or Exempt Securities

There are no recent sales of unregistered or exempt securities.

ITEM 6. MANAGEMENT’S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

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

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

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

Results of Operation (Amount in Php)	2025	2024
Revenues	-	-
Less: Costs and Expenses	113,524,208	97,032,596
Gross Expense	(113,524,208)	(97,032,596)
Other (Expenses) Income	(21,214,540)	15,327,265
Net Income (Loss) Before Income Tax	(128,987,074)	(81,705,331)
Income Tax Expense (Benefit)	(27,287,344)	(4,461,191)
NET INCOME (LOSS)	(107,451,404)	(77,244,140)
Earnings (Loss) Per Share	(0.31)	(0.22)

Financial Condition (Amount in Php)	2025	2024
ASSETS		
Current Assets	48,150,432	251,000,569
Noncurrent Assets	2,820,474,627	2,626,481,359
Total Assets	2,868,625,059	2,877,481,928
LIABILITIES		
Current Liabilities	948,901,941	871,757,497
Non-current Liabilities	279,268,600	292,188,784
Total Liabilities	1,228,170,541	1,163,946,281
Total Stockholders' Equity	1,640,454,518	1,713,535,647
Minority Interest	730,166,306	762,694,716
Total Liabilities & S/H Equity	2,868,625,059	2,877,481,928

- Revenues from lease activities (Revenues - Rental): No rental revenues for the year 2025 and in 2024 due to the temporary cessation of operations starting March 2018.
- Revenues from Rooms (Revenues - Rooms): No room revenues for the year 2025 and in year 2024 due to temporary cessation of operations starting March 2018.
- Revenues from Food and Beverage (Revenues - F&B): No F&B revenues for the year 2025 and in year 2024. F&B revenue has been affected since the closure of the outlets due to the fire incident in March 2018.
- Revenues from Others: No Other revenues were recorded for the year 2025 and in year 2024.
- Cost of Sales (F&B): No F&B cost of sales for 2025 and year 2024 due to the closure of outlets in March 2018.
- Personnel: Personnel costs for the year ended 31 December 2025 amounted to P20.80 million as compared to P22.56 million in the year 2024. The decreased in Personnel Cost was due to the lower headcount.
- Energy Cost: Energy cost for the year amounted to P1.99 million as compared to 2024 of P2.40 million. A decrease of P0.41 million was recorded due to decrease on charges for water and electricity.

- Other operating expenses: These are various cost and expenses under different departments which summed up to P90.74 million in the year 2025 as compared to 2024 of P72.07 million, due to additional provision on doubtful accounts.
- Depreciation: Depreciation expense recorded P21.97 million and P19.57 million in 2025 and 2024, respectively.
- Due from Related Party: Due to related parties of 31 December 2025 amounted to P70.53 million as compared to that as of 31 December 2024 of P71.16 million.

ITEM 7. FINANCIAL STATEMENTS

The Audited Financial Statements as of 31 December 2025 and 31 December 2024 and Statement of Management's Responsibility are attached hereto as **Annex "A"**

The exhibits attached to the financial statements are in addition to the information disclosed in the annual reports for the year ended 31 December 2025 and for the year ended 31 December 2024.

Item 8. Information on Independent Accountant and Other Related Matters

1. External Audit Fees and Services

KPMG R.G. Manabat & Co. is the external auditor of the financial statements of Waterfront Philippines, Inc. and its subsidiaries for the calendar year ended 31 December 2025:

	FOR THE CALENDAR YEAR ENDED DECEMBER 31,	
	2025	2024
<i>Aggregate Fees Billed for the external audit of the Company's financial statements</i>	570,000	550,000

2. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Accounting Firm of R.G. Manabat & Co. is the elected External Auditor for Acesite (Phils.) Hotel Corporation. In compliance with SEC Memorandum Circular No. 8, Series of 2003, the financial statements for the year ended 31 December 2025 were audited by the accounting firm of R.G. Manabat & Co., while prior years financial statements for the years ended 31 December 2005, 31 December 2006 and 31 December 2007, were audited by the accounting firm of SGV and Company.

Starting with the financial statements 31 December 2008 up to 31 December 2025 audit was undertaken by the accounting firm of R.G. Manabat & Co., formerly KPMG Manabat, Sanagustin & Co., and there have been no disagreements with the independent accountants.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

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

1. **Arthur M. Lopez**, Filipino, 79, Director, Principal Consultant of AML Hotel Consultants, an independent Hotel Consultancy engaged in Hotel Design Development/Technical Services, Hotel Feasibility Study, Pre and Post Hotel Opening Services and Asset Management/Owner's Representative. He is currently the Management Consultant of the Bellevue Bohol Resort in Panglao, the Bellevue Hotel Manila, The B Hotel Manila; Director of Asia Pacific Top Management International Resources Corporation (Federal Land), owner of Marco Polo Cebu; Director of Philippine Estates Corporation, a public listed company - Philippine Stock Exchange (PSE); Chairman of Acesite Philippines Hotel Corporation, a public listed company - Philippine Stock Exchange (PSE), owner of Waterfront Manila Hotel and Casino (Formerly Manila Pavilion Hotel); Director of Waterfront Hotels and Casinos, a public company- Philippine Stock Exchange (PSE). He is currently working on several hotel developments in the Philippines. He was recently the Management Consultant and assisted in the management and technical services agreement negotiation of Federal Land's Grand Hyatt Project at the Fort Bonifacio, Taguig City; Owner's Representative and Advisor of Four Points by Sheraton Kuching, Sheraton Beach Resort Langkawi, Malaysia, Helang Airport Hotel Langkawi, Malaysia, Santubong Resort Langkawi, Malaysia and Four points by Sheraton Langkawi in Malaysia. He negotiated the management contract and conversion to franchise agreement with Starwood Hotels and Resorts of these properties in Malaysia. He was the Pre-Opening Hotel Management and Technical Services Consultant of Bloomberry Casino Hotels & Resorts/Solaire Hotel and Casino; Regional Director/Asia Pacific of Palmerston Hotels & Resorts; Senior Adviser of Department of Tourism, Philippines; General Manager of Sheraton Hotels in Melbourne, Darwin, Alice Springs and Ayers Rock in Australia, Sheraton Auckland, New Zealand and Westin Philippine Plaza. Resident Manager of Century Park Sharaton Manila, Vice President and Area Manager of ITT Sheraton Australia; Country Manager Philippines of Starwood Hotels and Resorts; Philippine Representative of Caesar's Palace; Management Consultant at the Rarotongan Beach Resort & Spa and the Aitutaki Lagoon Resort and Spa in Cook Islands. He was the Asia Pacific and Country Manager of CCA International Ltd., Managers of 45 clubs worldwide including the Tower Club Manila. He held various Management positions in Sales and Marketing, Rooms Division and Food & Beverage in ITT Sheraton Hotels and Hilton International. Mr. Lopez has also completed hotel and business club consultancy work in Japan, Palau, China, Vietnam and Indonesia. He holds a Bachelor of Science in Commerce degree, Major in Management, a Master's Degree in Business Administration (MBA), both from the University of Santo Tomas in the Philippines and Tourism Management at the East-West Center in Honolulu, Hawaii, USA.
2. **Elvira A. Ting**, Filipino, 65, Director and Treasurer, Director and Treasurer of the Company since 24 June 2004. She earned her bachelor's degree in business administration, major in management, from the Philippine School of Business Administration. She has been a director of WPI since October 2000. She is concurrently, the vice-chairperson and a director of Forum Pacific Inc. She is president of Phil. Estates and vice president of Wellex Industries, Inc. She is a director of Orient Pacific Corporation, Crisanta Realty Development Corporation, Recovery Development Corporation and the Wellex Group, Inc. She is the corporate treasurer of Pacific Rehouse Corp and the chairman and president of Rexlon Realty Group Inc and Heritage Pacific Corp.
3. **Arthur R. Ponsaran**, Filipino, 82, Director and Corporate Secretary, Director and Corporate Secretary of the Company since 24 June 2004, earned his Bachelor of Laws

from the University of the Philippines. He is also a Certified Public Accountant. He is the Managing Partner of Corporate Counsels, Philippines Law Office. He is also the Corporate Secretary of, among others, Waterfront Philippines, Inc., Chemrez Technologies, Inc. and director of D&L Industries and MRL Nickel Philippines, Inc. Mr. Ponsaran is a member of the Integrated Bar of the Philippines and the New York Bar as well as the Philippine Institute of Certified Public Accountants.

4. **Sergio R. Ortiz-Luis, Jr.**, Filipino, 82, Director, He has degrees of Bachelor of Arts and Bachelor of Science in Business Administration from De La Salle University; PhD Humanities from Central Luzon State University, PhD Business Technology from Eulogio "Amang" Rodriguez Institute of Science and Technology. He is the President of Philippine Exporters Confederation, Inc. An Honorary Chairman of Philippine Chamber of Commerce & Industry, Employers Confederation of the Philippines as well as Integrated Concepts & Solutions, Inc. He is the Chairman of National Center for Mediation. He is the Vice Chairman of the Alliance Global, Inc., Export Development Council and JARDELI Club Foundation. He is a Director of Manila Exposition Complex, Inc. Lasaltech Academy, Philippine Estate Corporation, BA Securities, Rural Bank of Baguio, PILAK Foundation, Universal Access Center Trade, Philippine International Training Corporation, Philippine Foundation, Inc. (Team Philippines), Forum Pacific, Inc., Calapan Ventures, Inc., and Jollville Holdings Corporation. A Founding Director of International Chamber of Commerce of the Philippines and GSI. He is also a member of the Board of Advisers of Southville International School and Colleges. He is a commissioner of Patrol 117. He is also a Chairman of Rotary Club of Green Meadows Foundation. He is the past president of Rotary Club Green Meadows Quezon City RI District 3780; Private sector representative of the Philippine Bamboo Council, a senator of Philippine Jaycee Senate, Captain of Philippine Coastguard Auxiliary. He is the Honorary Consul General of Consulate of Romania in the Philippines, a Treasurer of Consular Corps of the Philippines and an Honorary Adviser of International Association of Education for World Peace. A BPLS Champion in National Competitiveness Council. Some Awards that he received were International Peace Award for Economic Development in 2005, Most Outstanding Citizen of Nueva Ecija in the field of business in 2005 also, Most Outstanding Pasigueno in 2006, Ulirang Arna also in 2006, Presidential Merit Award Medal in 2007 and ORAS Award in 2011. He became an Independent Director of Waterfront Philippines, Inc. since August 2009 to present and an Independent Director of Acesite (Phils) Hotel Corp since February 2013 to present.
5. **Lamberto B. Mercado, Jr.**, Filipino, 61, Director, Vice-President for Legal of the Wellex Group, Inc. He was elected as one of the Directors of the Company since 24 June 2004. He is a graduate of the Ateneo de Manila University School of Law. Atty. Mercado is a certified public accountant. Prior to his post in Wellex Group, he was connected with the Subic Bay Metropolitan Authority (SBMA). From November 1993 to July 1997, he was the chief of staff of SBMA. He also served as president of the Freeport Service Corporation in SBMA from August 1996 to January 1998. He was appointed deputy administrator for administration in February 1997, a post he held until August 1998. Currently a Director of the following publicly listed companies: Waterfront Phils. Inc., Wellex Industries, Inc., Forum Pacific, Inc., Metro Alliance Holdings & Equities Corp. and Acesite (Phils.) Hotel Corporation.
6. **Pablo M. Gancayco**, Filipino, 68, Director, Director of the Company since 24 June 2004, is a senior partner of the Gancayco, Balasbas & Associates Law Offices. He obtained his bachelor of arts in political science and bachelor of laws from the University of the Philippines. He took a masteral level intensive course on industrial property from the University Robert Schuman in Strasbourg, France. His expertise is in Intellectual Property Law and holds the posts of president and director of the Intellectual Property Association of the Philippines (the association of all intellectual property law practitioners in the Philippines) council member and country head of the Asian Patent Attorneys Association and councilor of the ASEAN Intellectual Property Association. He is the Philippine group head to the Association Internationale pour la Protection de la Propriete Industrielle. He is also adept in litigation and corporate law practice. At present, Atty. Pablo M. Gancayco is a director of the Freeport at Bataan, a Past District Governor of Rotary International District 3780, the past Chairman of the Board of Philippine College of Rotary Governors and the

Philippine Rotary Magazine Foundation, an officer and member of other corporations, foundations and organizations. Representative of RI District 3780 to the 2016 Council on Legislation.

7. **Dee Hua Gatchalian**, Filipino, 77, Director, Director of the Company since 19 July 2005. Mrs Gatchalian is the Executive Vice-President of the Wellex Group, Inc., and also the Executive Vice-President of Plastic City Corporation. She is concurrently a director in Philippine Estates Corporation, and Waterfront Philippines, Inc. Mrs. Gatchalian graduated with a degree in Medical Technology from the Far Eastern University in 1970. In addition to her numerous positions in business firms, she is the Chairperson of Jesus Our Life Ministries, Inc., a non-profit, non-stock organization duly registered with the Securities and Exchange Commission and a Chairperson of Dakilang Handog Foundation, a non-profit, non-stock organization.
8. **Ruben D. Torres**, Filipino, 84, Director, graduated in the University of the Philippines with a degree of Bachelor of Arts (Political Science) after which, he finished the degree of Bachelor of Laws at the same university. Presently he is also the President of BPO Workers Association of the Philippines and Senior Partner of Torres Caparas Torres Law Office. He is associated with the Integrated Bar of the Philippines and Philippine Academy of Professional Arbitrators. His former positions include being a Member of the House of Representatives of the 2nd District of Zambales, Executive Secretary of the Office of the President in Malacañang, Secretary of the Department of Labor and Employment. Mr. Torres became an Independent Director of Waterfront Philippines, Inc. since August 2006-present. Member of Board of Advisers, TYTANA Colleges, Owner of Kitsie's Farms, Iba Zambales and CEO of Optimus Medical Care and Trading Corporation.
9. **Renato C. Francisco**, Filipino, 77, Director, Justice Renato Francisco graduated Bachelor of Laws at Ateneo de Manila University. From 1974 to 1987, he was involved in the private practice. In 1987, he started working as Assistant Provincial Prosecutor at the Office of the Provincial Prosecutor - Rizal and, later became Assistant City Prosecutor in Makati City. He became Executive Judge at the Regional Trial Court -- Branch 19 in Malolos, Bulacan. On May 31, 2012, he was appointed as Associate Justice of Court of Appeal. He Retired as Associate Justice on August 20, 2018.
10. **Noel M. Carinio**, Filipino, 71, Director, Studied Bachelor of Science in AB Philosophy at the University of Sta. Tomas. He is the Founder and Former President of Fil• Estate Realty Corporation; Founder and President of War Against Poverty Foundation; Former Member and Commissioner of Presidential Consultative Commission; National President of Chamber of Real Estate and Builders Associations, Inc. (CREBA); Owner of Carino Development and Management Corporation (CDMC); Chairman and Founder of SunAsia Energy Inc.; Owner of Leon Philippe Industries, Inc.; Former Chairman of the Board of The Manila Time; Founder and Former Publisher of The Philippine Chronicles Media Corporation; Former Publisher of Punta; Founder and Former Publisher of Good Morning Philippines; Founder of Kilusan at Ugnayan ng Maralitang Pasiguenio, Inc. (KUMPAS); Founder of Lakas Pilipino; and Director of Metro Global Holdings Corporation.
11. **Aristeo R. Cruz**, Filipino, 59, Director, Atty. Aristeo Cruz studied Bachelor of Commerce Major in Accounting from De La Salle University Manila and Bachelor of Laws from the New Era University. He is a member of the Philippine Bar and also a Certified Public Accountant. He is currently the Vice Chairman/Director Dean of Meycuayan College, Inc.; Vice President/Compiler of Liberty Bank (A Rural Bank), Inc; Founding and Managing Partner of Cruz Altares & Associates Law Office (formerly Cruz, Castro & Altares Law Office); President and Chief Operating Officer (COO) of Idealand Realty & Development Corporation, and Statosphere Realty & Development Corporation; Director and Corporate Secretary of Philstar Innovation Realty Corporation; President of Jose & Luz Locsin Foundation, and Waterstreet Realty Corporation; Corporate Secretary of Justino Emilia Realty and Management & Development Corporation; and Director of Metro Alliance Holdings and Equities Corp.

12. **Richard L. Ricardo**, Filipino, 62 Mr. Ricardo is the President of the Company and currently the Vice President for Strategic Initiatives of The Wellex Group, Inc. He is a graduate of the Ateneo de Manila University with degrees in Management and Economics. He started in banking and corporate lending with the Far East Bank and Trust Company and later handled corporate planning for the Philippine Banking Corporation. He has previously worked with AEA Development Corporation, an investment house, and he has also served in the government under the Department of Finance.

Mr. Renato C. Francisco, Mr. Noel M. Carinio, and Aristeo R. Cruz are currently independent directors and will continue to serve as such upon re-election. Per recommendation of the Nominations Committee headed by Atty. Lamberto B. Mercado, Jr., the following will be nominated as executive officers at the Organizational Meeting of the Board of Directors:

Mr. Arthur M. Lopez	- Chairman
Mr. Sergio R. Ortiz-Luiz, Jr.	- Vice-Chairman
Mr. Renato C. Francisco	- Lead Independent Director
Mr. Richard Ricardo	- President
Ms. Elvira A. Ting	- Treasurer
Atty. Arthur R. Ponsaran	- Corporate Secretary
Atty. Amando J. Ponsaran Jr.	- Assistant Corporate Secretary
Atty. Lamberto B. Mercado, Jr.	- Chief Risk Officer
Atty. Jerraemie Nikka Patulot	- Compliance Officer

Family Relationships

Except for the sister relationship of Ms. Dee Hua T. Gatchalian and Ms. Elvira A. Ting, there are no family relationships among the officers listed.

Involvement in Legal Proceedings of Control Persons

None of the directors and executive officers was involved in certain legal proceedings during the past five (5) years. Neither have they been convicted by final judgment in any criminal proceedings, or been subject 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, commodities or banking activities, nor found in an action by any court or administrative bodies to have violated a securities and commodities law.

ITEM 10. EXECUTIVE COMPENSATION

General

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

Compensation Table

	2025	2024
Officers and Directors	7,093,426	8,106,946
Bonus & Compensation	-	-

Compensation Plan of Directos

The members of the Board of Director are elected for a term of one year. Director per diems are pegged at a rate of P10,000.00 per board meeting. Except for the Chairman and the CEO, Directors, are not entitled to compensation package. Except as herein mentioned, no director received bonuses or profit sharing plans for the years ended 31 December 2025 and 31 December 2024.

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

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

Warrants and Options Outstanding: Repricing

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

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners

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

Title of Class	Name and Address of Record	Beneficial Owner	Citizenship	Number of Shares	%
Common Shares	Waterfront Philippines, Inc. No. 1 Waterfront Drive Off Salinas Drive Lahug, Cebu City 6000	Owner	Filipino	192,045,057	55.49%
Common Shares	PCD Nominee Corporation MSE Building, Ayala Avenue, Makati City	Various Clients	Filipino	80,333,460	23.21%

WPI is a publicly listed corporation on the Philippine Stock Exchange. The board of directors of WPI, as a group of natural persons acting together, directs the voting disposition of shares by WPI. The following are directors of WPI: Mr. Sergio R. Ortiz-Luiz, Jr., Ms. Elvira A. Ting, Mr. Arthur M. Lopez, Ms. Dee Hua T. Gatchalian, Mr. Aristeo R. Cruz, Mr. Josaias T. Dela Cruz, Atty. Ruben D. Torres, Atty. Lamberto B. Mercado, Jr., and Mr. Renato C. Francisco.

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

Security Ownership of Management

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

Title of Class	Name Beneficial Owner	Position	Citizenship	Nature and Amount of Ownership		%
Common	Arthur M. Lopez	Chairman	Filipino	D	350	0.00%
Common	Elvira A. Ting	Treasurer	Filipino	D	350	0.00%
Common	Ruben D. Torres	Director	Filipino	D	100	0.00%
Common	Sergio R. Ortiz-Luiz, Jr.	Director	Filipino	D	350	0.00%
Common	Pablo M. Gancavco	Director	Filipino	D	350	0.00%
Common	Lamberto B. Mercado, Jr.	Director	Filipino	D	350	0.00%
Common	Renato C. Francisco*	Director	Filipino	D	100	0.00%
Common	Noel M. Carino*	Director	Filipino	D	100	0.00%
Common	Aristeo R. Cruz*	Director	Filipino	D	3,500	0.00%
Common	Dee Hua Gatchalian	Director	Filipino	D	3,850	0.00%
Total Beneficial Ownership					9,400	0.00%

*Independent Director D – Director I – Indirect

The beneficial ownership of directors and executive officers as a group amount to 9,400 shares or 0.0027% of the Company shares. No director has any warrants, stock rights or options that would give the right to acquire additional shares.

Voting Trust Holders of 5% or More

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

Changes in Control

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

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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

PART IV – CORPORATE GOVERNANCE

ITEM 13. CORPORATE GOVERNANCE

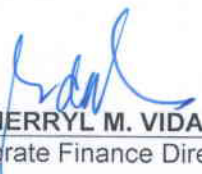
Please refer to separate “Annual Corporate Governance Report” to be submitted to the Securities and Exchange Commission

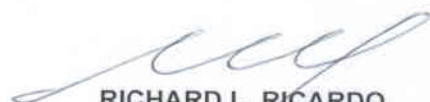
PART V – EXHIBITS AND SCHEDULES

ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

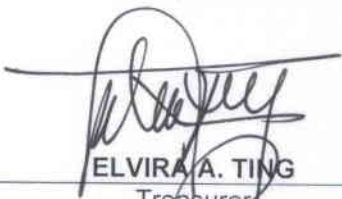
SIGNATURES

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 _____.


CHERRYL M. VIDAL
Corporate Finance Director


RICHARD L. RICARDO
President


ARTHUR R. PONSARAN
Corporate Secretary


ELVIRA A. TING
Treasurer

SUBSCRIBED AND SWORN to before me this JUN 11 2026 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.
PAGE NO.
BOOK NO.
SERIES OF


44
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
TIN No. 0367847; 01-05-2026; until 12-31-26 City of Manila
State Compliance No. VIII-0010142, Valid Until April 14, 2028

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
Stockholder MasterList
As of 12/31/2025

Page No. 1

Count	Name	Holdings
1	ABAD SANTOS, VICTOR E.	19,855
2	ACESITE (PHILIPPINES) HOTEL CORPORATION	1,353,000
3	ACOSTA, FRANCISCO P.	700
4	AGUAS, FORTUNATO	19,855
5	AGUILA, ARTHUR	19,855
6	ANDRADA CONSTRUCTION & DEV. INC.	99,291
7	ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394
8	ANTONIO, ARTURO	19,855
9	ANTONIO, SILVINO JR.	19,855
10	ANUP TRADING	198,576
11	AQUINO, ERNESTO R.	99,291
12	ARANETA, SALVADOR (HEIRS OF)	139,002
13	ARROYO, TOMAS	19,855
14	ASIAMERIT SECURITIES, INC. FAO MC142	1,984
15	ATILANO, VICENTE C.	3,500
16	AURELIO, MANUEL &/OR LILIA	39,714
17	AVENDANO, ANTONIO	1,298
18	AZORES, NORMA T.	196
19	BALUYUT, SISENANDO	148,928
20	BARREDO, LUISA	19,855
21	BAUTISTA, DOMINGO C.	476,574
22	BELLO JR., SILVESTRE H.	3,500
23	BENITEZ, CONRADO II	19,855
24	BONDOC, ANGELITA L.	19,855
25	BUGARIN, JOLLY R.	79,432
26	BUSUEGO, ARACELI A.	39,714
27	CABANERO, GILDA	19,855
28	CABANERO, LEONARDO	19,855
29	CABANERO, LORNA	19,855
30	CABANERO, MA. CECILIA	19,855
31	CABANERO, NORBERTO S.	19,855
32	CABANERO, REBECCA S.	19,855
33	CABANEZ, LORETO	19,855
34	CANCIO, AGUSTIN S.	79,429
35	CAPILITAN ANDRADA ENGINEERING CORP	99,291
36	CARINO, DANILO	19,855
37	NOEL MABUNAY CARIÑO	100
38	CARLOS, GLORIA S. (HEIRS OF)	218,428
39	CARLOS, MA. NELIA	19,855
40	CARPO, PIXIE R.	39,707
41	CASTILLO, DOMINGO	19,855
42	CASTRILLO, EDUARDO	19,855
43	CASTRO, FERNANDO L. (HEIRS OF)	39,707
44	CATO, BENJAMIN	19,855
45	CHAN, JEANIE	196
46	CHAVARRIA, BENEDICTO	39,707
47	CHEN PENG JING	700
48	CHICO, PACIFICO	19,855
49	CHIU KWOK SHING	700
50	CHOI, DAVIS	600
51	CHUA, VICENTE YU	59,570

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
Stockholder MasterList
As of 12/31/2025

Page No. 2

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

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
Stockholder MasterList
As of 12/31/2025

Page No. 3

Count	Name	Holdings
103	LAM, FRANCIS B.	196
104	LAND, FREDERICK JR. (HEIRS OF)	39,707
105	LAUREL, MA. PAZ R.	39,714
106	LAZARTE, GREGORIO (HEIRS OF)	39,714
107	LI HUI	700
108	LICAROS, GREGORIO JR.	39,714
109	LIM, CHOA	39,714
110	LIM, LEONOR D.	19,855
111	LIM, VICTOR Y.	19,855
112	LOPEZ, ARTHUR M.	350
113	LORENZO, LUISA DE R.	198,576
114	LUCIANO, VICTOR	19,855
115	LUCOT III, ISMAEL EUFEMIO S.	1,000
116	MACASAET, AMADO P.	19,855
117	MAGADIA, RENATO B.	350
118	FRANCISCO D. MAGSAYSAY	19,870
119	MARGARITA D. MAGSAYSAY	19,870
120	MAKALINTAL, QUERUBIN F.	59,570
121	MANILA SANDS HOTEL & CASINO, INC.	10,000
122	MARILEX REALTY DEVELOPMENT CORP.	39,714
123	MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001
124	MENZI, HANS (ESTATE OF)	278,001
125	MERCADO JR., LAMBERTO B.	350
126	MOSQUEDA, JOSE O.	39,714
127	NADAL, EDGARDO	39,714
128	NALDOZA, JOHN CLARK L.	199
129	NICKELL INTERNATIONAL LTD.	8,935,710
130	NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508
131	NICKELL INTERNATIONAL	55,601
132	ORTEGA, MANUEL JIZ DE (HEIRS OF)	39,714
133	ORTIZ, RICARDO L.	19,855
134	ORTIZ-LUIZ JR., SERGIO R.	350
135	PAILIAN, PETER GO	158,858
136	PALAD JR., ABELARDO C.	350
137	CYRIL S. PALLASIGUI	30,000
138	PATERNO, VICENTE	19,855
139	PCD NOMINEE CORPORATION (NON-FILIPINO)	52,715,475
140	PCD NOMINEE CORPORATION	80,333,460
141	PE, HARRY C.	794
142	PECAYO, DOMINADOR	19,855
143	PEDROSA, CARLOS A.	39,714
144	PEDROSA, PIO (HEIRS OF)	39,707
145	PELAEZ JR., EMMANUEL	196
146	PELAEZ, EMMANUEL	129
147	PHIL. INSTITUTE OF HOTEL ADMINISTRATION	39,707
148	PHILADELPHIA STEEL CORPORATION	19,855
149	PHILIPPINE TA SECURITIES, INC.	399
150	PONSARAN, ARTHUR R.	350
151	MARIA INES D. PRIETO	9,936
152	PUA, MARCIANA G.	19,855
153	PUGAO, RAMON	19,855

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
Stockholder MasterList
As of 12/31/2025

Page No.

4

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

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
Stockholder MasterList
As of 12/31/2025

Page No. 5

Count	Name	Holdings
205	YIU KIN WAI	129
206	YOUNG, BARTHOLOMEW D.	1,000
207	YU PUN HOI	392
208	YU, MANUEL L.	119,140
Total Stockholders :		346,100,578

COVER SHEET

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S.E.C Registration No.

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

(Company’s Full name)

7	T	H		F	L	O	O	R		M	A	N	I	L	A		P	A	V	I	L	I	O	N		
H	O	T	E	L	,			U	.	N	.		A	V	E	N	U	E		C	O	R	N	E	R	
M	.		O	R	O	S	A			S	T	R	E	E	T		E	R	M	I	T	A				
								M	A	N	I	L	A													

Business Address : No. Street City/Town Provinces

ARSENIO A. ALFILER, JR.

Contact Person

687-7536

Tel. No.

LIST OF TOP 100 STOCKHOLDERS REPORT
AS OF 31 DECEMBER 2025

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FORM TYPE

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Secondary License, (if applicable type)

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Dept. requiring this doc

N/A

Amended Articles number

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Total stockholders

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Domestic

Foreign

To be accomplished by SEC personnel concerned

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File Number

LCU

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Document I.D.

Cashier

STAMPS

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

Acesite (Phils.) Hotel Corporation
ACE

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

Type of Securities

☒ Common

For the period endedDec 31, 2025

Description of the Disclosure
ACESITE (PHILS.) HOTEL CORPORATION LIST OF TOP 100 STOCKHOLDERS AS OF DECEMBER 31, 2025

Number of Issued Common Shares	346,100,578
Number of Treasury Common Shares, If any	1,353,058
Number of Outstanding Common Shares	344,747,520
Number of Listed Common Shares	346,100,520
Number of Lodged Common Shares	133,048,935
PCD Nominee - Filipino	80,333,460
PCD Nominee - Non-Filipino	52,715,475
Number of Certificated Common Shares	213,051,643

Change from previous submission

TOP 100 AS OF 30 SEPTEMBER 2025
PCD Nominee – Filipino – 80,321,460
PCD Nominee - Non-Filipino – 52,727,475

TOP 100 AS OF 31 DECEMBER 2025
PCD Nominee – Filipino – 80,333,460
PCD Nominee - Non-Filipino – 52,715,475

Filed on behalf by:
NameAmando Posseran Jr.
DesignationAssistant Corporate Secretary

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 12/31/2025

Page No. 1

Rank	Name	Holdings	Percentage
1	WATERFRONT PHILIPPINES, INC.	192,045,057	55.49%
2	PCD NOMINEE CORPORATION	80,333,460	23.21%
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	52,715,475	15.23%
4	NICKELL INTERNATIONAL LTD.	8,935,710	02.58%
5	ACESITE (PHILIPPINES) HOTEL CORPORATION	1,353,000	00.39%
6	ANFLO MANAGEMENT AND INVESTMENT CORPORATION	857,394	00.25%
7	TANSECO, GENEROSO	714,857	00.21%
8	UNITED PHILIPPINE LINES	714,854	00.21%
9	TAN, JESUS M. (HEIRS OF)	595,728	00.17%
10	BAUTISTA, DOMINGO C.	476,574	00.14%
11	NICKELL INTERNATIONAL LTD. (BRITISH VIRGIN ISLAND)	312,508	00.09%
12	WELLS AND PUMPS INC.	278,001	00.08%
13	MENZI, HANS (ESTATE OF)	278,001	00.08%
14	MARINDUQUE MINING & INDUSTRIAL CORPORATION	278,001	00.08%
15	ROSARIO, FRANCISCO DEL	258,146	00.07%
16	CARLOS, GLORIA S. (HEIRS OF)	218,428	00.06%
17	SANCHEZ, ANDREW A.	198,579	00.06%
18	WESTERN STEEL INC.	198,576	00.06%
19	TULIO, ERMINDA L.	198,576	00.06%
20	COJUANGCO, RAMON (HEIRS OF)	198,576	00.06%
21	LORENZO, LUISA DE R.	198,576	00.06%
22	ANUP TRADING	198,576	00.06%
23	PAILIAN, PETER GO	158,858	00.05%
24	BALUYUT, SISENANDO	148,928	00.04%
25	ARANETA, SALVADOR (HEIRS OF)	139,002	00.04%
26	REYES, ALEX (HEIRS OF)	139,002	00.04%

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 12/31/2025

Page No. 2

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

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 12/31/2025

Page No. 3

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

Stock Transfer Service Inc.
ACESITE (PHILS.) HOTEL CORPORATION
List of Top 100 Stockholders
As of 12/31/2025

Page No. 4

Rank	Name	Holdings	Percentage
79	ANTONIO, ARTURO	19,855	00.01%
80	ANTONIO, SILVINO JR.	19,855	00.01%
81	ARROYO, TOMAS	19,855	00.01%
82	BARREDO, LUISA	19,855	00.01%
83	CABANEZ, LORETO	19,855	00.01%
84	BONDOC, ANGELITA L.	19,855	00.01%
85	BENITEZ, CONRADO II	19,855	00.01%
86	CASTILLO, DOMINGO	19,855	00.01%
87	CASTRILLO, EDUARDO	19,855	00.01%
88	CABANERO, REBECCA S.	19,855	00.01%
89	CABANERO, GILDA	19,855	00.01%
90	CABANERO, LORNA	19,855	00.01%
91	CABANERO, MA. CECILIA	19,855	00.01%
92	CABANERO, LEONARDO	19,855	00.01%
93	CABANERO, NORBERTO S.	19,855	00.01%
94	CHICO, PACIFICO	19,855	00.01%
95	COMMON TRADE INC.	19,855	00.01%
96	CARLOS, MA. NELIA	19,855	00.01%
97	CATO, BENJAMIN	19,855	00.01%
98	COLAYCO, FRANCISCO J.	19,855	00.01%
99	FELICIANO JR., GUILLERMO	19,855	00.01%
100	FELICIANO, GRACE K.	19,855	00.01%

Total Top 100 Shareholders : 345,258,953 99.75%

Total Issued Shares 346,100,578

ACE000000000 December 29, 2025
OUTSTANDING BALANCES FOR SPECIFIC COMPANY
December 29, 2025
ACE000000000

BPNAME	QUANTITY
UPCC SECURITIES CORP.	14,182
A & A SECURITIES, INC.	615,000
ABACUS SECURITIES CORPORATION	313,810
PHILSTOCKS FINANCIAL INC	1,442,476
BA SECURITIES, INC.	2,214,000
AP SECURITIES INCORPORATED	101,500
ANSALDO, GODINEZ & CO., INC.	142,000
AB CAPITAL SECURITIES, INC.	444,171
SB EQUITIES,INC.	81,500
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	100,000
ASIASEC EQUITIES, INC.	149,750
CHINA BANK SECURITIES CORPORATION	3,000,000
BELSON SECURITIES, INC.	85,000
JAKA SECURITIES CORP.	500
BPI SECURITIES CORPORATION	388,180
CAMPOS, LANUZA & COMPANY, INC.	3,500
CTS GLOBAL EQUITY GROUP, INC.	308,698
TRITON SECURITIES CORP.	3,261,290
DAVID GO SECURITIES CORP.	5,700
DIVERSIFIED SECURITIES, INC.	7,350
E. CHUA CHIACO SECURITIES, INC.	21,292
EASTERN SECURITIES DEVELOPMENT CORPORATION	84,500
EVERGREEN STOCK BROKERAGE & SEC., INC.	331,000
FIRST ORIENT SECURITIES, INC.	10,500
F. YAP SECURITIES, INC.	6,000
GUILD SECURITIES, INC.	15,872
CNN SECURITIES, INC.	5,636,001
I. B. GIMENEZ SECURITIES, INC.	52,157,527
INVESTORS SECURITIES, INC,	35,000
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	5,600
INTRA-INVEST SECURITIES, INC.	170,000
LARRGO SECURITIES CO., INC.	88,000
COL Financial Group, Inc.	6,102,741
DA MARKET SECURITIES, INC.	3,000
MERCANTILE SECURITIES CORP.	6,000
MOUNT PEAK SECURITIES, INC.	15,000
OPTIMUM SECURITIES CORPORATION	5,000
RCBC SECURITIES, INC.	19,211
PNB SECURITIES, INC.	1,550
QUALITY INVESTMENTS & SECURITIES CORPORATION	150,000
R & L INVESTMENTS, INC.	10,000

R. COYIUTO SECURITIES, INC.	476,850
REGINA CAPITAL DEVELOPMENT CORPORATION	696,850
AAA SOUTHEAST EQUITIES, INCORPORATED	12,000
R. S. LIM & CO., INC.	475,000
S.J. ROXAS & CO., INC.	210,000
SECURITIES SPECIALISTS, INC.	9,047
SUMMIT SECURITIES, INC.	10,000
TANSENGCO & CO., INC.	101,876
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	19,855
TOWER SECURITIES, INC.	1,301,250
DRAGONFI SECURITIES, INC.	10,593
LANDBANK SECURITIES, INC.	7,250
FIRST METRO SECURITIES BROKERAGE CORP.	326,004
WEALTH SECURITIES, INC.	32,000
WESTLINK GLOBAL EQUITIES, INC.	45,835,358
YAO & ZIALCITA, INC.	362,500
BDO SECURITIES CORPORATION	212,755
EAGLE EQUITIES, INC.	65,000
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	70
SOLAR SECURITIES, INC.	300,000
G.D. TAN & COMPANY, INC.	2,557,287
UNICAPITAL SECURITIES INC.	4,000
SunSecurities, Inc.	7,000
ARMSTRONG SECURITIES, INC.	2,463,218
ACESITE (PHILS.) HOTEL CORP.	771
Total Lodged Shares	133,048,935

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)
Jan 13, 2026
2. SEC Identification Number
7199
3. BIR Tax Identification No.
002-856-627-000
4. Exact name of issuer as specified in its charter
ACESITE (PHILS.) HOTEL CORPORATION
5. Province, country or other jurisdiction of incorporation
METRO MANILA, PHILIPPINES
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
8TH FLOOR, WATERFRONT MANILA HOTEL AND CASINO, U.N. AVENUE CORNER
MA. OROSA ST., ERMITA, MANILA
Postal Code
1000
8. Issuer's telephone number, including area code
02-8526-12-12 TEMPORARY 02-8231-1073
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON SHARES - 1.00 PAR VALUE	344,747,520

11. Indicate the item numbers reported herein
-

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

Acesite (Phils.) Hotel Corporation
ACE

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

Subject of the Disclosure
SECRETARY CERTIFICATE RE: CAPITAL STRUCTURE OF ACESITE (PHILS.) HOTEL CORPORATION
Description of the Disclosure
SECRETARY CERTIFICATE RE: CAPITAL STRUCTURE OF ACESITE (PHILS.) HOTEL CORPORATION AS OF 31 DECEMBER 2025
Information Requested
-

Filed on behalf by:

Name	Amando Ronsaran Jr.
Designation	Assistant Corporate Secretary

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

SECRETARY'S CERTIFICATE

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

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

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

3. Based on the records of the Corporation as of 31 December 2025 (the "Covered Period"), the Corporation's capital structure is as follows:

Authorized Capital Stock	PhP1,210,000,000.00
Number, Classes of Shares, Par Value per Share	1,200,000,000 common/PhP1.00 20,000 PREFERRED/PhP500.00
Issued and Outstanding Shares	346,100,578
Fully-paid Shares	346,100,578
Treasury Shares	1,353,058
Outstanding Shares	344,747,520
Listed Shares	346,100,520
Certificated Shares	213,051,643

4. Based on the records of PDTC as of the Covered Period, there are 133,048,935 lodged shares, broken down, as follows:

PCD Nominee - Filipino	80,333,460
PCD Nominee – Non-Filipino	52,715,475

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



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

7. All shares had been issued were fully paid.

JAN 13 2026

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

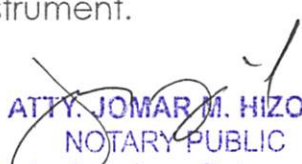

ARTHUR R. PONSARAN
Corporate Secretary

JAN 13 2026

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.

Doc. No. 258
Page No. 53
Book No. 11
Series of 2025

Pasig City


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



Bureau of Internal Revenue
Republic of the Philippines

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 002-856-627-000
Name	: ACESITE (PHILS) HOTEL CORPORATION
RDO	: 033
Form Type	: 1702
Reference No.	: 462600072828045
Amount Payable (Over Remittance)	: -22,033,099.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2025
Date Filed	: 05/15/2026
Tax Type	: IT

[[BIR Main](#) | [eFPS Login](#) | [User Menu](#) | [Help](#)]

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of **Acesite (Phils) Hotel Corporation.** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended **December 31, 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.

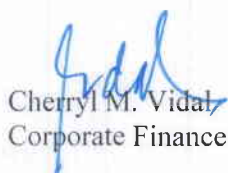
The Board of Directors is responsible for overseeing the Company's financial reporting process.

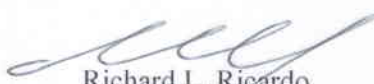
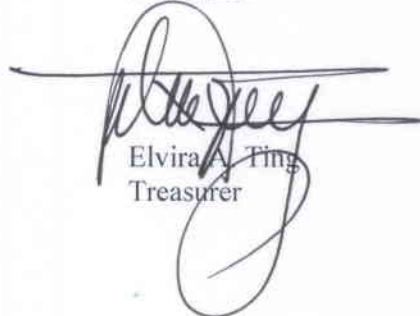
The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

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:


Arthur M. Lopez
Chairman of the Board


Cheryl M. Vidal
Corporate Finance Director


Richard L. Ricardo
President

Elvira A. Ting
Treasurer

Signed this ___th day of JUN 11 2026 2026

SUBSCRIBED AND SWORN TO BEFORE ME THIS JUN 11 2026 DAY OF AT CITY OF MANILA, PHILIPPINES

DOC NO 46
PAGE NO 10
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
MCLC Compliance No. VIII-0010142, Valid Until April 14, 2028

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Acesite (Phils) Hotel Corporation** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 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.

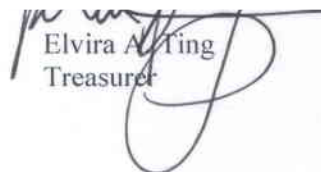
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Signed under oath by the following:

Arthur M. Lopez
Chairman of the Board


Richard L. Ricardo
President


Cherryl M. Vidal
Corporate Finance Director


Elvira A. Ting
Treasurer

Signed this ___th day of JUN 11, 2026

SUBSCRIBED AND SWORN TO BEFORE ME THIS ___ DAY OF
JUN 11, 2026 CITY OF MANILA, PHILIPPINES

DOC NO 46
PAGE NO 10
BOOK NO KALY
SERIES OF COM

ATTY. GERSON B. GAMAS
Notary Public for the City of Manila
Notarial Commission No. 2025-156 Valid Until Dec. 31, 2028
2nd Floor, Citadel Bldg., Railroad Drive, Brgy. 653, District V,
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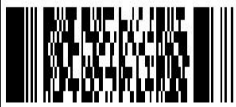
Reference No : 462600072828045
Date Filed : May 15, 2026 11:27 AM
Batch Number : 0



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		3 Amended Return? ☐ Yes ☒ No		4 Short Period Return? ☐ Yes ☒ No	
2 Year Ended (MM/20YY) 12/2025				5 Alphanumeric Tax Code (ATC) IC055 Minimum Corporate Income Tax (MCIT) ☒ IC010 ☒	
Part I - Background Information					
6 Taxpayer Identification Number (TIN) 002 - 856 - 627 - 000				7 RDO Code 033	
8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) ACESITE (PHILS) HOTEL CORPORATION					
9A Registered Address (Indicate complete registered address) UN AVENUE COR. MA OROSA ST. BARANGAY 666 ERMITA					
9B Zipcode 1000					
10 Date of Incorporation/Organization (MM/DD/YYYY)					
11 Contact Number 09178974725-Eliz			12 Email Address m.cate@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)				0	
15 Less: Total Tax Credits/Payments (From Part IV Item 55)				22,033,099	
16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56)				(22,033,099)	
Add Penalties					
17 Surcharge				0	
18 Interest				0	
19 Compromise				0	
20 Total Penalties (Sum of Items 17 to 19)				0	
21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Item 16 and 20)				(22,033,099)	
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	
Title of Signatory		TIN	Title of Signatory		TIN
					4
Part III - Details of Payment					
Particulars	Drawee Bank/Agency	Number	Date (MM/DD/YYYY)	Amount	
23 Cash/Bank Debit Memo				0	
24 Check				0	
25 Tax Debit Memo				0	
26 Others (Specify Below)					
0					
Machine Validation/Revenue Official Receipts Details (if not filed with an Authorized Agent Bank)				Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)	

BIR Form No. 1702-RT January 2018(ENCS) Page 2	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P2
Taxpayer Identification Number (TIN) 002 - 856 - 627 - 000		Registered Name ACESITE (PHILS) HOTEL CORPORATION
Part IV - Computation of Tax (Do NOT enter Centavos)		
27 Sales/Receipts/Revenues/Fees		0
28 Less: Sales Returns, Allowances and Discounts		0
29 Net Sales/Receipts/Revenues/Fees (Item 27 Less Item 28)		0
30 Less: Cost of Sales/Services		0
31 Gross Income from Operation (Item 29 Less Item 30)		0
32 Add: Other Taxable Income Not Subjected to Final Tax		0
33 Total Taxable Income (Sum of Items 31 and 32)		0
Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	52,814,464	
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)	0	
37 Total Deductions (Sum of Items 34 to 36)	52,814,464	
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)		(52,814,464)
40 Applicable Income Tax Rate		30%
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) (Item 39 x Item 40)		0
42 MCIT Due (2% of Item 33)		0
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)		0
Less: Tax Credits/Payments (attach proof)		
44 Prior Year's Excess Credits Other Than MCIT	22,033,099	
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)		22,033,099
56 Net Tax Payable / (Overpayment) (Item 43 Less Item 55) (To Part II Item 16)		(22,033,099)
Part V - Tax Relief Availment		
57 Special Allowable Itemized Deductions (Item 35 of Part IV x Applicable Income Tax Rate)		0
58 Add: Special Tax Credits (From Part IV Item 52)		0
59 Total Tax Relief Availment (Sum of Items 57 and 58)		0

BIR Form No. 1702-RT January 2018(ENCS) Page 3	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P3
Taxpayer Identification Number (TIN) 002 - 856 - 627 - 000		Registered Name ACESITE (PHILS) HOTEL CORPORATION
Schedule I - Ordinary Allowable Itemized Deductions <i>(Attach additional sheet/s, if necessary)</i>		
1 Amortizations	0	
2 Bad Debts	0	
3 Charitable Contributions	0	
4 Depletion	0	
5 Depreciation	0	
6 Entertainment, Amusement and Recreation	0	
7 Fringe Benefits	0	
8 Interest	0	
9 Losses	0	
10 Pension Trust	0	
11 Rental	315,789	
12 Research and Development	0	
13 Salaries, Wages and Allowances	15,964,141	
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	1,163,319	
15 Taxes and Licenses	14,084,345	
16 Transportation and Travel	41,689	
17 Others (Deductions Subject to Withholding Tax and Other Expenses) <i>[Specify below; Add additional sheet(s), if necessary]</i>		
a Janitorial and Messengerial Services	0	
b Professional Fees	2,473,940	
c Security Services	6,683,301	
d OTHER PERSONNEL EXPENSE	3,682,846	
e ENERGY COST	1,989,060	
f DATA PROCESSING	670,726	
g REPAIRS AND MAINTENANCE	174,107	
h DIRECTORS FEE	668,235	
i OTHERS	4,902,966	
☒		
i.1 ADVERTISING EXPENSE	82,040	
i.2 SUPPLIES	59,249	
i.3 COMMUNICATION	166,939	
i.4 HO AND CORPORATE COST	4,326,495	
i.5 REPRESENTATION EXPENSE	12,275	
i.6 LAUNDRY, VALET, AND OTHER HOTEL SERVICES	255,968	
18 Total Ordinary Allowable Itemized Deductions <i>(Sum of Items 1 to 17i) (To Part IV Item 34)</i>		52,814,464
Schedule II - Special Allowable Itemized Deductions <i>(Attach additional sheet/s, if necessary)</i>		
Description	Legal Basis	Amount
1		0
2		0
3		0
4		0
☒		
5 Total Special Allowable Itemized Deductions <i>(Sum of Items 1 to 4) (To Part IV Item 35)</i>		0

BIR Form No. 1702-RT January 2018(ENCS) Page 4	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P4
Taxpayer Identification Number (TIN) 002 - 856 - 627 - 000		Registered Name ACESITE (PHILS) HOTEL CORPORATION

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)	
1 Gross Income (From Part IV Item 33)	0
2 Less: Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	52,814,464
3 Net Operating Loss (Item 1 Less Item 2) (To Schedule IIIA, Item 7A)	(52,814,464)

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 2025	52,814,464	0
5 2024	47,272,427	0
6 2023	78,661,758	0
7 2022	14,483,139	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	52,814,464
5 0	0	47,272,427
6 0	0	78,661,758
7 0	0	14,483,139
8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV, Item 36)	0	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)			
Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1	0	0	0
2	0	0	0
3	0	0	0

Continuation of Schedule IV (Item numbers continue from table above)

D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1 0	0	0	0
2 0	0	0	0
3 0	0	0	0
Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV Item 47)		0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)	
1 Net Income/(Loss) per books	(73,941,772)
Add: Non-deductible Expenses/Taxable Other Income	
2 UNREALIZED FOREX LOSS	4,938
3 DEPRECIATION	21,973,858
☒	
4 Total (Sum of Items 1 to 3)	(51,962,976)
Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5 OTHER INCOME	851,488
6	0
☒	
B) Special Deductions	
7	0
8	0
☒	
9 Total (Sum of Items 5 to 8)	851,488
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)	(52,814,464)

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

With Independent Auditors' Report

REPORT OF INDEPENDENT AUDITORS

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

Opinion

We have audited the consolidated financial statements of Acesite (Phils.) Hotel Corporation and 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 ended December 31, 2025, and notes, comprising summary of material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years 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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at date, the Group's hotel operations remain suspended due to the fire incident in March 2018 that significantly damaged its podium and hotel property, the reconstruction of which continues to experience delays in achieving project milestones and is behind its target completion dates. It is further stated in the same note that its 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. As stated in Note 1, these events and conditions, among others, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Note 1 discloses the plans of the Group to address the said matter including the commitment of its Immediate Parent Company to provide financial support to the Group as may be necessary. Our opinion is not modified in respect of this matter.

Key Audit Matter

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

Impairment of Property and Equipment

(P1.83 billion, see consolidated statements of financial position and Note 7 to the consolidated financial statements).

The Risk

The Group has significant hotel assets classified as property and equipment which represent 41% of the total consolidated assets of the Group and are subject to an annual assessment for impairment indicators. In undertaking the impairment assessment, the Group takes into consideration several internal and external factors including the economic outlook and plans to discontinue or restructure operations. The hotel assets are then subjected to impairment review whereby its recoverable amounts are estimated. Management engaged external property appraiser to estimate the fair value of these hotel assets. The recoverable amounts are determined to be higher of the fair value less costs of disposal and value in use of these properties. The valuation is sensitive to assumptions applied and a change in the assumptions may have an impact on the recoverable amounts.

Our Response

Our procedures included evaluating the design and implementation of relevant controls over the valuation process for property and equipment and evaluating the objectivity, capabilities and competence of management's external appraisers and checking whether they are accredited by the Philippine Securities and Exchange Commission. We involved our own valuation specialist and subject matter expert in evaluating the appropriateness of the valuation methodologies and key assumptions used by cross-checking the breakdown of items of property and equipment in the appraisal report and comparing them with external and industry data. We also evaluated the adequacy of the related disclosures in the consolidated financial statements against the disclosures checklist to check compliance with applicable disclosure requirements.

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 PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is 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 15, 2026
Makati City, Metro Manila

R.G. Manabat & Co.



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Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS

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

Opinion

We have audited the consolidated financial statements of Acesite (Phils.) Hotel Corporation and 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 ended December 31, 2025, and notes, comprising summary of material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years 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.

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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

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(P1.83 billion, see consolidated statements of financial position and Note 7 to the consolidated financial statements).*

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Our Response

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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is 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 15, 2026
Makati City, Metro Manila

R.G. Manabat & Co.



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REPORT OF INDEPENDENT AUDITORS ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited the accompanying consolidated financial statements of Acesite (Phils.) Hotel Corporation and Subsidiaries (the Group) as at and for each of the three years ended December 31, 2025, included in this Form 17-A, on which we have rendered our report thereon dated June 15, 2026.

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

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until September 20, 2026
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 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.



This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 and is not a required part of the Group's consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the years ended December 31, 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 15, 2026
Makati City, Metro Manila

R.G. Manabat & Co.



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6787 Ayala Avenue, Makati City
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Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

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

We have audited the accompanying consolidated financial statements of Acesite (Phils.) Hotel Corporation and Subsidiaries (the Group) as at and for each of the three years ended December 31, 2025, included in this Form 17-A, on which we have rendered our report thereon dated June 15, 2026.

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

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

Firm Regulatory Registration & Accreditation:

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

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 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

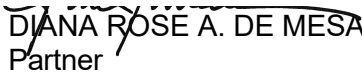
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co.



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

R.G. MANABAT & CO.

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 15, 2026

Makati City, Metro Manila

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	17	P4,410,181	P20,883,077
Trade and other current receivables - net	4, 17	12,191,474	22,338,852
Note receivable	10, 17	-	112,950,334
Inventories	5	726,641	762,424
Due from related parties	10	-	71,160,906
Prepaid expenses and other current assets	6	30,822,136	22,904,976
Total Current Assets		48,150,432	251,000,569
Noncurrent Assets			
Property and equipment - net	7	1,834,009,997	1,747,717,909
Note receivable	10, 17	56,142,228	-
Due from related parties	10	70,526,296	-
Equity securities - at fair value through other comprehensive income	10, 17	22,544,600	18,382,520
Other noncurrent assets - net	8	837,251,506	860,380,930
Total Noncurrent Assets		2,820,474,627	2,626,481,359
		P2,868,625,059	P2,877,481,928
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other current payables	9, 17	P231,769,982	P335,722,769
Due to related parties	10, 17	717,131,959	536,034,728
Total Current Liabilities		948,901,941	871,757,497
Noncurrent Liabilities			
Retention payables	17	93,535,758	88,487,516
Retirement benefits liability	14	7,441,339	6,588,583
Deferred tax liabilities - net	15	178,291,503	197,112,685
Total Noncurrent Liabilities		279,268,600	292,188,784
Total Liabilities		1,228,170,541	1,163,946,281
Equity			
Capital stock	11, 18	346,100,578	346,100,578
Revaluation surplus on property and equipment	7	136,447,841	121,080,712
Fair value reserve		10,294,130	6,132,050
Treasury shares		(12,041,700)	(12,041,700)
Retained earnings	11	1,096,924,020	1,189,698,974
Retirement benefits reserve		62,729,649	62,565,033
Total Equity		1,640,454,518	1,713,535,647
		P2,868,625,059	P2,877,481,928

See Notes to the Consolidated Financial Statements.

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

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

		Years Ended December 31		
	Note	2025	2024	2023
REVENUES		P -	P -	P -
COSTS AND EXPENSES OTHER THAN DEPRECIATION, FINANCING AND INCOME TAX BENEFIT				
Personnel	14	20,797,649	22,563,530	25,025,898
Energy		1,989,060	2,402,194	3,912,540
Others	12	90,737,499	72,066,872	34,476,749
		113,524,208	97,032,596	63,415,187
LOSS BEFORE GAIN (LOSSES), DEPRECIATION, FINANCING AND INCOME TAX BENEFIT		(113,524,208)	(97,032,596)	(63,415,187)
GAIN (LOSSES), DEPRECIATION AND FINANCING				
Depreciation	7	(19,568,600)	(19,568,600)	(19,819,109)
Foreign exchange gains (losses) - net		(4,938)	9,963	(15,201)
Financing income (charges) - net	10, 13	(1,641,002)	4,484,769	3,060,394
Gain from insurance claims		-	30,401,133	-
		(21,214,540)	15,327,265	(16,773,916)
LOSS BEFORE INCOME TAX BENEFIT		(134,738,748)	(81,705,331)	(80,189,103)
INCOME TAX BENEFIT	15	(27,287,344)	(4,461,191)	(5,265,060)
NET LOSS		(P107,451,404)	(P77,244,140)	(P74,924,043)
OTHER COMPREHENSIVE INCOME				
Items that will never be reclassified to profit or loss				
Revaluation of property and equipment	7	P40,058,105	P -	P -
Unrealized gain (loss) on securities - at fair value through other comprehensive income	10	4,162,080	(1,560,780)	-
Remeasurement gains on defined benefit plan	14	219,489	405,743	491,536
Deferred tax effect	15	(10,069,399)	(101,436)	(122,884)
		34,370,275	(1,256,473)	368,652
TOTAL COMPREHENSIVE LOSS		(P73,081,129)	(P78,500,613)	(P74,555,391)
LOSS EARNINGS PER SHARE - Basic and Diluted	16	(P0.21)	(P0.23)	(P0.22)

See Notes to the Consolidated Financial Statements.

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Year Ended December 31						
	Capital Stock (Note 11)	Revaluation Surplus on Property and Equipment (Note 7)	Retirement Benefits Reserve (Note 14)	Fair Value Reserve	Retained Earnings (Note 11)	Treasury Stock (Note 11)	Total
Balance at beginning	P346,100,578	P121,080,712	P62,565,033	P6,132,050	P1,189,698,974	(P12,041,700)	P1,713,535,647
Net loss for the year	-	-	-	-	(107,451,404)	-	(107,451,404)
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	(14,676,450)	-	-	14,676,450	-	-
Other comprehensive income - net of tax effect	-	30,043,571	164,616	4,162,080	-	-	34,370,275
	-	15,367,129	164,616	4,162,080	(92,774,954)	-	(73,081,129)
Balance at December 31, 2025	P346,100,578	P136,447,841	P62,729,649	P10,294,130	P1,096,924,020	(P12,041,700)	P1,640,454,518

See Notes to the Consolidated Financial Statements.

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year Ended December 31

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

See Notes to the Consolidated Financial Statements.

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year Ended December 31

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

See Notes to the Consolidated Financial Statements.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	<i>Note</i>	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax benefit		(P134,738,748)	(P81,705,331)	(P80,189,103)
Adjustments for:				
Provision for impairment	4, 10, 12	62,209,692	13,197,084	-
Depreciation	7	19,568,600	19,568,600	19,819,109
Loss on discounting	10	6,067,463	-	-
Retirement benefits expense	14	1,072,245	1,064,626	1,163,168
Foreign exchange gains (losses) - net		4,938	(9,963)	(15,201)
Interest income	13	(4,354,938)	(4,362,336)	(3,063,281)
Gain from insurance claims		-	(30,401,133)	-
Loss before working capital changes		(50,170,748)	(82,648,453)	(62,285,308)
Decrease (increase) in:				
Trade and other current receivables	4	10,147,378	(8,722,260)	72,692,024
Prepaid expenses and other current assets	6	(7,920,516)	184,039,871	(2,496,491)
Inventories		35,783	-	-
Increase (decrease) in:				
Trade and other current payables	9	(139,915,231)	15,480,187	(65,374,267)
Due from related parties	10	634,610	4,429,091	(75,652,997)
Cash generated from (absorbed by) operations		(187,188,724)	112,578,436	(133,117,039)
Interest received	13	4,354,938	4,362,336	3,063,281
Income tax paid	15	-	(698,427)	-
Contributions paid	14	-	-	(120,949)
Net cash generated from (used in) operating activities		(182,833,786)	116,242,345	(130,174,707)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash advanced on related party notes receivable	10	(11,469,049)	(5,927,329)	(8,321,189)
Cash receipt from (cash paid for) contractors and other deposits	8	(1,572,975)	(179,645,588)	3,685,763
Proceeds from insurance claims on property damages	1	-	48,795,579	-
Additions to property and equipment	7	(1,689,379)	(3,179,929)	(41,795,001)
Net cash used in investing activities		(14,731,403)	(139,957,267)	(46,430,427)

Forward

Years Ended December 31				
	Note	2025	2024	2023
CASH FLOW FROM A FINANCING ACTIVITY				
Proceeds from advances from related parties	10	P181,097,231	P24,118,978	P54,584,781
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(16,467,958)	404,056	(122,020,353)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(4,938)	9,963	15,201
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17	20,883,077	20,469,058	142,474,210
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	P4,410,181	P20,883,077	P20,469,058

See Notes to the Consolidated Financial Statements.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting Entity

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

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

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

The details of the equity interest of the Parent Company in its subsidiaries as at December 31, 2025 and 2024 are as follows:

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

**dormant entities since its incorporation*

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

Status of Operation

On March 18, 2018, a fire broke out in the Parent Company's hotel property damaging the podium and hotel building and suspending its hotel operations. Based on the Fire Certification issued by the Bureau of Fire Protection - National Headquarters on April 23, 2018, the cause of the subject fire was declared and classified as "accidental in nature". The Group incurred casualty losses due to damage of inventories and hotel property. The Group filed for property damage and business insurance claims which were finalized in 2020 amounting to P1.72 billion. The Group received approximately P1.5 billion from insurance carriers as complete settlement of the claim.

Because of this fire incident in 2018, the Group'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. The Group'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 Group'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.

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

- Strategic deferral of all construction outflows until 2028 to preserve immediate cash reserves;
- Utilization of a P764.0 million retained earnings appropriation earmarked specifically for project resumption;
- Utilization of P115.0 million in intercompany borrowings through 2026–2027 to successfully cover operating expenses; and
- Implementation of a bank borrowing strategy to fully fund the reconstruction and project restart in 2028.

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

2. Basis of Preparation

Statement of Compliance

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

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

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

The accompanying financial statements were approved and authorized for issue by the Board of Directors (BOD) on June 11, 2026.

Basis of Measurement

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

Items	Measurement Bases
▪ Hotel building and equipment and furniture and fixtures ▪ Equity securities - at fair value through other comprehensive income (FVOCI) ▪ Retirement benefits liability	▪ Revalued amount less accumulated depreciation and impairment losses ▪ Fair value ▪ Present value of the defined benefits obligation (DBO) less fair value of plan assets (FVPA)

Functional and Presentation Currency

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

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, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Judgments

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

Recognizing Insurance Claims

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

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

Assessment on the Group's Ability to Continue as a Going Concern

The management has made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Therefore, the Group's consolidated financial statements continue to be prepared on a going concern basis.

Classifying Financial Instruments

The Group exercises judgment in classifying financial instruments in accordance with PFRS 9. The Group exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual agreement and the definition of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statements of financial position.

Distinguishing Investment Properties and Owner-occupied Properties

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

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

Assumptions and Estimation Uncertainties

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

Provision for Expected Credit Losses on Financial Assets

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

Further details on the carrying amount of assets are disclosed in Notes 4, 8, and 10.

Fair Value Measurement of Financial Instruments

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

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

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

Revaluation of Property and Equipment

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

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

Useful Lives of Property and Equipment

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

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

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

Impairment of Nonfinancial Assets

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

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

- significant underperformance relative to the expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business;
- 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 assessed that the carrying amounts of its nonfinancial assets approximate their recoverable amounts, except for advances to contractors and property and equipment. Further details on the carrying amount of nonfinancial assets are disclosed in Notes 5, 6, 7 and 8.

Retirement Benefits

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

The 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 14.

Deferred Tax Assets

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

The Group has unrecognized deferred tax assets in respect of its NOLCO and excess MCIT over RCIT disclosed in Note 15.

4. Trade and Other Current Receivables

This account consists of:

	<i>Note</i>	2025	2024
Trade receivables		P17,002,785	P19,646,919
Others		28,297,160	35,800,404
	17	45,299,945	55,447,323
Less: allowance for impairment losses on guests, concessionaires and other patrons and other receivables	17	33,108,471	33,108,471
		P12,191,474	P22,338,852

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

In assessing the lifetime ECL of the Group's receivables, the Group excluded in its assessment all receivables that were related to long outstanding third-party accounts as these were already specifically identified as uncollectible, hence, impaired. The management has recognized an additional impairment loss amounting to nil, P13.2 million, nil and nil in 2025, 2024, and 2023, respectively (see Note 12).

5. Inventories

The Group's inventories are carried at cost, which is lower than the net realizable value (NRV), as at December 31, 2025 and 2024 amounting to P0.72 million and P0.76 million, respectively.

The cost recognized as an expense for operating supplies of P0.06 million, P0.11 million, and P0.10 in 2025, 2024 and 2023, respectively, is included as part of "Supplies" under "Others" account in the separate statements of profit or loss and other comprehensive income (see Note 12).

6. Prepaid Expenses and Other Current Assets

This account consists of:

	2025	2024
Creditable withholding taxes	P22,344,650	P22,348,006
Input VAT - net	7,829,185	89,700
Other prepayments	648,301	467,270
	P30,822,136	P22,904,976

Creditable withholding taxes are excess of tax credits over current income tax due which can be applied against future income tax liability.

Input VAT is available as tax credit against output VAT liability.

Others consist of prepaid licenses and taxes, prepaid maintenance, deposits and prepaid subscription charges.

7. Property and Equipment

The balances and movements in this account are as follows:

As at and for the Year Ended December 31, 2025					
	Land	Hotel Building	Furniture, Fixtures and Equipment	Construction- in-Progress	Total
<i>Measurement Basis:</i>	<i>At Cost</i>	<i>Revalued</i>	<i>Revalued</i>	<i>At Cost</i>	
Cost					
Beginning balance	P650,000,000	P471,046,928	P14,854,179	P936,276,959	P2,072,178,066
Additions	-	-	-	65,802,583	65,802,583
Revaluation adjustment	-	(289,116,473)	-	-	(289,116,473)
Ending balance	650,000,000	181,930,455	14,854,179	1,002,079,542	P1,848,864,176
Accumulated Depreciation					
Beginning balance	-	309,605,978	14,854,179	-	324,460,157
Depreciation for the year	-	19,568,600	-	-	19,568,600
Revaluation adjustment	-	(329,174,578)	-	-	(329,174,578)
Ending balance	-	-	14,854,179	-	14,854,179
Carrying Amount	P650,000,000	P181,930,455	P -	P1,002,079,542	P1,834,009,997

As at and for the Year Ended December 31, 2024					
	Land	Hotel Building	Furniture, Fixtures and Equipment	Construction- in-Progress	Total
<i>Measurement Basis:</i>	<i>At Cost</i>	<i>Revalued</i>	<i>Revalued</i>	<i>At Cost</i>	
Cost					
Beginning balance	P650,000,000	P471,046,928	P14,854,179	P933,097,030	P2,068,998,137
Additions	-	-	-	3,179,929	3,179,929
Ending balance	650,000,000	471,046,928	14,854,179	936,276,959	2,072,178,066
Accumulated Depreciation					
Beginning balance	-	290,037,378	14,854,179	-	304,891,557
Depreciation for the year	-	19,568,600	-	-	19,568,600
Ending balance	-	309,605,978	14,854,179	-	324,460,157
Carrying Amount	P650,000,000	P161,440,950	P -	P936,276,959	P1,747,717,909

In 2025, the Group engaged an independent firm of appraisers to determine the fair value of certain classes of its property and equipment, specifically hotel building and furniture, fixtures and equipment, which are carried at revalued amounts. Fair value was determined by reference to market-based evidence, which is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In determining fair value, an estimate was made in accordance with the prevailing prices for materials, equipment, labor, and contractor's overhead and all other costs associated with acquisition while taking into account the depreciation resulting from physical deterioration, functional and economic obsolescence. The 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.

No revaluation was performed as at December 31, 2024. Management believes that the carrying amounts of "hotel building" and "furniture, fixtures and equipment as of reporting date do not differ materially from their fair values, and thus, no revaluation was necessary.

The latest revaluation was at December 31, 2025. "Hotel buildings" were revalued by an independent professional appraiser, accredited by the Professional Regulation Commission and the Securities and Exchange Commission. This resulted to the recognition of an appraisal increase amounting to P30.04 million, net of deferred tax, in other comprehensive income in 2025.

Description of valuation techniques used and key inputs to valuation on property and equipment are as follows:

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:

	Fair Value Hierarchy
Price per sqm	Level 2
Value adjustments	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 costs of disposal is the estimated cost that the management expects to incur to effect the sale of the properties and equipment.

The significant assumptions and the fair value hierarchy category of each assumption for FVLCD, as applicable, are as follows:

	Management Assumptions	Fair Value Hierarchy
	2025	
Price per sqm	130,000	Level 2
Value adjustments	5% - 10%	Level 3
Cost of disposal	14%	-

Sensitivity Analysis on FVLCD 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)
- Cost of disposal were lower (higher)

Had the following classes of property and equipment been carried at cost less accumulated depreciation, their carrying amounts would have been as follows:

As at and For the Year Ended December 31, 2025			
	Hotel Building	Furniture, Fixtures and Equipment	Total
Cost	P1,503,327	P14,846,724	P16,350,051
Accumulated depreciation	1,163,359	11,489,475	12,652,834
	P339,968	P3,357,249	P3,697,217

As at and For the Year Ended December 31, 2024			
	Hotel Building	Furniture, Fixtures and Equipment	Total
Cost	P1,503,527	P14,846,724	P16,350,251
Accumulated depreciation	1,140,502	11,262,003	12,402,505
	P363,025	P3,584,721	P3,947,746

Depreciation on cost charged to profit or loss amounted to P19.57 million, P19.57 million and P19.82 million in 2025, 2024, and 2023, respectively.

The revaluation surplus absorbed through depreciation and transferred directly to retained earnings, net of tax effect, amounted to P14.68 million as at December 31, 2025 and 2024, respectively. The carrying amount of revaluation surplus, net of tax amounting to P136.45 million and P121.08 million as at December 31, 2025 and 2024, respectively, is not available for distribution to shareholders.

Impairment Testing on Property and Equipment

In 2025, the management performed impairment testing over the hotel building, and construction in progress. Management identified indicators of impairment during the year due to delays in achieving project milestones and is behind its target completion dates. In addition, the Group's market capitalization is lower than its carrying amount by P1.15 billion and its current liabilities exceeded its current assets by P900.75 million.

The recoverable amounts of the property and equipment were determined using Fair Value Less Cost of Disposal (FVLCD). In determining the fair values of the property and equipment, the Group engaged third party appraiser and the latest independent appraisal report was dated December 31, 2025.

The recoverable amount of the property and equipment was estimated to be higher than its carrying amount and not impaired.

		2025
Fair value less costs of disposal		P3,753,936,705
Carrying value of property and equipment		1,793,951,892

Notes to Consolidated Statements of Cash Flows

In 2026, 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.

8. Other Noncurrent Assets

This account consists of:

	2025	2024
Advances to contractors	P698,881,422	P723,383,822
Other deposits	183,683,091	182,310,115
	882,564,513	905,693,937
Less: allowance for impairment losses on advances to contractors	45,313,007	45,313,007
	P837,251,506	P860,380,930

Advances to contractors are deposits for the reconstruction and restoration of the Company's hotel property and equipment (see Note 1).

Others represent deposits to service providers such as security, utilities, electricity and janitorial services.

There were no additional impairment losses on advances to contractors recognized for 2025, 2024 and 2023.

9. Trade and Other Current Payables and Retention Payables

This account consists of:

	Note	2025	2024
Trade payables		P193,162,964	P292,027,673
Accruals:			
Utilities		16,572,136	19,602,341
Other accruals		15,745,410	17,101,547
Withholding taxes		1,194,540	1,098,007
Others		5,094,932	5,904,201
	17	P231,769,982	P335,733,769

Trade payables are noninterest-bearing and are normally on a 30-day term.

Other payables include commissions, unclaimed wages, sponsorships, Social Security System, Philippine Health Insurance Corporation and Housing Development Mutual Fund and sundry payables.

10. Related Party Transactions

Identity of Related Parties

The Group has related party relationships with its key management personnel (KMP) and the following entities:

Related Party	Relationship
WPI	Parent Company
ARI	Subsidiary
PLEC	Subsidiary
PEC	Subsidiary
Waterfront Cebu City Casino Hotel, Incorporated (WCCCHI)	Under Common Control
Waterfront Mactan Casino Hotel, Incorporated (WMCHI)	Under Common Control
Davao Insular Hotel Company, Inc. (DIHCI)	Under Common Control
Waterfront Hotel Management Corporation (WHMC)	Under Common Control
Acesite Leisure Entertainment Corporation (ALEC)	Under Common Control
Grand Ilocandia Resort and Development, Inc. (GIRDI)	Under Common Control
Waterfront Wellness Group, Inc. (WWGI)	Under Common Control
Waterfront Horizon Corporation (WHC)	Under Common Control
Waterfront Puerto Princesa Hotel Inc. (WPPHI)	Under Common Control
Mayo Bonanza, Inc. (MBI)	Under Common Control
The Wellex Group Inc. (TWGI)	Ultimate Parent Company
Wellex Industries Incorporated (WII)	Affiliate

Significant Transactions and Balances with Related Parties

The summary of significant transactions and balances with the related parties is as follows:

Category/ Transaction	Year	Note	Amount of the Transaction	Outstanding Balance			Due to Related Parties	Terms	Conditions
				Due from a Related Party- net	Note Receivable	Equity Security - at FVOCI			
WPI									
▪ Advances and settlements	2025	a	(P14,856,821)	P -	P -	P -	P188,171,701	Noninterest-bearing	Unsecured
	2024		105,957,593	36,438	-	-	203,028,522		
	2023		(35,810,723)	-	-	-	189,549,172		
ALEC									
▪ Note receivable	2025	b	11,469,049	-	124,419,383	-	-	Due in two years interest-bearing	Unsecured; impaired
	2024		5,927,329	-	112,950,334	-	-		
	2023		8,321,189	-	107,023,005	-	-		
▪ Allowance for impairment losses	2025	b	-	-	(62,209,692)	-	-		
	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
▪ Loss on discounting	2025		-	-	(6,067,463)	-	-		
	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
WCCCHI									
▪ Advances and settlements	2025	d	(161,282,551)	-	-	-	176,511,423	Noninterest-bearing	Unsecured
	2024		7,425,838	1,500	-	-	15,228,872		
	2023		(1,898,363)	-	-	-	7,804,535		
WMCHI									
▪ Advances and settlements	2025	d	(10,512,944)	-	-	-	250,942,209	Noninterest-bearing;	Unsecured
	2024		1,576,006	-	-	-	240,429,265		
	2023		257,980	-	-	-	242,005,271		
DIHCI									
▪ Advances	2025	c	20,692,177	-	-	-	98,040,996	Noninterest-bearing	Unsecured
	2024		77,348,819	750	-	-	77,348,069		
	2023		5,265,398	-	-	-	69,608,519		
WHMC									
▪ Advances	2025	d	66	2,552,865	-	-	-	Noninterest-bearing	Unsecured; impaired
	2024		-	2,552,799	-	-	-		
	2023		2,552,799	2,552,799	-	-	-		
WII									
▪ Equity security - at FVOCI	2025	e	4,162,080	-	-	22,544,600	-		
	2024		(1,560,780)	-	-	18,382,520	-		
	2023		-	-	-	19,943,300	-		
▪ Advances and settlements	2025	c	(33,959,754)	33,884,406	-	-	-	Noninterest-bearing	Unsecured; impaired
	2024		9,360	67,844,160	-	-	-		
	2023		67,834,800	67,834,800	-	-	-		

Forward

Category/ Transaction	Year	Note	Amount of the Transaction	Outstanding Balance				Terms	Conditions
				Due from a Related Party- net	Note Receivable	Equity Security - at FVOCI	Due to Related Parties		
TWGI									
▪ Advances	2025	c	P33,910,513	P33,910,513	P -	P -	P -		
	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
GIRDI									
▪ Advances	2025	f	1,720,129	-	-	-	2,445,388	Noninterest- bearing	Unsecured; impaired
	2024		725,259	725,259	-	-	-		
	2023		-	-	-	-	-		
WWGI									
▪ Advances	2025	c	345,000	-	-	-	345,000	Noninterest- bearing	Unsecured; impaired
	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
WHC									
▪ Advances	2025	c	675,242	-	-	-	675,242	Noninterest- bearing	Unsecured; impaired
	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
WPPHI									
▪ Advances	2025	c	178,012	178,012	-	-	-		
	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
MBI									
▪ Advances	2025	d	500	500	-	-	-	Noninterest- bearing	Unsecured; impaired
	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
TOTAL	2025			P70,526,296	P56,142,228	P22,544,600	P717,131,959		
TOTAL	2024			P71,160,906	P112,950,334	P18,382,520	P536,034,728		

- a. The transactions with WPI pertain to various noninterest-bearing and unsecured short-term advances which include WPI-allocated share in the common operating expenses.
- b. In 2017, the Parent Company extended a loan to ALEC payable on December 31, 2018, and bear interest at 4% per annum. From 2018 to 2023, the Parent Company extended another interest-bearing loan at 4% per annum to ALEC. In 2024, the Parent Company extended another interest-bearing loan at 4% per annum to ALEC payable at the end of 2025. The related interest income recognized in profit or loss amounted to P4.35 million, P4.36 million, P3.06 million in 2024, 2023 and 2022, respectively (see Note 13).

In 2025, the Parent Company and ALEC entered into a separate 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 Parent Company, 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 Parent Company 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, the Parent Company and ALEC entered into a seven (7) year operating lease contract for use of hotel premises. The lease will commence once the planned soft opening of the podium building happens (see Note 1).

- c. In the ordinary course of business, the Parent Company obtains noninterest-bearing, collateral-free cash and non-cash advances from related parties for shared corporate expenses. The above advances are due and demandable at any time.

In 2025, the Parent Company entered into an agreement with related parties. The outstanding balances under this agreement carry no fixed maturity date and are expected to be settled beyond the next twelve months; these receivables are presented as noncurrent assets.

- d. The Parent Company has noninterest-bearing advances to WHMC for shared corporate expenses and working capital purposes.

In 2025, the Parent Company entered into an agreement with WHMC. The outstanding balances under this agreement carry no fixed maturity date and are expected to be settled beyond the next twelve months; these receivables are presented as noncurrent assets.

- e. In July and August 2005, the BOD approved the conversion of the Parent Company's net receivables from related parties amounting to P43.30 million into 86.71 million shares of stock of WII, an affiliate. The shares of WII are listed on the PSE. The fair market value of the shares based on closing market price as at December 31, 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

- f. Starting May 2024, the Parent Company has a noninterest-bearing advances to GIRDI for shared corporate expenses.

In 2025, the Parent Company entered into an agreement with GIRDI. The outstanding balances under this agreement carry no fixed maturity date and are expected to be settled beyond the next twelve months; these receivables are presented as noncurrent assets.

All outstanding related party transactions are generally settled in cash.

For purposes of consolidation, the following transaction was eliminated as at December 31, 2025 and 2024:

Category/ Transaction	Year	Note	Amount of the Transaction	Due from a Related Party - net	Note Receivable	Equity Security - at FVOCI	Due to Related Parties	Terms	Conditions
ARI									
▪ Advances	2025	b	P7,202,974	P15,183,192	P -	P -	P -	Noninterest- bearing	Unsecured
	2024		170,155	7,980,218	-	-	-		
	2023		2,430,371	5,265,398	-	-	-		

In the ordinary course of business, the Parent Company obtained noninterest-bearing, collateral-free cash and non-cash advances from ARI for shared corporate expenses and working capital purposes. The above advances are due on demand.

Further, the Parent Company has entered into an operating lease with ARI for use of the latter's land. This noncancellable operating lease commenced on November 1, 2011 and has a term of 20 years with escalation rate of 5% per annum. Also, the contract provides for two (2) months of free rental.

11. Equity

Common Shares

Details of the common stock of the Parent Company as at December 31 are as follows:

	2025	2024
Authorized - P1 par value	P1,200,000,000	P1,200,000,000
Issued	346,100,578	346,100,578
Outstanding	344,747,520	344,747,520

Date of Registration/Listing	Securities
December 5, 1986	1,760,000 common shares
January 26, 1998	73,351,197 common shares This is after SEC approval on October 16, 1997 of the change in authorized capital stock from 1,777,400 no par value common shares to 6,595,214 common shares with P1 par value per share.
May 19, 1999	19,970,461 common shares These represented dividends declared which was approved by the SEC on March 24, 1999.
May 28, 2012	246,248,212 common shares Dividend declared after SEC approval on May 28, 2012 of the increase in authorized capital stock from P310.00 million to P1.21 billion (including P10.00 million preferred shares).

On July 14, 2014, the BOD approved the amendment of the entitlement ratio of stock rights offering from 0.58 common share for every one share held to 1 common share to every one share held.

As at December 31, 2025 and 2024 the Parent Company has 152,692,263 shares held by the public or 44.29% of the total outstanding capital stock and a total of 208 and 206 stockholders, respectively. The Parent Company has not sold any unregistered securities for the past 5 years.

Other Information

In February 1993, common shares of the Parent Company representing 75% of the total issued outstanding shares previously held by Acesite Limited (BVI) (ALB), were pledged by ALB in favor of Equitable PCI Bank Hong Kong Group (EPCIB) for the latter's loan to an affiliate of ALB.

On February 17, 2003, EPCIB foreclosed the said shares and sold them to WPI as a block sale in the PSE. ALB contested the foreclosure, and on February 20, 2003, filed a case for the annulment of the sale, with application for issuance of a writ of preliminary injunction and a prayer for a temporary restraining order with the Regional Trial Court (RTC) of Makati City. On August 15, 2003, the RTC of Makati City granted ALB's request for preliminary injunction upon posting of the necessary injunction bond.

On June 3, 2004, for failure of ALB to post the full amount of the injunction bond, the RTC of Makati City ordered the stock transfer agent of the Parent Company to transfer the 74,889,231 shares to EPCIB and, in accordance with the Deed of Assignment of Shares of Stock dated February 17, 2003, the shares were transferred to WPI. Subsequently, ALB filed a motion for reconsideration of the order dissolving the writ of injunction issued by the RTC of Makati City.

On June 24, 2004, at the annual stockholders' meeting of the Parent Company pursuant to the order of the SEC, WPI, as the registered majority stockholder of record, elected new directors to serve as such until the next annual stockholders' meeting.

On August 10, 2004, the Court of Appeals (CA) gave due course to EPCIB's petition and set aside the questioned Orders on ALB request for preliminary injunction bond. On the same date, ALB filed a Motion for Reconsideration which the CA denied on November 24, 2004.

On December 22, 2004, ALB questioned the said Resolutions of the CA by filing a Petition for Review on Certiorari at the Supreme Court (SC). On January 19, 2005, the SC denied the Petition for Review on Certiorari on the decision and resolution of the CA dated August 10, 2004 and November 24, 2004, respectively, for failure of ALB to state the material date showing when notice of judgment thereof was received. On March 1, 2005, ALB filed a motion for reconsideration of the said denial by the SC. The petition for reconsideration filed by ALB has been denied with finality by the SC on March 14, 2005.

In March 2006, ALB commenced proceedings in Hong Kong against EPCIB and WPI to pursue its claim. In view of the Memorandum of Agreement signed in July 2011, ALB forever renounces its claim against WPI and EPCIB.

Preferred Shares

The Parent Company's authorized and unissued preferred shares as at December 31, 2025 and 2024 amounted to P10.00 million, consisting of 20,000 shares with a par value of P500 per share.

The Parent Company's preferred shares have the following attributes:

- a. non-voting;
- b. non-convertible to common shares;
- c. redeemable at a premium of 5%; and
- d. entitled to cumulative dividends of 9% per annum.

Treasury Stock

On November 13, 2007, the BOD approved the creation of a share buyback program involving the Parent Company's common stock. As at December 31, 2025 and 2024, the Parent Company has bought back 1,353,058 shares for a total cost of P12.04 million.

Retained Earnings

In accordance with Section 42 of the Revised Corporation Code of the Philippines, stock corporations are prohibited from retaining surplus profits in excess of one hundred (100%) percent of their paid-in capital stock, except: (1) when justified by definite corporate expansion projects or programs approved by the BOD; or (2) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or (3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies.

The Group has retained earnings in excess of the one hundred percent of its paid-in capital stock. The excess unappropriated retained earnings after adjustments of the Group amounted to P750.82 million and P843.60 million as at December 31, 2025 and 2024, respectively.

As at December 31, 2025 and 2024, no appropriation has been made.

On June 11, 2026, the Parent Company'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 Parent Company.

12. Other Costs and Expenses

This account consists of:

	Note	2025	2024	2023
Bad debts expense	4, 10	P62,209,692	P13,197,084	P -
Taxes and licenses		15,997,324	11,223,078	14,068,860
Security and other services		6,683,302	9,424,986	6,802,012
Professional fees		2,534,316	6,947,161	1,409,593
Data processing		670,726	1,261,265	1,324,555
Directors' fees		668,235	740,127	-
Head office and corporate costs		636,075	10,249,469	1,787,928
Share in common operating expenses		255,968	11,272,689	-
Repairs and maintenance		174,106	201,591	1,054,107
Communications		166,939	40,737	258,452
Advertising		82,040	120,294	276,891
Supplies	5	59,250	107,133	99,731
Transportation and travel		41,689	48,570	147,160
Representation and entertainment		12,275	856,037	573,152
Insurance		-	5,996,671	5,344,707
Other services		-	-	339,597
Rent		-	-	289,474
Meeting expenses		-	-	628,036
Miscellaneous		545,562	379,980	72,494
		P90,737,499	P72,066,872	P34,476,749

Share in common operating expenses pertains to allocated corporate costs incurred by the Parent Company and chargeable by the Immediate Parent Company (see Note 10).

Miscellaneous includes recruitment expense, donations, and employee association dues.

13. Financing Income (Charges) - net

This account consists of:

	Note	2025	2024	2023
Interest income	10	P4,354,938	P4,362,336	P3,063,281
Bank charges		(1,354)	(2,091)	(2,887)
Loss on discounting	10	(6,067,463)	-	-
Other Income		72,877	124,524	-
		(P1,641,002)	P4,484,769	P3,060,394

14. Retirement Benefits Liability

The Group has a funded, noncontributory retirement plan (the Plan) covering substantially all of its regular employees with at least five years of continuous service. The retirement benefits are based on percentage of the employees' final monthly salary for every year of continuous service depending on the length of stay. Contributions and costs are determined in accordance with the actuarial studies made for the Plan.

The latest independent actuarial valuation of the Plan was as at December 31, 2025, which was prepared using the projected unit credit method. The Plan is administered by independent trustees (the Retirement Plan Trustee) with assets held consolidated from those of the Company.

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 Plan is registered with the Bureau of Internal Revenue (BIR) as a tax-qualified plan under Republic Act (R.A.) No. 4917, As Amended, *Retirement Pay Law*.

The Plan exposes the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

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 reconciliation of the present value of the DBO and the FVPA to the recognized liability presented as "Retirement benefits liability" in the consolidated statements of financial position is as follows:

			Retirement Benefits Liability
2025	FVPA	DBO	
At January 1	P2,545,625	(P9,134,208)	(P6,588,583)
Included in Profit or Loss			
Current service cost	-	(668,365)	(668,365)
Net interest income (cost)	156,047	(559,927)	(403,880)
	156,047	(1,228,292)	(1,072,245)
Included in OCI			
Remeasurement gains:			
1. Actuarial gains (losses) arising from:			
▪ Financial assumptions	-	34,981	34,981
▪ Demographic assumptions	-	12,238	12,238
▪ Experience adjustments	-	207,747	207,747
2. Return on plan assets excluding interest income	(35,477)	-	(35,477)
	(35,477)	254,966	219,489
Other			
Benefits paid	(144,459)	144,459	-
At December 31	P2,521,736	(P9,963,075)	(P7,441,339)

			Retirement Benefits Liability
2024	FVPA	DBO	
At January 1	P3,412,720	(P9,342,420)	(P5,929,700)
Included in Profit or Loss			
Current service cost	-	(706,472)	(706,472)
Net interest income (cost)	206,128	(564,282)	(358,154)
	206,128	(1,270,754)	(1,064,626)
Included in OCI			
Remeasurement gains:			
1. Actuarial gains (losses) arising from:			
▪ Financial assumptions	-	77,721	77,721
▪ Demographic assumptions	-	428,087	428,087
▪ Experience adjustments	(100,065)	-	(100,065)
2. Return on plan assets excluding interest income	-	-	-
	(100,065)	505,808	405,743
Benefits paid	(973,158)	973,158	-
At December 31	P2,545,625	(P9,134,208)	(P6,588,583)

Retirement benefits expense is included in “Personnel” account in the consolidated statements of profit or loss and other comprehensive income.

The personnel account comprises the following:

	2025	2024	2023
Salaries and wages	P15,951,483	P17,964,512	P23,034,906
Retirement benefits expense	1,072,245	1,064,626	1,163,168
Other employee benefits	3,773,921	3,534,392	827,824
	P20,797,649	P22,563,530	P25,025,898

The Group’s plan assets consist of the following:

	2025	2024	2023
Cash and cash equivalents	P656,792	P1,007,527	P1,622,102
Debt instruments - government bonds	1,820,506	1,514,630	1,771,361
Others	127,826	105,292	19,257
	2,605,124	P2,627,449	P3,412,720
Accrued trust fees payable	(83,388)	(81,824)	-
	P2,521,736	P2,545,625	P3,412,720

Asset-liability Matching

The Retirement Plan Trustee has no specific matching strategy between the plan assets and the plan liabilities.

Funding Policy

The Group is not required to pre-fund the future defined benefit liability under the Plan before they become due. For this reason, the amount and timing of contributions to the Plan are at the Group’s discretion. However, in the event a benefit claim arises and the Plan is insufficient to pay the claim, the shortfall will then be due and payable from the Group to the employee. Hence, there is no expected contribution to the Plan in 2026.

The December 31 actuarial valuation uses these principal actuarial assumptions at the reporting date:

	2025	2024
Discount rate	6.17%	6.04%
Future salary increases	3.00%	3.00%

Assumptions regarding the mortality and disability rates are based on the 2001 CSO Table - Generational (Scale AA, Society of Actuaries) and the Disability Study, Period 2, Benefit 5 (Society of Actuaries), respectively.

The weighted-average duration of the DBO is 8.12 years and 7.96 years as at December 31, 2025 and 2024, respectively.

Maturity analysis of the benefit payments over the period of 10 years as at December 31 follows:

	Carrying Amount	Contractual Cash Flows	Within 1 Year	Within 1 - 5 Years	Within 6 - 10 Years
2025	P9,963,075	P8,286,713	P374,411	P4,441,666	P3,470,636
2024	P9,134,208	P8,022,962	P324,150	P3,980,769	P3,718,043
2023	P9,373,044	P10,174,206	P374,690	P3,947,591	P5,851,925

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have increased (decreased) the DBO by the amounts shown below:

2025	+ 1%	- 1%
Discount rate	(P852,582)	P962,039
Expected rate of salary increases	990,256	(897,641)
2024	+ 1%	- 1%
Discount rate	(P804,520)	P909,128
Expected rate of salary increases	938,522	(851,602)
2023	+ 1%	- 1%
Discount rate	(P858,568)	P975,548
Expected rate of salary increases	1,004,493	(905,517)

15. Income Taxes

The components of the income tax benefit are as follows:

	2025	2024	2023
Current	P3,354	P698,427	P33,255
Deferred	(27,290,698)	(5,159,618)	(5,298,315)
	(P27,287,344)	(P4,461,191)	(P5,265,060)

The reconciliation of the income tax benefit computed at the statutory tax rate to the actual benefit shown in profit or loss is as follows:

	2025	2024	2023
Loss before income tax benefit	(P128,671,284)	(P81,705,331)	(P80,189,103)
Statutory tax rate for income tax expense	20%/25%	20%/25%	20%/25%
Income tax benefits	(P32,167,821)	(P20,426,333)	(P19,496,920)
Additions to (reductions in) income tax due to the effects of:			
Unrecognized deferred tax asset on NOLCO and MCIT	8,133,931	13,515,755	15,133,597
Nondeductible expenses	40,904	232,759	3,809
Interest income already subjected to final tax	(1,088,735)	(4,523)	(770,953)
Other	(2,205,623)	2,221,151	-
	(P27,287,344)	(P4,461,191)	(P5,130,467)

The movements of the deferred tax assets and deferred tax liabilities are as follows:

December 31, 2025	Balance January 1, 2025	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2025
Deferred tax liability:				
Revaluation surplus on property and equipment	P198,757,340	(P4,892,150)	P10,014,526	P203,879,716
Deferred tax assets:				
Retirement benefits liability	1,647,146	268,061	(54,873)	1,860,334
Unrealized foreign exchange loss	(2,491)	3,726	-	1,235
Allowance for uncollectible accounts	1,599,883	22,126,761	-	23,726,644
	3,244,538	22,398,548	(54,873)	25,588,213
	P195,512,802	(P27,290,698)	P10,069,399	P178,291,503

December 31, 2024	Balance January 1, 2024	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2024
Deferred tax liability:				
Revaluation surplus on property and equipment	P203,649,490	(P4,892,150)	P -	P198,757,340
Deferred tax assets:				
Retirement benefits liability	1,482,424	266,158	(101,436)	1,647,146
Unrealized foreign exchange loss	(3,801)	1,310	-	(2,491)
	1,478,623	267,468	(101,436)	1,644,655
	P202,170,867	(P5,159,618)	P101,436	P197,112,685

December 31, 2023	Balance January 1, 2023	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2023
Deferred tax liability:				
Revaluation surplus on property and equipment	P208,827,941	(P5,178,451)	P -	P203,649,490
Deferred tax assets:				
Retirement benefits liability	1,481,643	123,665	(122,884)	1,482,424
Unrealized foreign exchange loss	-	(3,801)	-	(3,801)
	1,481,643	119,864	(122,884)	1,478,623
	P207,346,298	(P5,298,315)	P122,884	P202,170,867

Deferred tax assets in respect of possible future taxable benefit arising from NOLCO and MCIT are not recognized because management has assessed that the future taxable profits will not be available against which the Group can utilize the benefits thereon.

Details of the Parent Company's NOLCO are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2025	P47,300,845	P -	P -	P47,300,845	2028
2024	51,616,868	-	-	51,616,868	2027
2023	18,627,924	-	-	18,627,924	2026
2022	14,483,139	-	(14,483,139)	-	2025
2021	59,520,608	-	-	59,520,608	2026
	P191,549,384	P -	(P14,483,139)	P177,066,245	

Details of the Subsidiary's NOLCO are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2025	P3,012,113	P -	P -	P3,012,113	2028
2024	2,440,125	-	-	2,440,125	2027
2023	2,435,932	-	-	2,435,932	2026
2022	2,460,132	-	(2,460,132)	-	2025
	P10,348,302	P -	(P2,460,132)	P7,888,170	

Details of the Parent Company's MCIT are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2025	P3,356	P -	P -	P3,356	2028
2024	611,539	-	-	611,539	2027
2023	33,255	-	-	33,255	2026
2021	35,425	-	(35,425)	-	2025
	P683,575	P -	(P35,425)	P648,150	

16. Loss Per Share

Loss per share (LPS) is computed by dividing the net loss for the year by the weighted average number of outstanding shares of common stock during the year.

	2025	2024	2023
Net loss	(P73,081,129)	(P78,500,613)	(P74,555,391)
Weighted average number of outstanding shares of common stock (net of treasury stock)	344,747,520	344,747,520	344,747,520
LPS - basic/diluted	(P0.21)	(P0.23)	(P0.22)

There are no potential dilutive common shares for the years ended December 31, 2025, 2024 and 2023.

17. Financial Instruments - Risk Management and Fair Values

Risk Management Structure

BOD

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

Risk Management Committee

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

Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of cash and cash equivalents, trade and other current receivables, note receivable, due from a related party, equity securities - at FVOCI, other deposits (presented under "Other noncurrent assets"), trade and other current payables (excluding statutory payables), due to related parties and retention payables. The main purpose of these financial instruments is to finance the Group's operations.

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

Credit Risk

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

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

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

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

At the reporting date, other than the trade and other current receivables and due from a related party, there were no significant concentrations of credit risk.

The tables below show the credit quality of the Group's financial assets (amounts are in thousands):

	2025		
	At Amortized Cost		
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P92,731	P -	P -
Grade B	68,334	-	-
Grade C	95,318	-	-
Gross carrying amount	256,383	-	-
Loss allowance	(95,318)	-	-
Carrying amount	P161,065	P -	P -

	2024		
	At Amortized Cost		
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P108,195	P -	P -
Grade B	93,500	-	-
Grade C	33,108	-	-
Gross carrying amount	234,803	-	-
Loss allowance	(33,108)	-	-
Carrying amount	P201,695	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*		P4,366	P20,813
Trade and other current receivables	4	12,191	22,339
Note receivable	10	56,142	112,950
Due from related parties	10	70,526	71,161
Other deposits	8	183,683	182,310
		326,908	409,573
Less allowance for impairment losses	4, 10	95,318	33,108
		P231,590	P376,465

*Excluding cash on hand

Cash and cash equivalents consist of:

	2025	2024
Cash on hand	P43,810	P70,000
Cash in banks	4,366,371	20,813,077
	P4,410,181	P20,883,077

Cash in banks earn interest based on prevailing deposit rates.

Related interest income recognized in profit or loss amounted to P0.01 million, P0.02 million, and P0.01 million in 2025, 2024, and 2023 respectively.

The aging analysis of the Group's financial assets are as follows (in thousands):

December 31, 2025	Total	Neither Past Due nor Impaired	Past Due but not Impaired					Past Due and Impaired
			< 30 Days	30 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days	
Cash and cash equivalents*	P4,410	P4,410	P -	P -	P -	P -	P -	P -
Trade and other current receivables	45,300	45,300	-	-	-	-	-	33,108
Note receivable	56,142	118,352	-	-	-	-	-	62,210
Due from a related parties	70,526	70,526	-	-	-	-	-	-
Other deposits	183,683	183,683	-	-	-	-	-	-
Total	P258,619	P422,271	P -	P -	P -	P -	P -	P95,318

December 31, 2024	Total	Neither Past Due nor Impaired	Past Due but not Impaired					Past Due and Impaired
			< 30 Days	30 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days	
Cash and cash equivalents*	P20,813	P20,813	P -	P -	P -	P -	P -	P -
Trade and other current receivables	55,447	22,339	-	-	-	-	-	33,108
Note receivable	112,950	112,950	-	-	-	-	-	-
Due from a related parties	182,310	182,310	-	-	-	-	-	-
Other deposits	7,540	7,540	-	-	-	-	-	-
Total	P379,060	P345,952	P -	P -	P -	P -	P -	P33,108

*Excluding cash on hand

Information on the Group's receivables that are impaired as at December 31, 2025 and 2024 and the movements in the impairment losses are disclosed in Notes 4 and 10 to the consolidated financial statements.

The main considerations for impairment assessment include whether any payments are overdue or if there are any known difficulties in the cash flows of the counterparties. The Group assesses impairment in two ways: individual assessment and collective assessment.

The Group determines allowance for each significant receivable on an individual basis. Among the items that the Group considers in assessing impairment is the inability to collect from the counterparty based on the contractual terms of the receivables. Receivables included in the specific assessment are the accounts that have been endorsed to the legal department, non-moving accounts receivable, accounts of defaulted agents and corporate accounts.

For collective assessment, allowances are assessed for receivables that are not individually significant and for individually significant receivables where there is no objective evidence yet of individual impairment. Impairment losses are estimated by taking into consideration the age of the receivables, past collection experience and other factors that may affect collectability.

The total impairment losses on the financial assets recognized in the consolidated statements of profit or loss and other comprehensive income amounted to P62.21 million, P13.20 million, and nil in 2025, 2024, and 2023, respectively (see Notes 4 and 10), which were determined and measured through the Group's individual assessment procedures.

Liquidity Risk

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

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

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

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

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

The following tables summarize the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (in thousands):

December 31, 2025	Note	Total Carrying Amount	Contractual Undiscounted Payments			
			Total	On Demand	Less than 1 Year	1 to 5 Years
Trade and other current payables*	9	P230,575	P230,575	P -	P230,575	P -
Due to related parties	10	717,132	717,132	717,132	-	-
Retention payables		93,536	93,536	93,536	-	-
		P1,041,243	P1,041,243	P810,668	P230,575	P -

*Excluding statutory payables

December 31, 2024	Note	Total Carrying Amount	Contractual Undiscounted Payments			
			Total	On Demand	Less than 1 Year	1 to 5 Years
Trade and other current payables*	9	P334,635	P334,635	P -	P334,625	P -
Due to related parties	10	536,035	536,035	536,035	-	-
Retention payables		88,488	88,488	88,488	-	-
		P959,158	P959,158	P624,523	P334,625	P -

*Excluding statutory payables

Market Risk

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

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

Equity Price Risk

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

The Group is exposed to equity price risk because of its investment in shares of stock of WII which are listed on the PSE totaling to 86.71 million shares as at December 31, 2025 and 2024.

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

The sensitivity of the Group's equity to a reasonably possible change in equity price. These changes are considered to be reasonably possible based on past equity price performance of the Group's equity security - at FVOCI and macroeconomic forecast for 2025 and 2024. This analysis assumes an increase of 10% for 2025 and 2024 and a decrease of 10% for 2025 and 2024 of the equity price of the Group's equity security - at FVOCI. All other variables are held constant. There are no fair value change in other comprehensive income in 2025 and 2024.

Fair Value Measurement

The carrying amount of cash and cash equivalents, trade and other current receivables, note receivable, due from a related party, trade and other current payables (excluding statutory payables) and due to related parties approximate their fair values due to the short-term maturity of these instruments.

The discussions on the fair value of equity security - at FVOCI are disclosed in Note 10 to the consolidated financial statements.

The discussions on the fair value of property and equipment are disclosed in Note 7 to the consolidated financial statements.

The carrying values of other deposits and retention payables approximate their fair value because these are not subject to significant risk of change in value.

The approximation of the fair values of the 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.

18. Capital Management

The primary objective of the Group's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group's overall strategy remains unchanged since prior financial year.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or process in 2025 and 2024. For purposes of the Group's capital management, capital includes all equity items that are presented in the consolidated statements of changes in equity, except for revaluation surplus on property and equipment, retirement benefits reserve and fair value reserve.

The Group is not subject to externally-imposed capital requirements.

19. Significant Contingencies

Legal Cases

The Group is also a defendant in other legal and labor cases which are still pending resolution. Management and its legal counsels believe that the outcome of these cases will not have any material effect on the Group's consolidated financial position and results of operations.

20. Summary of Material Accounting Policies

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 Group'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 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 and amended 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. Except as otherwise indicated, none of these are expected to have a significant impact on the Group's 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. As at December 31, 2025, the Group has not yet determined the impact of the standard.

- 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*)

Current versus Noncurrent Classification

The Group presents assets and liabilities in the statements of financial position based on current and noncurrent classification. An asset is current when it is: (a) expected to be realized or intended to be sold or consumed in the normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within 12 months after the reporting period; or (d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is current when: (a) expected to be settled in the normal operating cycle; (b) it is held primarily for trading; (c) it is due to be settled within 12 months after the reporting period; or (d) there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other assets and liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition

Financial instruments are recognized in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates these classifications at each reporting date.

All regular way purchases and sales of financial assets are recognized on the trade date, i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Measurement at Initial Recognition

Financial instruments are recognized initially at fair value of the consideration given (in case of an asset) or received (in case of a liability). Except for financial instruments at FVTPL, the initial measurement of financial instruments includes transaction costs.

Financial Assets

On initial recognition, a financial asset is classified as measured at amortized cost, FVOCI or FVTPL, based on their contractual cash flow characteristics and the business model for managing the financial assets.

Debt Instruments

Financial Assets Measured at Amortized Cost

A financial asset that is a debt instrument, other than those that are designated at FVTPL, which meet both of the following conditions:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Included in this category are the Group's cash and cash equivalents, trade and other current receivables, note receivable and due from a related party.

Equity Instruments

Financial assets that are equity instruments shall be classified under any of the following categories:

- Financial assets measured at FVTPL which shall include financial assets held for trading; or
- Financial assets at FVOCI which shall consist of equity instruments that are irrevocably designated at FVOCI at initial recognition that are neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which PFRS 3, *Business Combinations*, applies. This election is made on an instrument-by-instrument basis.

As at December 31, 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 SPPI

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. nonrecourse features).

Prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired for a discount or premium to its contractual face amount, a feature that permit or requires prepayment that an amount that substantially represents the contractual face amount plus accrued (but unpaid) contractual interest (which may include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent Measurement of Financial Assets

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Amounts recognized in OCI are not classified to profit or loss.

Classification and Measurement of Financial Liabilities

Financial Liabilities

Financial liabilities are initially recognized at fair value. Transaction costs are deducted from the initial measurement of the Group's financial liabilities except for debt instruments classified at FVTPL.

Financial liabilities are subsequently measured as follows:

- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in a business combination.

As at December 31, 2025 and 2024, other financial liabilities at amortized cost include trade and other current payables (excluding statutory payables), due to related parties and retention payables in the consolidated statement of financial position (see Notes 9, 10 and 17). There are no financial liabilities measured at FVTPL.

Other Financial Liabilities at Amortized Cost

Issued financial instruments or their components which are not classified as financial liabilities at FVTPL are classified as other financial liabilities at amortized cost, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder or lender, or to satisfy the obligation other than by the exchange of a fixed amount of cash. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Derecognition of Financial Instruments

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the contractual rights to receive cash flows from the asset have expired;
- the Group retains the contractual right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party; or
- the Group has transferred its contractual right to receive cash flows from the asset or either has: (a) transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts recognized in consolidated statement of profit or loss and other comprehensive income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is generally not the case with master netting agreements, thus, the related assets and liabilities are presented at gross amounts in the consolidated statement of financial position.

As at December 31, 2025 and 2024, only due to/from related party transactions were offset in the consolidated financial statements. The said accounts were being set-off because the management intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Determination and Measurement of Fair Value

The Group measures financial instruments at fair value at each consolidated statements of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to market participant that would use the asset in its highest and best use.

The Group uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated statement of financial position on a recurring basis, the Group determines whether transfer have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of Financial Assets

Impairment of Financial Instruments

At the date of initial application of PFRS 9, the Group uses reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that a financial instrument was initially recognized and compared that to the credit risk at the date of initial application.

Lifetime ECLs result from all possible default events over the expected life of a financial instruments while 12-month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period of the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Movement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the EIR of the financial assets.

Credit-impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. The financial asset is “credit impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as default or being more than the normal credit terms of the Group;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Segment Reporting

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

The Group determines and presents operating segments based on the information that is internally provided to the BOD, who is the Group’s chief operating decision maker. The Group assessed that its hotel operations represent one segment. Accordingly, the Group does not present segment information in these consolidated financial statements.

Inventories

Inventories are stated at the lower of cost and NRV. Cost comprises all cost of purchase and other direct costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method.

NRV represents the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. NRV of operating supplies and engineering and maintenance supplies is the estimated replacement cost.

Prepaid Expenses

Prepaid expenses represent expenses not yet incurred but are already paid. Prepaid expenses are initially recorded as assets and measured at the amount of cash paid. Subsequent to initial recognition, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepaid expenses are classified in the consolidated statement of financial position as current assets when the cost of goods or services related to the prepayment are expected to be incurred within one year or the Group's normal operating cycle, whichever is longer. Otherwise, they are classified as noncurrent assets.

Property and Equipment

Measurement at Recognition

Upon recognition, items of property and equipment are measured at cost which comprises the purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use. For land which is acquired as part of business combination, it is originally measured at deemed cost (fair value at the acquisition date). No depreciation is provided on land.

Measurement Subsequent to Recognition

Operating equipment is carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Hotel building and furniture, fixtures and equipment are carried at revalued amounts, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Fair values are determined through the appraisal of an independent firm of appraisers. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in the carrying amount resulting from a revaluation (revaluation increase) is recognized in OCI and accumulated in equity. However, the increase shall be recognized in profit or loss to the extent that the increase reverses a revaluation decrease of the same asset previously recognized in profit or loss.

Any decrease in the carrying amount resulting from a revaluation (revaluation decrease) is recognized in profit or loss. However, the decrease shall be recognized in OCI to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in OCI reduces the amount accumulated in equity.

Subsequent Costs

Subsequent costs that can be measured reliably are added to the carrying amount of the asset when it is probable that future economic benefits associated with the asset will flow to the Group. The costs of day-to-day servicing of an asset are recognized as an expense in the period in which they are incurred.

Depreciation

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Number of Years
Hotel building	15 - 50
Furniture, fixtures and equipment	3 - 5

The useful lives and depreciation method are reviewed at each reporting date to ensure that such useful lives and depreciation method are consistent with the expected pattern of economic benefits from those assets.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

Construction-in-progress is stated at cost. This includes cost of construction, equipment and other direct costs. Construction-in-progress is not depreciated until such time the relevant assets are completed and put into operational use.

When an asset is disposed of, or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal is recognized in profit or loss.

Impairment of Nonfinancial Assets

The carrying amount of the Group's property and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the impaired asset is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss, unless the asset is carried at revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset.

The recoverable amount is the greater of the asset's fair value less costs of disposal and value in use. Fair value less cost of disposal is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, less the costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset being evaluated. If an asset does not generate cash inflows that are largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized. Reversals of impairments are recognized in profit or loss, unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

After such reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Revenue Recognition

Revenue from Contracts with Customers

The Group's business is primarily engaged in offering hotel rooms and facilities such as restaurants, function halls, coffee shops and all adjuncts and accessories thereto.

The Group recognizes revenue when it transfers control over a product or service to a customer. Revenue is measured based on the consideration specified in a contract with a customer.

The following is a description of principal activities from which the Group generates its revenue. Revenue is disaggregated by major products/service lines as reflected in the consolidated statement of profit or loss and other comprehensive income.

Hotel Rooms and Function Halls

Revenue from hotel rooms and function halls is recognized at the point in time when control of the asset is transferred to a customer, generally on actual occupancy. The normal credit terms for lease of hotel rooms and function halls is 30 days, when payment is made on credit.

Food and Beverage

Revenue from food and beverage is recognized at the point in time when the goods have been delivered.

Rent and Related Income

Rental income on leased areas of the Group is accounted for on a straight-line basis over the term of the lease.

Other Operating Departments

Revenue from other operating departments is recognized at the point in time when the service has been rendered. This includes guest, laundry and valet, parking fees, among others.

Interest Income

Interest income is recognized on a time proportion basis on the principal outstanding and at the rate applicable.

Other Income

Other income is recognized at the point in time when the service has been rendered.

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

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

- whether the Group has primary responsibility for providing the goods and services; and
- whether the Group has discretion in establishing prices.

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

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

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss upon utilization of the service or at the date they are incurred. Interest expense is recognized in profit or loss in the period in which they are incurred using the effective interest method.

Income Taxes

Income tax comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized in OCI or directly in equity, in which case they are recognized respectively therein.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

Current Tax

Current tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the end of each reporting period.

Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided, using the liability method, on all temporary differences at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic subsidiaries, associates and interest in joint ventures. With respect to investments in other subsidiaries, associates and interests in joint ventures, deferred tax liabilities are recognized except when the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred tax asset to be recovered. It is probable that sufficient future taxable profits will be available against which a deductible temporary difference can be utilized when there are sufficient taxable temporary difference relating to the same taxation authority and the same taxable entity which are expected to reverse in the same period as the expected reversal of the deductible temporary difference. In such circumstances, the deferred tax asset is recognized in the period in which the deductible temporary difference arises.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rate and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognized in OCI or directly in equity is recognized in the consolidated statement of other comprehensive income and consolidated statement of changes in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if there is a legally enforceable right to offset current income tax assets against current income tax liabilities and they relate to income taxes levied by the same tax authority and the Group intends to settle its current income tax assets and liabilities on a net basis.

Foreign Currency Transactions and Translations

Transactions in foreign currencies are translated into PHP using the exchange rates prevailing at the dates of such transactions. Monetary assets and liabilities denominated in foreign currencies are translated to their PHP equivalents using the rates of exchange prevailing at the reporting date.

Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Employee Benefits

Short-term Employee Benefits

Short-term employee benefit obligations, such as those for salaries and wages, social security contributions, short-term compensated absences, bonuses and non-monetary benefits, among others, are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits Costs

The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of DBO is performed on a periodic basis by a qualified actuary using the PUCM. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI and presented under Retirement benefits reserves under equity. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the DBO at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Related Party Relationship

A related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its KMP, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Capital Stock

Capital stock is classified as equity. Incremental costs directly attributable to the issuance of capital stock and share options are recognized as deduction from equity, net of any tax effects.

Preferred share capital is classified as equity if it is non-redeemable, or redeemable only at the option of the Parent Company, or if the dividend payments are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the BOD of the Parent Company.

Retained Earnings

Retained earnings include accumulated results of operations as reported in the consolidated statement of profit or loss and other comprehensive income less any dividends declared. Dividends are recorded in the period in which the dividends are approved by the BOD.

Treasury Stock

The Group's shares which are reacquired and held by the Group are deducted from equity and accounted for at weighted average cost. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

(LPS) EPS

Basic EPS/LPS is determined by dividing net income or loss for the year by the weighted average number of common shares subscribed and issued during the year, after retroactive adjustment for any stock dividend and stock splits declared during the year. Diluted EPS/LPS is computed in the same manner as the aforementioned, except that all outstanding convertible preferred shares are further assumed to have been converted to common stock at the beginning of the period or at the time of issuance during the year.

Provisions and Contingencies

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that a transfer of economic benefits will be required to settle the obligation.

Contingent liabilities are not recognized as liabilities, but are disclosed in the consolidated financial statements unless the possibility of an outflow of resources is remote. Contingent assets are not recognized but are disclosed in the consolidated financial statements when an inflow of economic benefits is probable.

Events After the Reporting Period

The Group identifies post-year-end events as events that occurred after the reporting date but before the date when the consolidated financial statements were authorized for issue. Any post-year-end events that provide additional information on conditions that existed at the end of a reporting period (adjusting events) are recognized in the consolidated financial statements. Events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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C	O	R	P	O	R	A	T	I	O	N		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S		

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

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

Form Type

AFS21

Department requiring the report

N/A

Secondary License Type, If Applicable

N/A

COMPANY INFORMATION

Company's email Address

acesitemph@waterfronthotels.net

Company's Telephone Number/s

09985948516

Mobile Number

N/A

No. of Stockholders

208

Annual Meeting (Month / Day)

December 2

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

Email Address

Telephone Number/s

Mobile Number

N/A

CONTACT PERSON'S ADDRESS

8th Floor, Waterfront Manila Hotel and Casino, United Nations Avenue corner Maria Orosa Street,
Ermita, Manila

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES

AS OF DECEMBER 31, 2025

Ratio	Formula	2025	2024
Current ratio	Total Current Assets divided by Total Current Liabilities Total Current Assets P48,150,432 <u>Divided by: Total Current Liabilities</u> <u>948,901,941</u> Current ratio 0.05	5%	29%
Acid test ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities Total Current Assets P48,150,432 Less: Inventories 762,424 <u>Other current assets</u> <u>30,822,136</u> Quick assets P16,565,872 <u>Divided by: Total Current Liabilities</u> <u>948,901,941</u> Acid test ratio 0.02	2%	26%
Solvency ratio	Net Income After Tax plus Non-cash Expenses divided by Total Liabilities Net Income After Tax (P107,451,404) <u>Add: Non-Cash Expenses</u> <u>19,568,600</u> After-tax Net Operating Income (87,882,804) <u>Divided by: Total Liabilities</u> <u>1,228,170,541</u> Solvency ratio -0.07	-7%	-5%
Debt-to-equity ratio	Total Liabilities divided by Shareholder's Equity Total Liabilities P1,228,170,541 <u>Divided by Shareholder's Equity</u> <u>1,640,454,518</u> Debt-to-equity ratio 0.75	75%	68%
Asset-to-equity ratio	Total assets divided by Shareholder's Equity Total assets P2,868,625,059 <u>Divided by: Shareholder's Equity</u> <u>1,640,454,518</u> Asset-to-equity ratio 1.75	175%	168%
Return on equity	Net loss divided by Shareholder's Equity Net Loss (P107,451,404) <u>Divided by: Shareholder's Equity</u> <u>1,640,454,518</u> Return on Equity -0.07%	-7%	-5%

Ratio	Formula	2025	2024
Return on assets	Net Income divided by Average Total Assets		
	Net Loss (P107,451,404)		
	Divided by: Average Total Asset		
	Beginning Balance, asset P2,877,481,928		
	Add: Ending Balance, asset		
	2,868,625,059		
	5,746,106,987		
	Divided by:		
	2,873,053,494		
	Return on asset		
	-0.04%		

-4%

-3%

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025**

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES

8th Floor, Manila Pavilion Hotel
United Nations Avenue, Ermita, Manila

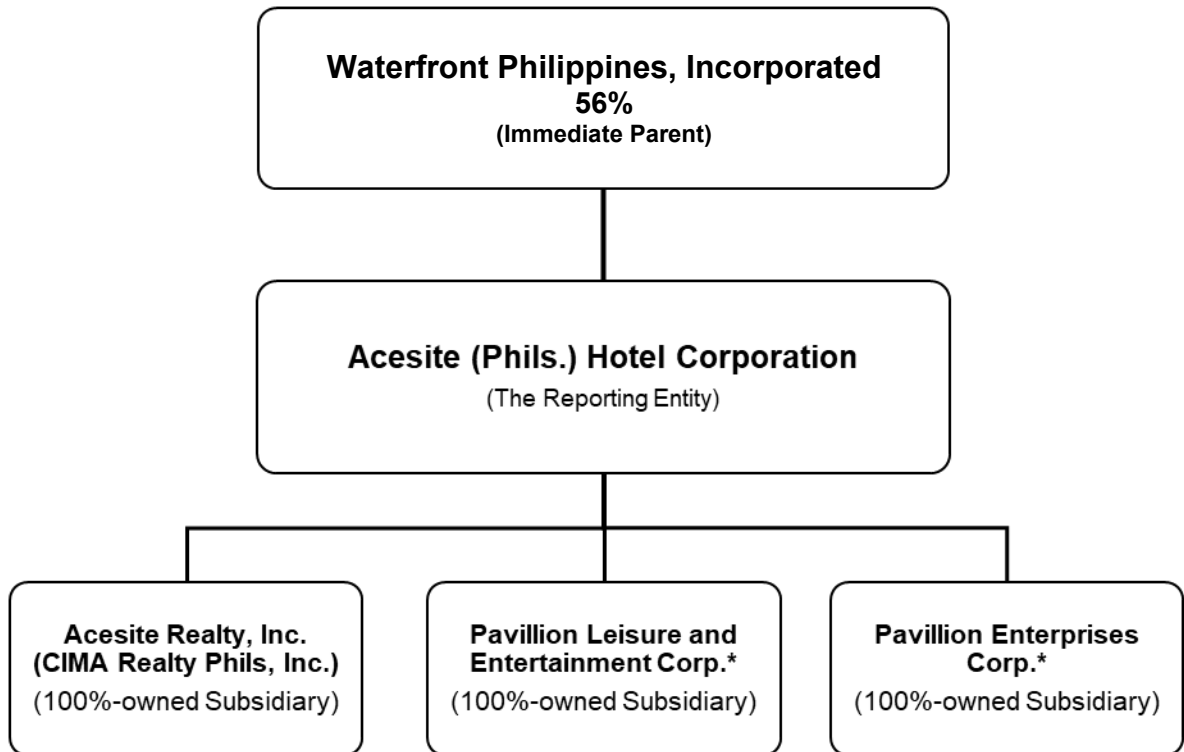
Unappropriated Retained Earnings, beginning of the reporting period	P1,108,677,509
Unappropriated Retained Earnings, as adjusted	1,108,677,509
Add/Less: Net loss	(110,735,310)
Adjusted Net Income	(110,735,310)
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	14,676,450
Add: Category F: Other items that should be excluded from the determination of available for dividend distribution	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	21,797,233
Total Retained Earnings, end of the reporting period available for dividend	P1,034,415,882

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED
INFORMATION
DECEMBER 31, 2025

	2025	2024
Total Audit Fees		
Audit of financial statements	P570,000	P550,000
Total non-audit services fees:		
Financial statement word processing	Included in the audit fee	Included in the audit fee
Audit and non-audit fees of related parties:		
Audit fees		-
Non-audit services	Included in the audit fee	Included in the audit fee
Total fees	P570,000	P550,000

**ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE REQUIRED UNDER THE REVISED SRC
RULE 68**

Map of Conglomerate



*dormant entities

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES

Table of Contents

**Supplementary Schedules
Required Under the Revised Securities Regulation Code Rule 68
December 31, 2025**

	<u>Page</u>
A. Financial Assets	<u>2</u>
B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties).	<u>3</u>
C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements - <i>(nothing to report)</i>	<u>4</u>
D. Long-term Debt - <i>(nothing to report)</i>	<u>5</u>
E. Indebtedness to Related Parties	<u>6</u>
F. Guarantees of Securities of Other Issuers - <i>(nothing to report)</i>	<u>7</u>
G. Capital Stock	<u>8</u>

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2025

Name of Issuing Entity and Association of Each Issue	Number of shares or Principal Amount of Bonds and Notes	Amount Shown in the Statement of Financial Position	Value Based on Market Quotation at End of Reporting Period	Income Received and Accrued
Cash		P4,410,181	P4,410,181	
Trade and other current receivables - net		12,191,474	12,191,474	
Note receivable		56,142,228	56,142,228	P4,354,938
Equity securities - at fair value through other comprehensive income	86,710,000	22,544,600	22,544,600	
	P86,710,000	P95,288,483	P95,288,483	P4,354,938

See Notes 4, 10 and 18 of Notes to the Consolidated Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS
EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (Other than Related Parties)
DECEMBER 31, 2025

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Noncurrent	Balance at End of Period
Acesite Leisure and Entertainment Corp. (ALEC)	P112,950,334	P11,469,049	P -	P -	P -	P -	P124,419,383

See Note 10 of Notes to the Consolidated Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED
DURING CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2025

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Noncurrent	Balance at End of Period

Nothing to report

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 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

Nothing to report

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES
DECEMBER 31, 2025

<u>Name of Related Party</u>	<u>Balance at Beginning of Period</u>	<u>Balance at End of Period</u>
Waterfront Philippines, Inc. (Parent Company)	P203,028,522	P188,171,701
Waterfront Cebu City Casino Hotel, Incorporated	15,228,873	176,511,423
Waterfront Mactan Casino Hotel, Incorporated	240,429,265	250,942,209
Davao Insular Hotel Company, Inc.	77,348,069	98,040,996
Grand Ilocandia Resort and Development, Inc.	-	2,445,388
Waterfront Wellness Group, Inc	-	345,000
Waterfront Horizon Corporation	-	675,242
	<u>P536,034,729</u>	<u>P717,131,959</u>

See Note 10 of Notes to the Consolidated Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2025

Name of Issuing Entity of Securities of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which Statement is Filed	Nature of Guarantee

Nothing to report

ACESITE (PHILS.) HOTEL CORPORATION AND SUBSIDIARIES
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 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	1,200,000,000	346,100,578	1,353,058	192,045,057	10,000	152,692,263
Preferred shares	10,000,000	-	-	-	-	-
	1,210,000,000	346,100,578	1,353,058	192,045,057	10,000	152,692,263

See Note 11 of Notes to the Consolidated Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION

SEPARATE FINANCIAL STATEMENTS
December 31, 2025 and 2024

With Independent Auditors' Report

REPORT OF INDEPENDENT AUDITORS

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

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Acesite (Phils.) Hotel Corporation (the Company), which comprise the separate statements of financial position as at December 31, 2025 and 2024, and the separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for each of the three years ended December 31, 2025, and notes, comprising summary of material accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at December 31, 2025 and 2024, and its unconsolidated financial performance and its unconsolidated cash flows for each of the three years ended December 31, 2025, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the separate financial statements, which indicates that as at date, the Company's hotel operations remain suspended due to the fire incident in March 2018 that significantly damaged its podium and hotel property, the reconstruction of which continues to experience delays in achieving project milestones and is behind its target completion dates. It is further stated in the same note that its current liabilities exceeded its current assets by P909.01 million as at reporting date, and has incurred net losses for the years 2023, 2024 and 2025 amounting to P80.22 million, P78.50 million and P110.74 million, respectively. As stated in Note 1, these events and conditions, among others, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Note 1 discloses the plans of the Company to address the said matter including the commitment of its Parent Company to provide financial support to the Company as may be necessary. Our opinion is not modified in respect of this matter.

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

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

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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

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

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

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

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

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

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

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 23 to the basic separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic separate financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic separate financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditors' report is 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 15, 2026

Makati City, Metro Manila

R.G. Manabat & Co.



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

REPORT OF INDEPENDENT AUDITORS

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

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Acesite (Phils.) Hotel Corporation (the Company), which comprise the separate statements of financial position as at December 31, 2025 and 2024, and the separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for each of the three years ended December 31, 2025, and notes, comprising summary of material accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at December 31, 2025 and 2024, and its unconsolidated financial performance and its unconsolidated cash flows for each of the three years ended December 31, 2025, 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

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the separate financial statements, which indicates that as at date, the Company's hotel operations remain suspended due to the fire incident in March 2018 that significantly damaged its podium and hotel property, the reconstruction of which continues to experience delays in achieving project milestones and is behind its target completion dates. It is further stated in the same note that its current liabilities exceeded its current assets by P909.01 million as at reporting date, and has incurred net losses for the years 2023, 2024 and 2025 amounting to P80.22 million, P78.50 million and P110.74 million, respectively. As stated in Note 1, these events and conditions, among others, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Note 1 discloses the plans of the Company to address the said matter including the commitment of its Parent Company to provide financial support to the Company as may be necessary. Our opinion is not modified in respect of this matter.

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

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

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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

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

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

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

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

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

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

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 23 to the basic separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic separate financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic separate financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditors' report is 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 15, 2026

Makati City, Metro Manila

R.G. Manabat & Co.



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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 TO ACCOMPANY SEPARATE FINANCIAL STATEMENTS FOR FILING WITH THE BUREAU OF INTERNAL REVENUE

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

We have audited the accompanying separate financial statements of Acesite (Phils.) Hotel Corporation (the Company) as at and for the year ended December 31, 2025, on which we have rendered our report dated June 15, 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 president, manager, 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 15, 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

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	18	P4,410,181	P20,883,077
Trade and other current receivables - net	4, 18	12,191,474	22,338,852
Note receivable	11, 18	-	112,950,334
Due from related parties	11	-	79,141,124
Inventories	5	726,641	762,424
Prepaid expenses and other current assets	6	30,490,454	22,573,294
Total Current Assets		47,818,750	258,649,105
Noncurrent Assets			
Property and equipment - net	7	1,184,009,997	1,097,717,909
Right-of-use assets - net	20	17,821,459	20,226,717
Note receivable	11, 18	56,142,228	-
Due from related parties	11	85,709,488	-
Investment in subsidiaries	8	459,762,500	459,762,500
Equity security - at fair value through other comprehensive income	11	22,544,600	18,382,520
Other noncurrent assets - net	9	837,251,506	860,380,930
Total Noncurrent Assets		2,663,241,778	2,456,470,576
		P2,711,060,528	P2,715,119,681
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other current payables	10, 18	P239,692,827	P340,738,844
Due to related parties	11, 18	717,131,959	536,034,728
Total Current Liabilities		956,824,786	876,773,572
Noncurrent Liabilities			
Retention payables	18	93,535,758	88,487,518
Retirement benefits liability	15	7,441,339	6,588,583
Lease liability - net of current portion	18, 20	58,352,653	54,777,681
Deferred tax liability - net	16	9,658,705	26,880,006
Total Noncurrent Liabilities		168,988,455	176,733,788
Total Liabilities		1,125,813,241	1,053,507,360
Equity			
Capital stock	12, 19	346,100,578	346,100,578
Revaluation surplus on property and equipment	7	136,447,841	121,080,712
Retirement benefits reserve	15	62,729,649	62,565,032
Fair value reserve	11	10,294,130	6,132,050
Retained earnings	12	1,041,716,789	1,137,775,649
Treasury stock	12	(12,041,700)	(12,041,700)
Total Equity		1,585,247,287	1,661,612,321
		P2,711,060,528	P2,715,119,681

See Notes to the Separate Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME

Years Ended December 31				
	<i>Note</i>	2025	2024	2023
REVENUES		P -	P -	P -
COSTS AND EXPENSES OTHER THAN DEPRECIATION, FINANCING AND INCOME TAX BENEFIT				
Personnel	15	20,797,649	22,563,530	25,025,898
Energy		315,789	2,402,194	3,942,942
Rental		1,989,060	315,789	289,474
Others	13	87,725,386	72,066,872	34,187,278
		110,827,884	97,348,385	63,445,592
LOSS BEFORE GAIN (LOSSES), DEPRECIATION, FINANCING AND INCOME TAX BENEFIT		(110,827,884)	(97,348,385)	(63,445,592)
GAIN (LOSSES), DEPRECIATION AND FINANCING				
Financing income (charges) - net	14	5,215,974	(1,128,820)	173,127
Foreign exchange losses - net		4,938	(9,963)	(15,201)
Gain from insurance claims - net	1	-	(30,401,133)	-
Depreciation	7, 20	21,973,858	21,973,858	21,880,848
		27,194,770	(9,566,058)	22,038,774
LOSS BEFORE INCOME TAX		(138,022,654)	(87,782,327)	(85,484,366)
INCOME TAX BENEFIT		(27,287,344)	(9,282,728)	(5,265,060)
NET LOSS		(110,735,310)	(78,499,599)	(80,219,306)
OTHER COMPREHENSIVE INCOME				
Items that will never be reclassified to profit or loss				
Revaluation of property and equipment	7	40,058,105	-	-
Unrealized gain (loss) on securities - at fair value through other comprehensive income	11	4,162,080	(1,560,780)	-
Remeasurement loss on defined benefit plan	15	219,489	405,743	491,536
Deferred tax effect	16	(10,069,399)	(101,436)	(122,884)
		34,370,275	(1,256,473)	368,652
TOTAL COMPREHENSIVE LOSS		(76,365,035)	(79,756,072)	(79,850,654)
LOSS PER SHARE - Basic and Diluted		(P0.22)	(P0.23)	(P0.23)
		P344,747,520	P344,747,520	P344,747,520

See Notes to the Separate Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF CHANGES IN EQUITY

Year Ended December 31, 2025

	Capital Stock (Note 12)	Revaluation Surplus on Property and Equipment (Note 7)	Retirement Benefits Reserve (Note 15)	Fair Value Reserve (Note 11)	Retained Earnings (Note 12)	Treasury Stock (Note 12)	Total
Balance at January 1, 2025	P346,100,578	P121,080,712	P62,565,032	P6,132,050	P1,137,775,649	(P12,041,700)	P1,661,612,321
Net loss for the year	-	-	-	-	(110,735,310)	-	(110,735,310)
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	(14,676,450)	-	-	14,676,450	-	-
Reversal of revaluation surplus - net of tax	-	30,043,579	-	-	-	-	30,043,579
Other comprehensive income - net of tax effect	-	-	164,617	4,162,080	-	-	4,326,697
	-	15,367,129	164,617	4,162,080	(96,058,860)	-	(76,365,034)
Balance at December 31, 2025	P346,100,578	P136,447,841	P62,729,649	P10,294,130	P1,041,716,789	(P12,041,700)	P1,585,247,287

See Notes to the Separate Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF CHANGES IN EQUITY

Year Ended December 31, 2024

	Capital Stock (Note 12)	Revaluation Surplus on Property and Equipment (Note 7)	Retirement Benefits Reserve (Note 15)	Fair Value Reserve (Note 11)	Retained Earnings (Note 12)	Treasury Stock (Note 12)	Total
Balance at January 1, 2024	P346,100,578	P135,757,162	P62,260,724	P7,692,830	P1,201,598,798	(P12,041,700)	P1,741,368,392
Net loss for the year	-	-	-	-	(78,499,599)	-	(78,499,599)
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	-	-	-	-	-	-
Reversal of revaluation surplus - net of tax	-	(14,676,450)	-	-	14,676,450	-	-
Other comprehensive income - net of tax effect	-	-	304,308	(1,560,780)	-	-	(1,256,472)
	-	(14,676,450)	304,308	(1,560,780)	(63,823,149)	-	(79,756,071)
Balance at December 31, 2024	P346,100,578	P121,080,712	P62,565,032	P6,132,050	P1,137,775,649	(P12,041,700)	P1,661,612,321

See Notes to the Separate Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF CHANGES IN EQUITY

Year Ended December 31, 2023

	Capital Stock (Note 12)	Revaluation Surplus on Property and Equipment (Note 7)	Retirement Benefits Reserve (Note 15)	Fair Value Reserve (Note 11)	Retained Earnings (Note 12)	Treasury Stock (Note 12)	Total
Balance at beginning, as previously stated	P346,100,520	P150,433,612	P61,892,072	P7,692,830	P1,267,141,712	(P12,041,700)	P1,821,219,046
Effect of restatement	58	-	-	-	(58)	-	-
Balance at beginning, as restated	346,100,578	150,433,612	61,892,072	7,692,830	1,267,141,654	(12,041,700)	1,821,219,046
Net loss for the year	-	-	-	-	(80,219,306)	-	(80,219,306)
Transfer of revaluation surplus absorbed through depreciation for the year - net of tax effect	-	-	-	-	-	-	-
Reversal of revaluation surplus - net of tax	-	(14,676,450)	-	-	14,676,450	-	-
Other comprehensive income - net of tax effect	-	-	368,652	-	-	-	368,652
	-	(14,676,450)	368,652	-	(65,542,856)	-	(79,850,654)
Balance at December 31, 2023	P346,100,578	P135,757,162	P62,260,724	P7,692,830	P1,201,598,798	(P12,041,700)	P1,741,368,392

See Notes to the Separate Financial Statements.

ACESITE (PHILS.) HOTEL CORPORATION
SEPARATE STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		(P138,022,654)	(P87,782,327)	(P85,484,366)
Adjustments for:				
Provision for impairment	4, 11, 13	62,209,692	13,197,084	-
Depreciation and amortization	7,20	21,973,858	21,973,858	21,880,849
Loss on discounting		6,067,463	-	-
Interest expense	14	3,574,972	3,355,949	3,233,521
Retirement benefits expense	15	1,072,245	1,064,626	1,163,168
Foreign exchange losses - net		4,938	(9,964)	(15,201)
Lease modification	20	-	1,327,336	(4,150,060)
Interest income	14	(4,354,938)	(4,362,336)	(3,063,281)
Gain from insurance claims		-	(30,401,133)	-
Loss before working capital		(47,474,424)	(81,636,907)	(66,435,370)
Decrease (Increase) in:				
Trade and other current receivables	4	10,147,378	(8,722,259)	76,874,015
Due from related parties	11	(6,568,364)	(3,488,127)	-
Inventories		35,783	-	-
Prepaid expenses and other current assets	6	(7,920,516)	184,308,556	(5,098,094)
Trade and other current payables	10, 18	(135,408,581)	15,408,563	(65,236,036)
Cash generated from (used in) Operations		(187,188,724)	105,869,826	(59,895,485)
Interest received		4,354,938	4,362,336	3,063,281
Benefits paid	15	-	-	831,498
Income taxes paid		-	(698,427)	-
Net cash generated from (used in) activities		(182,833,786)	109,533,735	(56,000,706)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash advanced on related party notes receivable	11	(11,469,049)	(5,927,329)	(8,321,189)
Cash receipt from (cash paid for) contractors and other deposits		(1,572,975)	(175,885,230)	2,733,319
Proceeds from insurance claims on property damages	1	-	48,795,579	-
Additions to property and equipment	7	(1,689,379)	(3,179,929)	(41,795,001)
Net cash used in investing activities		(14,731,403)	(136,196,909)	(47,382,871)
CASH FLOW FROM A FINANCING ACTIVITY				
Proceeds from (settlement of) advances from related parties		181,097,231	27,067,230	(18,636,766)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(16,467,958)	404,056	(122,020,343)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(4,938)	9,963	15,201
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		20,883,077	20,469,058	142,474,210
CASH AND CASH EQUIVALENTS AT END OF YEAR		P4,410,181	P20,883,077	P20,469,068

See Notes to the Separate Financial Statements

ACESITE (PHILS.) HOTEL CORPORATION
NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Reporting Entity

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

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

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

The details of the equity interest of the Company in its subsidiaries as at December 31, 2025 and 2024 are as follows:

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

**dormant entities*

The Company and all of the above subsidiaries were incorporated in the Philippines.

Status of Operation

On March 18, 2018, a fire broke out in the Company's hotel property damaging the podium and hotel building and suspending its hotel operations. Based on the Fire Certification issued by the Bureau of Fire Protection - National Headquarters on April 23, 2018, the cause of the subject fire was declared and classified as "accidental in nature". The Company incurred casualty losses due to damage of inventories and hotel property. The Company filed for property damage and business insurance claims which were finalized in 2020 amounting to P1.72 billion. The Company received approximately P1.5 billion from insurance carriers as complete settlement of the claim.

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. The Company's current liabilities exceeded its current assets by P909.01 million as at reporting date, and has incurred net losses for the years 2023, 2024 and 2025 amounting to P80.22 million, P78.50 million and P110.74 million, respectively. These events and conditions, among others, indicate that a material uncertainty exists which may cast significant doubt on the Company'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.

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

- Strategic deferral of all construction outflows until 2028 to preserve immediate cash reserves;
- Utilization of a P764.0 million retained earnings appropriation earmarked specifically for project resumption;
- Utilization of P115.0 million in intercompany borrowings through 2026-2027 to successfully cover operating expenses; and
- Implementation of a bank borrowing strategy to fully fund the reconstruction and project restart in 2028.

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

2. Basis of Preparation

Statement of Compliance

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

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 22.

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

The accompanying financial statements were approved and authorized for issue by the Board of Directors (BOD) on June 11, 2026.

Basis of Measurement

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

Items	Measurement Bases
▪ Hotel building and furniture, fixtures and equipment ▪ Equity security - at fair value through other comprehensive income (FVOCI) ▪ Retirement benefits liability	▪ Revalued amount less accumulated depreciation and impairment losses ▪ Fair value ▪ Present value of the defined benefits obligation (DBO) less fair value of plan assets (FVPA)

Functional and Presentation Currency

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

3. Use of Judgments and Estimates

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

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

Judgments

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

Recognizing Insurance Claims

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

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

Assessment on the Company's Ability to Continue as a Going Concern

The management has made an assessment of the Company's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Therefore, the Company's separate financial statements continue to be prepared on a going concern basis

Classifying Financial Instruments

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

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.

Distinguishing Investment Properties and Owner-occupied Properties

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

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the delivery of services or for administrative purposes. If these portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the delivery of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company has classified its properties as owner-occupied (see Notes 7 and 20).

Determining the Lease Term of Contract with Renewal Option - Company as Lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Company has one contract that includes an extension option. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Company excluded the renewal period as part of the lease term for its current long-term lease contract as it is determined to be renewable upon mutually acceptable terms and conditions of both the lessee and the lessor.

Assumptions and Estimation Uncertainties

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

Provision for Expected Credit Losses on Financial Assets

The Company uses the expected credit loss (ECL) model in estimating the level of allowance which includes forecasts of future events and conditions. A credit loss is the difference between the cash flows expected to be received discounted at the original effective interest rate. 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 the carrying amounts of assets are disclosed in Notes 4, 9, and 11.

Fair Value Measurement of Financial Instruments

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

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

The specific methods and assumptions used by the Company in estimating the fair values of its financial instruments are disclosed in Note 18.

Revaluation of Property and Equipment

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

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

Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property and equipment. However, it is possible that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recording of expenses for any period would be affected by changes in these factors and circumstances.

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

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

Impairment of Nonfinancial Assets

The Company's policy on estimating the impairment of nonfinancial assets is discussed in Note 22. The Company assesses at each reporting date whether there is an indication that the carrying amount of nonfinancial assets may be impaired or that the previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

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

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

The Company assessed that the carrying amounts of its nonfinancial assets approximate their recoverable amounts.

Retirement Benefits

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

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

Further details on retirement benefits liability are disclosed in Note 15.

Deferred Tax Assets

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

Further details on deferred taxes are disclosed in Note 16.

Leases - Estimating the Incremental Borrowing Rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs such as market interest rates when available and is required to make certain entity-specific estimates such as the Company's stand-alone credit rating.

Further details on leases are disclosed in Note 20.

4. Trade and Other Current Receivables

This account consists of:

	Note	2025	2024
Guests, concessionaires and other patrons		P17,002,785	P19,646,919
Others		28,297,160	35,800,404
	18	45,299,945	55,447,323
Less allowance for impairment losses on guests, concessionaires and other patrons and other receivables	18	33,108,471	33,108,471
		P12,191,474	P22,338,852

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

In assessing the lifetime ECL of the Company's receivables, the Company excluded in its assessment all receivables that were related to long outstanding third-party accounts as these were already specifically identified as uncollectible, hence, impaired.

All of the Company's trade and other receivables have been reviewed for indicators of impairment. As at December 31, 2025 and 2024, management has recognized an additional impairment loss amounting to nil million and P13.2 million, respectively (see Note 13).

5. Inventories

The Company's inventories are carried at cost, which is lower than the net realizable value (NRV), as at December 31, 2025 and 2024 amounting to P0.72 million and P0.76 million, respectively.

The cost recognized as an expense for operating supplies of P0.06 million and P0.11 million in 2025 and 2024, respectively, is included as part of "Supplies" under "Others" account in the separate statements of profit or loss and other comprehensive income (see Note 13).

6. Prepaid Expenses and Other Current Assets

This account consists of:

	2025	2024
Creditable withholding taxes	P22,026,768	P22,030,124
Input VAT - net	7,815,385	89,700
Other prepayments	648,301	453,470
	P30,490,454	P22,573,294

Creditable withholding taxes are excess of tax credits over current income tax due which can be applied against future income tax liability.

Input VAT is available as tax credit against output VAT liability.

Others consist of prepaid licenses and taxes, prepaid maintenance, deposits and prepaid subscription charges.

7. Property and Equipment

The balances and movements in this account are as follows:

	As at and For the Year Ended December 31, 2025			
	Hotel Building	Furniture, Fixtures and Equipment	Construction-in-Progress	Total
<i>Measurement basis:</i>	Revalued	Revalued	At Cost	
Cost	P471,046,928	P14,854,179	P936,276,959	P1,422,178,066
Beginning balance	-	-	-	-
Additions	-	-	65,802,583	65,802,583
Revaluation adjustment	(289,116,473)	-	-	(289,116,473)
Ending balance	181,930,455	14,854,179	1,002,079,542	1,198,864,176
Accumulated Depreciation				
Beginning balance	309,605,978	14,854,179	-	324,460,157
Depreciation for the year	19,568,600	-	-	19,568,600
Revaluation adjustment	(329,174,578)	-	-	(329,174,578)
Ending balance	-	14,854,179	-	14,854,179
Carrying Amount	P181,930,455	P -	P1,002,079,542	P1,184,009,997

	As at and For the Year Ended December 31, 2024			
	Hotel Building	Furniture, Fixtures and Equipment	Construction-in-Progress	Total
<i>Measurement basis:</i>	Revalued	Revalued	At Cost	
Cost	P471,046,928	P14,854,179	P933,097,030	P1,418,998,137
Beginning balance	-	-	-	-
Additions	-	-	3,179,929	3,179,929
Ending balance	471,046,928	14,854,179	936,276,959	1,422,178,066
Accumulated Depreciation				
Beginning balance	290,037,378	14,854,179	-	304,891,557
Depreciation for the year	19,568,600	-	-	19,568,600
Ending balance	309,605,978	14,854,179	-	324,460,157
Carrying Amount	P161,440,950	P -	P936,276,959	P1,097,717,909

In 2025, the Company engaged an independent firm of appraisers to determine the fair value of certain classes of its property and equipment, specifically hotel building and furniture, fixtures and equipment, which are carried at revalued amounts. Fair value was determined by reference to market-based evidence, which is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In determining fair value, an estimate was made in accordance with the prevailing prices for materials, equipment, labor, and contractor's overhead and all other costs associated with acquisition while taking into account the depreciation resulting from physical deterioration, functional and economic obsolescence. The Company's revaluation of its property and equipment is done with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

No revaluation was performed as at December 31, 2024. Management believes that the carrying amounts of "hotel buildings", "furniture, fixtures and equipment" and "transportation equipment" as of reporting date do not differ materially from their fair values, and thus, no revaluation was necessary.

The latest revaluation was at December 31, 2025. "Hotel buildings" were revalued by an independent professional appraiser, accredited by the Professional Regulation Commission and the Securities and Exchange Commission. This resulted to the recognition of an appraisal increase amounting to P30.04 million, net of deferred tax, in other comprehensive income in 2025.

Description of valuation techniques used and key inputs to valuation on property and equipment are as follows:

Cost Approach

Cost Approach is based on the reproduction or 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 costs of disposal is the estimated cost that the management expects to incur to effect the sale of the properties and equipment.

The significant assumptions and the fair value hierarchy category of each assumption for FVLCD, as applicable, are as follows:

	Management Assumptions	Fair Value Hierarchy
	2025	
Price per sqm	130,000	Level 2
Value adjustments	5% - 10%	Level 3
Cost of disposal	14%	-

Sensitivity Analysis on FVLCD 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)
- Cost of disposal were lower (higher)

Had the following classes of property and equipment been carried at cost less accumulated depreciation, their carrying amounts would have been as follows:

	As at and For the Year Ended December 31, 2025		
	Hotel Building	Furniture, Fixtures and Equipment	Total
Cost	P1,503,527	P14,846,724	P16,350,251
Accumulated Depreciation	1,163,359	11,489,475	12,652,834
	P340,168	P3,357,249	P3,697,417

	As at and For the Year Ended December 31, 2024		
	Hotel Building	Furniture, Fixtures and Equipment	Total
Cost	P1,503,527	P14,846,724	P16,350,251
Accumulated Depreciation	1,140,502	11,262,003	12,402,505
	P363,025	P3,584,721	P3,947,746

Depreciation on cost charged to profit or loss amounted to P19.57 million and P19.57 million in 2025, and 2024, respectively.

The revaluation surplus absorbed through depreciation and transferred directly to retained earnings, net of tax effect, amounted to P14.68 million as at December 31, 2025 and 2024, respectively. The carrying amount of revaluation surplus, net of tax amounting to P136.45 million and P121.08 million as at December 31, 2025 and 2024, respectively, is not available for distribution to shareholders.

Impairment Testing on Property and Equipment

In 2025, the management performed impairment testing over the hotel building, and construction in progress. Management identified indicators of impairment during the year due to delays in achieving project milestones and is behind its target completion dates. In addition, the Company's market capitalization is lower than its carrying amount by P1.15 billion and its current liabilities exceeded its current assets by P900.01 million.

The recoverable amounts of the property and equipment were determined using Fair Value Less Cost of Disposal (FVLCD). In determining the fair values of the property and equipment, the Group engaged third party appraiser and the latest independent appraisal report was dated December 31, 2025.

	2025
Fair value less costs of disposal	P3,753,936,705
Carrying value of property and equipment	1,793,951,892

The recoverable amount of the property and equipment was estimated to be higher than its carrying amount and not impaired.

Notes to Consolidated Statements of Cash Flows

In 2026, 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.

8. Investment in Subsidiaries

Discussed below are the descriptions and the financial information of the subsidiaries.

ARI

ARI is a wholly-owned and domestic subsidiary whose shares of stocks are not quoted in an active market. ARI is the owner of the land on which the Hotel is situated (see Note 1).

The registered office is located at 8th floor Waterfront Manila Hotel and Casino, United Nations Avenue, Ermita, Manila.

The following is the summarized financial information of the subsidiary as at and for the periods ended December 31:

	2025	2024
Financial Position		
Total assets	P2,357,987,994	P2,321,196,517
Total current liability	15,247,567	12,235,454
Total noncurrent liabilities	585,414,077	576,216,208
Results of Operation		
Revenue	4,291,477	4,231,753
Net income	24,581,495	730,460

PLEC

PLEC was incorporated and registered with the SEC on June 29, 1998. Its primary purpose is to engage in the business of managing and operating hotels and other accommodations.

The registered office of PLEC is located on the 8th floor of the Waterfront Manila Hotel and Casino, United Nations Avenue, Ermita, Manila.

Due to its dormant status, the Company has provided an allowance for impairment loss on its investment in PLEC.

PEC

PEC was incorporated and registered with the SEC on June 29, 1998. Its primary purpose is to engage in the business of managing and operating hotels and other accommodations.

The registered office of PEC is located at 8th floor Waterfront Manila Hotel and Casino, United Nations Avenue, Ermita, Manila.

Due to its dormant status, the Company has provided an allowance for impairment loss on its investment in PEC.

9. Other Noncurrent Assets

This account consists of:

	<i>Note</i>	2025	2024
Advances to contractors		P698,881,422	P723,383,822
Other deposits	18	183,683,091	182,310,115
		882,564,513	905,693,937
Less allowance for impairment losses on advances to contractors		45,313,007	45,313,007
		P837,251,506	P860,380,930

Advances to contractors are deposits for the reconstruction and restoration of the Company's hotel property and equipment (see Note 1).

Others represent deposits to service providers such as security, utilities, electricity and janitorial services.

There were no additional impairment losses on advances to contractors recognized for 2025, and 2024.

10. Trade and Other Current Payables and Retention Payables

This account consists of:

	<i>Note</i>	2025	2024
Trade payables		P201,150,184	P297,115,368
Accruals:			
Utilities		16,572,136	19,602,341
Other accruals		15,745,410	16,309,779
Withholding taxes		1,194,540	1,098,007
Others		5,030,557	6,613,349
	18	P239,692,827	P340,738,844

Trade payables are noninterest-bearing and are normally on a 30-day term.

Other payables include commissions, unclaimed wages, sponsorships, Social Security System, Philippine Health Insurance Corporation and Housing Development Mutual Fund and sundry payables.

11. Related Party Transactions

Identity of Related Parties

The Company has related party transactions with its key management personnel (KMP) and the following entities:

Related Party	Relationship with the Company
WPI	Parent Company
ARI	Subsidiary
PLEC	Subsidiary
PEC	Subsidiary
Waterfront Cebu City Casino Hotel, Incorporated (WCCCHI)	Under common control
Waterfront Mactan Casino Hotel, Incorporated (WMCHI)	Under common control
Davao Insular Hotel Company, Inc. (DIHCI)	Under common control
Waterfront Hotel Management Corporation (WHMC)	Under common control
Acesite Leisure and Entertainment Corp. (ALEC)	Under common control
Grand Ilocandia Resort and Development, Inc. (GIRDI)	Under common control
Waterfront Wellness Group, Inc. (WWGI)	Under common control
Waterfront Horizon Corporation (WHC)	Under common control
Waterfront Puerto Princesa Hotel Inc. (WPPHI)	Under common control
Mayo Bonanza, Inc. (MBI)	Under common control
The Wellex Group Inc. (TWGI)	Ultimate Parent
Wellex Industries Incorporated (WII)	Affiliate

Significant Transactions and Balances with Related Parties

The summary of significant transactions and balances with the related parties is as follows:

Category/ Transaction	Year	Note	Amount of the Transaction	Outstanding Balance				Terms	Conditions
				Due from a Related Party- net	Note Receivable	Equity Security - at FVOCI	Due to Related Parties		
WPI									
▪ Advances and settlements	2025	a	(P14,856,821)	P -	P -	P -	P188,171,701	Noninterest - bearing	Unsecured
	2024		105,957,593	36,438	-	-	203,028,522		
	2023		(35,810,723)	-	-	-	189,549,172		
ARI									
▪ Advances	2025	b	7,202,974	15,183,192	-	-	-	Noninterest - bearing	Unsecured
	2024		170,155	7,980,218	-	-	-		
	2023		2,430,371	5,265,398	-	-	-		
ALEC									
▪ Note receivable	2025	b	11,469,049	-	124,419,383	-	-	Due in two years interest-bearing	Unsecured; impaired
	2024		5,927,329	-	112,950,334	-	-		
	2023		8,321,189	-	107,023,005	-	-		
Allowance for impairment losses	2025	b	-	-	(62,209,692)	-	-		
	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
Loss on discounting	2025		-	-	(6,067,463)	-	-		
	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
WCCCHI									
▪ Advances and settlements	2025	d	(161,282,551)	-	-	-	176,511,423	Noninterest - bearing	Unsecured
	2024		7,425,838	1,500	-	-	15,228,872		
	2023		(1,898,363)	-	-	-	7,804,535		
WMCHI									
▪ Advances and settlements	2025	d	(10,512,944)	-	-	-	250,942,209	Noninterest - bearing	Unsecured
	2024		1,576,006	-	-	-	240,429,265		
	2023		257,980	-	-	-	242,005,271		
DIHCI									
▪ Advances	2025	d	20,692,177	-	-	-	98,040,996	Noninterest - bearing	Unsecured
	2024		77,348,819	750	-	-	77,348,069		
	2023		5,265,398	-	-	-	69,608,519		
WHMC									
▪ Advances	2025	e	66	2,552,865	-	-	-	Noninterest - bearing	Unsecured; impaired
	2024		-	2,552,799	-	-	-		
	2023		2,552,799	2,552,799	-	-	-		

Category/ Transaction	Year	Note	Amount of the Transaction	Outstanding Balance				Terms	Conditions
				Due from a Related Party- net	Note Receivable	Equity Security - at FVOCI	Due to Related Parties		
WII									
▪ Equity security - at FVOCI	2025	f	P4,162,080	P -	P -	22,544,600	P -		
	2024		(1,560,780)	-	-	18,382,520	-		
	2023		-	-	-	19,943,300	-		
Advances and settlements	2025	d	(33,959,754)	33,884,406	-	-	-	Noninterest - bearing	Unsecured; impaired
	2024		9,360	67,844,160	-	-	-		
	2023		67,834,800	67,834,800	-	-	-		
TWGI									
Advances	2025		33,910,513	33,910,513	-	-	-		
	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
GIRDI									
Advances	2025	g	1,720,129	-	-	-	2,445,388	Noninterest - bearing	Unsecured; impaired
	2024		725,259	725,259	-	-	-		
	2023		-	-	-	-	-		
WWGI									
Advances	2025	d	345,000	-	-	-	345,000	Noninterest - bearing	Unsecured; impaired
	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
WHC									
Advances	2025	d	675,242	-	-	-	675,242	Noninterest - bearing	Unsecured; impaired
	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
WPPHI									
Advances	2025	d	178,012	178,012	-	-	-		
	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
MBI									
Advances	2025	d	500	500	-	-	-	Noninterest - bearing	Unsecured; impaired
	2024		-	-	-	-	-		
	2023		-	-	-	-	-		
TOTAL	2025			P85,709,488	P56,142,228	P22,544,600	P717,131,959		
TOTAL	2024			P79,141,124	P112,950,334	P18,382,520	P536,034,728		

- The transactions with WPI pertain to various noninterest-bearing and unsecured short-term advances which include WPI-allocated share in the common operating expenses.
- In the ordinary course of business, the Company obtained non-interest bearing, collateral-free cash and non-cash advances from ARI for shared corporate expenses and working capital purposes.

Further, the Company has entered into an operating lease with ARI for use of the latter's land. This noncancellable operating lease commenced on November 1, 2011 and has a term of 20 years with escalation rate of 5% per annum. Also, the contract provides for two (2) months of free rental.

From July 1, 2019 to December 31, 2025, the Company was granted a temporary suspension of lease payments by ARI due to the current non-operating status of the Company's hotel (see Note 20).

- In 2017, the Parent Company extended a loan to ALEC payable on December 31, 2018, and bear interest at 4% per annum. From 2018 to 2024, the Parent Company extended another interest-bearing loan at 4% per annum to ALEC. In 2025, the Parent Company extended another interest-bearing loan at 4% per annum to ALEC payable at the end of 2025. The related interest income recognized in profit or loss amounted to P4.35 million, P4.36 million, P3.06 million in 2025, 2024 and 2023, respectively (see Note 14).

In 2025, the Company and ALEC entered into a separate 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 Company, 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 Company recognized allowance for impairment losses amounting to P62.21 million and presented under "Others" account in the separate statements of profit or loss and other comprehensive income (see Note 13). Consequently, the Company recognized loss on discounting amounting to P6.07 million in 2025 in the separate statements of profit or loss and other comprehensive income (see Note 14).

Further, the Company and ALEC entered into a seven (7) year operating lease contract for use of hotel premises. The lease will commence once the planned soft opening of the podium building happens (see Note 1).

- d. In the ordinary course of business, the Company obtains noninterest-bearing, collateral-free cash and non-cash advances from related parties for shared corporate expenses.

In 2025, the Company entered into an agreement with related parties. The outstanding balances under this agreement carry no fixed maturity date and are expected to be settled beyond the next twelve months; these receivables are presented as noncurrent assets.

- e. The Company has noninterest-bearing advances to WHMC for shared corporate expenses and working capital purposes.

In 2025, the Company entered into an agreement with WHMC. The outstanding balances under this agreement carry no fixed maturity date and are expected to be settled beyond the next twelve months; these receivables are presented as noncurrent assets.

- f. In July and August 2005, the BOD approved the conversion of the Company's net receivables from related parties amounting to P43.30 million into 86.71 million shares of stock of WII, an affiliate. The shares of WII are listed on the PSE. The fair market value of the shares based on closing market price as at December 31, 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

- g. Starting May 2024, the Company has a noninterest-bearing advances to GIRDI for shared corporate expenses.

In 2025, the Company entered into an agreement with GIRD. The outstanding balances under this agreement carry no fixed maturity date and are expected to be settled beyond the next twelve months; these receivables are presented as noncurrent assets.

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.

12. Equity

Common Shares

Details of the common stock of the Company as at December 31 are as follows:

	2025	2024
Authorized - P1 par value	P1,200,000,000	P1,200,000,000
Issued	346,100,578	346,100,578
Outstanding	344,747,520	344,747,520

Date of Registration/Listing	Securities
December 5, 1986	1,760,000 common shares
January 26, 1998	73,351,197 common shares
	This is after SEC approval on October 16, 1997 of the change in authorized capital stock from 1,777,400 no par value common shares to 6,595,214 common shares with P1 par value per share.
May 19, 1999	19,970,461 common shares
	These represented dividends declared which was approved by the SEC on March 24, 1999.
May 28, 2012	246,248,212 common shares
	Dividend declared after SEC approval on May 28, 2012 of the increase in authorized capital stock from P310.00 million to P1.21 billion (including P10.00 million preferred shares).

On July 14, 2014, the BOD approved the amendment of the entitlement ratio of stock rights offering from 0.58 common share for every one share held to 1 common share to every one share held.

As at December 31, 2025 and 2024 the Parent Company has 152,692,263 shares held by the public or 44.29% of the total outstanding capital stock and a total of 208 and 206 stockholders, respectively. The Parent Company has not sold any unregistered securities for the past 5 years.

Other Information

In February 1993, common shares of the Company representing 75% of the total issued outstanding shares previously held by Acesite Limited(BVI) (ALB), were pledged by ALB in favor of Equitable PCI Bank Hong Kong Branch (EPCIB) for the latter's loan to an affiliate of ALB.

On February 17, 2003, EPCIB foreclosed the said shares and sold them to WPI as a block sale in the PSE. ALB contested the foreclosure, and on February 20, 2003, filed a case for the annulment of the sale, with application for issuance of a writ of preliminary injunction and a prayer for a temporary restraining order with the Regional Trial Court (RTC) of Makati City. On August 15, 2003, the RTC of Makati City granted ALB's request for preliminary injunction upon posting of the necessary injunction bond.

On June 3, 2004, for failure of ALB to post the full amount of the injunction bond, the RTC of Makati City ordered the stock transfer agent of the Company to transfer the 74,889,231 shares to EPCIB and, in accordance with the Deed of Assignment of Shares of Stock dated February 17, 2003, the shares were transferred to WPI. Subsequently, ALB filed a motion for reconsideration of the order dissolving the writ of injunction issued by the RTC of Makati City.

On June 24, 2004, at the annual stockholders' meeting of the Company pursuant to the order of the SEC, WPI, as the registered majority stockholder of record, elected new directors to serve as such until the next annual stockholders' meeting.

On August 10, 2004, the Court of Appeals (CA) gave due course to EPCIB's petition and set aside the questioned Orders on ALB request for preliminary injunction bond. On the same date, ALB filed a Motion for Reconsideration which the CA denied on November 24, 2004.

On December 22, 2004, ALB questioned the said Resolutions of the CA by filing a Petition for Review on Certiorari at the Supreme Court (SC). On January 19, 2005, the SC denied the Petition for Review on Certiorari on the decision and resolution of the CA dated August 10, 2004 and November 24, 2004, respectively, for failure of ALB to state the material date showing when notice of judgment thereof was received. On March 1, 2005, ALB filed a motion for reconsideration of the said denial by the SC. The petition for reconsideration filed by ALB has been denied with finality by the SC on March 14, 2005.

In March 2006, ALB commenced proceedings in Hong Kong against EPCIB and WPI to pursue its claim. In view of the Memorandum of Agreement signed in July 2011, ALB forever renounces its claim against WPI and EPCIB.

Preferred Shares

The Company's authorized and unissued preferred shares as at December 31, 2025 and 2024 amounted to P10.00 million, consisting of 20,000 shares with a par value of P500 per share.

The Company's preferred shares have the following attributes:

- a. non-voting;
- b. non-convertible to common shares;
- c. redeemable at a premium of 5%; and
- d. entitled to cumulative dividends of 9% per annum.

Treasury Stock

On November 13, 2007, the BOD approved the creation of a share buyback program involving the Company's common stock. As at December 31, 2025 and 2024, the Company has bought back 1,353,058 shares for a total cost of P12.04 million.

Retained Earnings

In accordance with Section 42 of the Revised Corporation Code of the Philippines, stock corporations are prohibited from retaining surplus profits in excess of one hundred (100%) percent of their paid-in capital stock, except: (1) when justified by definite corporate expansion projects or programs approved by the BOD; or (2) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or (3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies.

The Company has retained earnings of more than one hundred percent of its paid-in capital stock. The unappropriated retained earnings after adjustments of the Company amounted to P695.62 million and P791.66 million as at December 31, 2025 and 2024, respectively.

As at December 31, 2025 and 2024, no appropriation has been made.

On June 11, 2026, the Parent Company'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 Parent Company.

13. Other Costs and Expenses

This account consists of:

	Note	2025	2024	2023
Allowance for impairment losses	4, 11	P62,209,692	P13,197,084	P -
Taxes and licenses		13,045,786	11,223,078	14,068,860
Security and other related services		6,683,302	9,424,986	6,802,012
Professional fees		2,473,941	6,947,161	1,409,593
Data processing		670,726	1,261,265	1,324,555
Director's fees		668,235	740,127	-
Head office and corporate costs		636,075	10,249,469	1,787,928
Share in common operating expenses	11	255,968	11,272,689	-
Repairs and maintenance		174,106	201,591	1,054,107
Communications		166,939	40,737	258,452
Advertising		82,040	120,294	276,891
Supplies	5	59,250	107,133	99,731
Transportation and travel		41,689	48,570	147,160
Representation and entertainment		12,275	856,037	573,152
Insurance		-	5,996,671	5,344,707
Other services		-	-	339,600
Meeting expenses		-	-	P628,036
Miscellaneous		545,362	379,980	72,494
		P87,725,386	P72,066,872	P34,187,278

Share in common operating expenses pertains to allocated corporate costs incurred by the Company and chargeable by the Parent Company (see Note 11).

Miscellaneous include recruitment expenses, donations and employee association dues.

14. Financing Income (Charges) - net

This account consists of:

	Note	2025	2024	2023
Interest income	11	P4,354,938	P4,362,336	P3,063,281
Bank charges		(1,354)	(2,091)	(2,887)
Interest expense	20	(3,574,972)	(3,355,949)	(3,233,521)
Loss on discounting	11	(6,067,463)	-	-
Other Income		72,877	124,524	-
		(P5,215,974)	P1,128,820	(P173,127)

15. Retirement Benefits Cost

The Company has a funded, noncontributory retirement plan (the Plan) covering substantially all of its regular employees with at least five years of continuous service. The benefits are based on a percentage of the employees' final monthly salary for every year of continuous service depending on the length of stay. Contributions and costs are determined in accordance with the actuarial studies made for the Plan.

The latest independent actuarial valuation of the Plan was as at December 31, 2025, which was prepared using the projected unit credit method. The Plan is administered by independent trustees (the Retirement Plan Trustee) with assets held consolidated from those of the Company.

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 Plan is registered with the Bureau of Internal Revenue (BIR) as a tax-qualified plan under Republic Act (R.A.) No. 4917, As Amended, *Retirement Pay Law*.

The Plan exposes the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

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 reconciliation of the present value of the DBO and the FVPA to the recognized liability presented as “Retirement Benefits Liability” in the separate statements of financial position is as follows:

2025	FVPA	DBO	Retirement Benefits Liability
At January 1	P2,545,625	(P9,134,208)	(P6,588,583)
Included in Profit or Loss			
Current service cost	-	(668,365)	(668,365)
Net interest income (cost)	156,047	(559,927)	(403,880)
	156,047	(1,228,292)	(1,072,245)
Included in OCI			
Remeasurement gains:			
▪ Actuarial gains (loss) arising from:			
• Financial assumptions	-	34,981	34,981
• Demographic assumptions	-	12,238	12,238
• Experience adjustments	-	207,747	207,747
▪ Return on plan assets excluding interest income	(35,477)	-	(35,477)
	(35,477)	254,966	219,489
Other			
Benefits paid	(144,459)	144,459	-
Contributions paid	-	-	-
Transferred obligation	-	-	-
At December 31	P2,521,736	(P9,963,075)	(P7,441,339)

2024	FVPA	DBO	Retirement Benefits Liability
At January 1	P3,412,720	(P9,342,420)	(P5,929,700)
Included in Profit or Loss			
Current service cost	-	(706,472)	(706,472)
Net interest income (cost)	206,128	(564,282)	(358,154)
	206,128	(1,270,754)	(1,064,626)
Included in OCI			
Remeasurement gains:			
▪ Actuarial gains (loss) arising from:			
• Financial assumptions	-	77,721	77,721
• Demographic assumptions	-	428,087	428,087
• Experience adjustments	(100,065)	-	(100,065)
▪ Return on plan assets excluding interest income	-	-	-
	(100,065)	505,808	405,743
Other			
Benefits paid	(973,158)	973,158	-
Contributions paid	-	-	-
Transferred obligation	-	-	-
At December 31	P2,545,625	(P9,134,208)	(P6,588,583)

2023	FVPA	DBO	Retirement Benefits Liability
At January 1	P3,871,074	(P8,297,644)	(P4,426,570)
Included in Profit or Loss			
Current service cost	-	(804,391)	(804,391)
Net interest income (cost)	273,685	(632,462)	(358,777)
	273,685	(1,436,853)	(1,163,168)
Included in OCI			
Remeasurement gains:			
▪ Actuarial gains (loss) arising from:			
• Financial assumptions	-	(882,594)	(882,594)
• Experience adjustments	-	1,123,097	1,123,097
▪ Return on plan assets excluding interest income	(732,039)	-	(732,039)
	(732,039)	240,503	(491,536)
Other			
Benefits paid	(120,949)	120,949	-
Contributions paid	120,949	-	120,949
Transferred obligation	-	30,625	30,625
At December 31	P3,412,720	(P9,342,420)	(P5,929,700)

Retirement benefits expense is included in “Personnel costs” account in the separate statements of profit or loss and other comprehensive income.

The personnel costs comprise of the following:

	2025	2024	2023
Salaries and wages	P15,951,483	P17,964,512	P23,034,906
Retirement benefits expense	1,072,245	1,064,626	1,163,168
Other employee benefits	3,773,921	3,534,392	827,824
	P20,797,649	P22,563,530	P25,025,898

The Company’s plan assets consist of the following:

	2025	2024
Cash and cash equivalents	P656,792	P1,007,527
Debt instruments - government bonds	1,820,506	1,514,630
Others	127,826	105,292
	2,605,124	2,627,449
Accrued trust fees payable	(83,388)	(81,824)
	P2,521,736	P2,545,625

The components of defined benefit cost recognized in other comprehensive income before deferred tax are as follows:

	2025	2024
Cumulative actuarial losses at the beginning of year	P83,420,042	P83,014,299
Remeasurement during the year	-	-
Net actuarial gains due to changes in assumptions and experience adjustments	254,966	505,808
Return on plan assets	(35,477)	(100,065)
	219,489	405,743
Cumulative actuarial losses at end of year	P83,639,531	P83,420,042

Asset-liability Matching

The Retirement Plan Trustee has no specific matching strategy between the plan assets and the plan liabilities.

Funding Policy

The Company is not required to pre-fund the future defined benefits liability under the Plan before they become due. For this reason, the amount and timing of contributions to the Plan are at the Company's discretion. However, in the event a benefit claim arises and the Plan is insufficient to pay the claim, the shortfall will then be due and payable from the Company to the employee. Hence, there is no expected contribution to the Plan in 2026.

The December 31 actuarial valuation uses these principal actuarial assumptions at the reporting date:

	2025	2024
Discount rate	6.17%	6.13%
Future salary increases	3.00%	3.00%

Assumptions regarding the mortality and disability rates are based on the 2001 CSO Table - Generational (Scale AA, Society of Actuaries) and the Disability Study, Period 2, Benefit 5 (Society of Actuaries), respectively.

The weighted-average duration of the DBO is 8.12 years and 7.96 years as at December 31, 2025 and 2024, respectively.

Maturity analysis of the benefit payments over the period of 10 years as at December 31 follows:

	Carrying Amount	Contractual Cash Flows	Within 1 Year	Within 1 - 5 Years	Within 6 - 10 Years
2025	P9,963,075	P8,286,713	P374,411	P4,441,666	P3,470,636
2024	P9,134,208	P8,022,962	P324,150	P3,980,769	P3,718,043
2023	P9,342,420	P10,174,206	P374,690	P3,947,591	P5,851,925

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have increased (decreased) the DBO by the amounts shown below:

2025	+ 1%	- 1%
Discount rate	(P852,582)	P962,039
Expected rate of salary increases	990,256	(897,641)
2024	+ 1%	- 1%
Discount rate	(P804,520)	P909,128
Expected rate of salary increases	938,522	(851,602)
2023	+ 1%	- 1%
Discount rate	(P858,568)	P975,548
Expected rate of salary increases	1,004,493	(905,517)

16. Income Taxes

The components of the income tax expense are as follows:

	2025	2024	2023
Current tax expense	P3,356	P698,427	P33,255
Deferred tax benefit	(27,290,698)	(9,981,155)	(5,298,315)
	(P27,287,342)	(P9,282,728)	(P5,265,060)

The reconciliation of the income tax(benefit) expense computed at the statutory tax rate to the actual benefit shown in profit or loss is as follows:

	2025	2024	2023
Loss before income tax	(P131,955,191)	(P87,782,327)	(P85,484,366)
Statutory tax rate for income tax expense	25.00%	25.00%	25.00%
Income tax benefit	(P32,988,798)	(P21,945,582)	(P21,371,092)
Additions to (reductions in) income tax due to the tax effects of:			
Unrecognized deferred tax asset on NOLCO and MCIT	11,828,566	12,516,534	15,827,062
Nondeductible expense	40,904	232,759	860,666
Interest income already subjected to final tax	(1,088,735)	(4,523)	(765,099)
Others	(5,079,279)	(97,916)	183,403
	(P27,287,342)	(P9,298,728)	(P5,265,060)

The movements for the deferred tax assets and deferred tax liabilities are as follows:

	Balance January 1, 2025	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2025
December 31, 2025				
Deferred tax liabilities:				
Right-of-use asset - net	P5,056,680	(601,315)	P -	P4,455,365
Revaluation surplus on property and equipment	40,360,237	(4,892,150)	10,014,526	45,482,613
	45,416,917	(5,493,465)	10,014,526	49,937,978
Deferred tax assets:				
Retirement benefits liability	1,647,144	268,061	(54,872)	1,860,333
Lease liability	13,694,421	893,743	-	14,588,164
Unrealized foreign exchange loss	(2,491)	3,726	-	1,235
Allowance for uncollectible accounts	3,197,837	20,631,704	-	23,829,541
	18,536,911	21,797,234	(54,872)	40,279,273
	P26,880,006	(P27,290,699)	P10,069,398	P9,658,705

December 31, 2024	Balance January 1, 2024	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2024
Deferred tax liabilities:				
Right-of-use asset - net	P5,326,159	(P269,479)	P -	P5,056,680
Revaluation surplus on property and equipment	45,435,789	(5,075,552)	-	40,360,237
	50,761,948	(5,345,031)	-	45,416,917
Deferred tax assets:				
Retirement benefits liability	1,482,424	266,156	(101,436)	1,647,144
Lease liability	12,523,599	1,170,822	-	13,694,421
Unrealized foreign exchange loss	(3,801)	1,310	-	(2,491)
Allowance for uncollectible accounts	-	3,197,837	-	3,197,837
	14,002,222	4,636,125	(101,436)	18,536,911
	P36,759,726	(P9,981,156)	P101,436	P26,880,006

December 31, 2023	Balance January 1, 2023	Recognized in Profit or Loss	Recognized in OCI	Balance December 31, 2023
Deferred tax liabilities:				
Right-of-use asset - net	P5,841,594	(P515,435)	P -	P5,326,159
Revaluation surplus on property and equipment	50,327,940	(4,892,151)	-	45,435,789
	56,169,534	(5,407,586)	-	50,761,948
Deferred tax assets:				
Retirement benefits liability	1,481,643	123,665	(122,884)	1,482,424
Lease liability	12,752,734	(229,135)	-	12,523,599
Unrealized foreign exchange loss	-	(3,801)	-	(3,801)
Accrued rent	-	-	-	-
	14,234,377	(109,271)	(122,884)	14,002,222
	P41,935,157	(P5,298,315)	P122,884	P36,759,726

Deferred tax assets in respect of possible future taxable benefit arising from NOLCO and MCIT are not recognized because management has assessed that the future taxable profits will not be available against which the Company can utilize the benefits thereon.

Details of the Company's NOLCO are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2025	P47,300,845	P -	P -	P47,300,845	2028
2024	51,616,868	-	-	51,616,868	2027
2023	18,627,924	-	-	18,627,924	2026
2022	14,483,139	-	(14,483,139)	-	2025
2021	59,520,608	-	-	59,520,608	2026
	P191,549,384	P -	(P14,483,139)	P177,066,245	

Details of the Company's MCIT are as follows:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Year
2025	P3,356	P -	P -	P3,356	2028
2024	611,539	-	-	611,539	2027
2023	33,255	-	-	33,255	2026
2021	35,425	-	(35,425)	-	2025
	P683,575	P -	(P35,425)	P648,150	

17. Loss Per Share

Loss per share (LPS) is computed by dividing the net (loss) income for the year by the weighted average number of outstanding shares of common stock during the year.

	2025	2024	2023
Net loss	(P76,419,906)	(P79,756,072)	(79,850,654)
Weighted average number of outstanding shares of common stock (net of treasury stock)	344,747,520	344,747,520	344,747,520
LPS - basic/diluted	(0.22)	(0.23)	(0.23)

There are no potential dilutive potential common shares for the years ended December 31, 2025, 2024, and 2023.

18. Financial Instruments - Risk Management and Fair Values

Risk Management Structure

BOD

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

Risk Management Committee

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

Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash and cash equivalents, trade and other current receivables, note receivable, due from a related party, equity security - at FVOCI, other deposits (presented under "Other noncurrent assets"), trade and other current payables (excluding statutory payables), due to related parties, lease liability and retention payables. The main purpose of these financial instruments is to finance the Company's operations.

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

Credit Risk

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

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

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

With respect to credit risk from other financial assets of the Company, which comprise mainly of cash and cash equivalents, note receivable, due from a related party and other deposits, the exposure of the Company to credit risk arises from the default of the counterparty, with maximum exposure equal to the carrying amount of these instruments.

At the reporting date, other than the trade and other current receivables and due from a related party, there were no significant concentrations of credit risk.

The tables below show the credit quality of the Company's financial assets (amounts are in thousands):

	At Amortized Cost		
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P193,613	P -	P -
Grade B	-	-	-
Grade C	-	-	-
Gross carrying amount	193,613	-	-
Loss allowance	(78,421)	-	-
Carrying amount	P115,192	P -	P -

	At Amortized Cost		
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P267,936	P -	P -
Grade B	-	-	-
Grade C	33,108	-	-
Gross carrying amount	301,044	-	-
Loss allowance	(33,108)	-	-
Carrying amount	P267,936	P -	P -

	At Amortized Cost		
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired
Grade A	P267,936	P -	P -
Grade B	-	-	-
Grade C	-	-	-
Gross carrying amount	267,936	-	-
Loss allowance	-	-	-
Carrying amount	P267,936	P -	P -

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

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

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

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

As at December 31, the Company's maximum exposure to credit risk, without considering the effects of collateral, credit enhancements and other credit risk mitigation techniques are as follows (in thousands):

	Note	2025	2024
Cash and cash equivalents*		P4,366	P20,813
Trade and other current receivables	4	45,299	55,447
Note receivable	11	56,142	112,950
Due from a related party	11	85,709	79,141
Other deposits	9	183,683	182,310
		375,199	450,661
Less allowance for impairment losses	4, 11	95,318	33,108
		P279,881	P417,553

*Excluding cash on hand

Cash and cash equivalents consist of:

	2025	2024
Cash on hand	P43,811	P70,000
Cash in banks	4,366,370	20,813,077
	P4,410,181	P20,883,077

Cash in banks earn interest based on prevailing deposit rates.

Related interest income recognized in profit or loss amounted to P0.01 million, P0.02 million, and P0.01 million in 2024, 2023, and 2022 respectively (see Note 15).

The aging analysis of the Company's financial assets are as follows (in thousands):

December 31, 2025	Total	Neither Past Due nor Impaired	Past Due but not Impaired					Past Due and Impaired
			< 30 Days	30 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days	
Cash and cash equivalents*	P4,366	P4,366	P -	P -	P -	P -	P -	P -
Trade and other current receivables	45,299	12,191	-	-	-	-	-	33,108
Note receivable	56,142	118,352	-	-	-	-	-	62,210
Due from a related party	85,709	85,709	-	-	-	-	-	-
Other deposits	183,683	183,683	-	-	-	-	-	-
Total	P375,199	P404,301	P -	P -	P -	P -	P -	P95,318

*Excluding cash on hand

December 31, 2024	Total	Neither Past Due nor Impaired	Past Due but not Impaired					Past Due and Impaired
			< 30 Days	30 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days	
Cash and cash equivalents*	P20,813	P20,813	P -	P -	P -	P -	P -	P -
Trade and other current receivables	55,447	22,339	-	-	-	-	-	33,108
Note receivable	112,950	112,950	-	-	-	-	-	-
Due from a related party	79,141	79,141	-	-	-	-	-	-
Other deposits	182,310	182,310	-	-	-	-	-	-
Total	P450,661	P417,553	P -	P -	P -	P -	P -	P33,108

*Excluding cash on hand

December 31, 2023	Total	Neither Past Due nor Impaired	Past Due but not Impaired					Past Due and Impaired
			< 30 Days	30 - 60 Days	61 - 90 Days	91 - 120 Days	> 120 Days	
Cash and cash equivalents*	P20,419	P20,419	P -	P -	P -	P -	P -	P -
Trade and other current receivables	65,119	45,208	-	-	-	-	-	19,911
Note receivable	107,023	107,023	-	-	-	-	-	-
Due from a related party	75,652	75,652	-	-	-	-	-	-
Other deposits	182,310	182,310	-	-	-	-	7,540	-
Total	P450,523	P423,072	P -	P -	P -	P -	P7,540	P19,911

*Excluding cash on hand

Information on the Company's receivables that are impaired as at December 31, 2025 and 2024 and the movements in the impairment losses are disclosed in Notes 4 and 11 to the separate financial statements.

The main considerations for impairment assessment include whether any payments are overdue or if there are any known difficulties in the cash flows of the counterparties. The Company assesses impairment in two ways: individual assessment and collective assessment.

The Company determines allowance for each significant receivable on an individual basis. Among the items that the Company considers in assessing impairment is the inability to collect from the counterparty based on the contractual terms of the receivables. Receivables included in the specific assessment are the accounts that have been endorsed to the legal department, non-moving accounts receivable, accounts of defaulted agents and corporate accounts.

For collective assessment, allowances are assessed for receivables that are not individually significant and for individually significant receivables where there is no objective evidence yet of individual impairment. Impairment losses are estimated by taking into consideration the age of the receivables, past collection experience and other factors that may affect collectability.

The total impairment losses on the financial assets recognized in the separate statements of profit or loss and other comprehensive income amounted to P13.20 million, nil, and nil in 2024, 2023, and 2022, respectively (see Notes 4 and 11), which were determined and measured through the Company's individual assessment procedures.

Liquidity Risk

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

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

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

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

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

The following table summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments (in thousands):

December 31, 2025	Note	Total Carrying Amount	Contractual Undiscounted Payments			
			Total	On Demand	Less than 1 Year	1 to 5 Years
Trade and other current payables*	10	P238,498	P238,498	P -	P238,498	P -
Due to related parties	11	717,132	717,132	717,132	-	-
Lease liability	20	58,353	87,589	-	-	29,304
Retention payables		93,536	93,536	93,536	-	-
		P1,049,166	P1,049,166	P810,668	P238,498	P29,304

*Excluding statutory payable

December 31, 2024	Note	Total Carrying Amount	Contractual Undiscounted Payments			
			Total	On Demand	Less than 1 Year	1 to 5 Years
Trade and other current payables*	10	P339,640	P339,640	P -	P339,640	P -
Due to related parties	11	536,035	536,035	536,035	-	-
Lease liability	20	54,778	54,778	-	-	54,778
Retention payables		88,488	88,488	-	-	88,488
		P1,018,941	P1,018,941	P536,035	P339,640	P143,266

*Excluding statutory payables

December 31, 2023	Note	Total Carrying Amount	Contractual Undiscounted Payments			
			Total	On Demand	Less than 1 Year	1 to 5 Years
Trade and other current payables*	10	P318,755	P318,755	P5,309	P313,446	P -
Due to related parties	11	508,967	508,967	508,967	-	-
Lease liability	20	50,094	50,094	-	-	50,094
Retention payables		88,381	88,381	-	-	88,381
		P966,197	966,197	P514,276	P313,446	P138,475

*Excluding statutory payables

Market Risk

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

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

Equity Price Risk

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

The Company is exposed to equity price risk because of its investment in shares of stock of WII which are listed on the PSE totaling to 86.71 million shares as at December 31, 2025 and 2024.

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

The sensitivity of the Company's equity to a reasonably possible change in equity price. These changes are considered to be reasonably possible based on past equity price performance of the Company's equity security - at FVOCI and macroeconomic forecast for 2025 and 2024. This analysis assumes an increase of 10% for 2025 and 2024 and a decrease of 10% for 2025 and 2024 of the equity price of the Company's equity security - at FVOCI. All other variables are held constant. There are no fair value change in other comprehensive income in 2025 and 2024.

Fair Value Measurement

The carrying amount of cash and cash equivalents, trade and other current receivables, note receivable, due from a related party, trade and other current payables (excluding statutory payables) and due to related parties approximate their fair values due to the short-term maturity of these instruments.

The discussion on the fair value of equity security - at FVOCI is disclosed in Note 11 to the separate financial statements.

The fair value lease liability is based on the discounted value of expected future cash flows using the Company's IBR, thus, the carrying amount approximates fair value.

The carrying value of other deposits and retention payables approximate its fair values because these are not subject to significant risk of changes in value.

The approximation of the fair values of the Company's financial assets and liabilities are based on Level 3, except for equity securities - at FVOCI which is based on Level 1 of the fair value hierarchy.

19. Capital Management

The primary objective of the Company's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company's overall strategy remains unchanged since prior financial year.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or process in 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, except for revaluation surplus on property and equipment, retirement benefits reserve and fair value reserve.

The Company is not subject to externally-imposed capital requirements.

20. Leases

a. *Operating Lease - Company as Lessee*

The Company has entered into an operating lease with ARI for use of the latter's land following the cancellation of finance lease between the two parties. This non-cancellable operating lease commenced on November 1, 2011 and has a term of 20 years with escalation rate of 5% per annum. From July 1, 2019 to December 31, 2025, the Company was granted a temporary suspension of lease payments by ARI due to the current nonoperating status of the Company's hotel.

Information about leases for which the Company is a lessee is presented below.

The right-of-use asset movement are as follows:

	2025	2024
Cost		
At January 1 and December 31	P30,701,359	P30,701,359
Accumulated Depreciation		
At January 1	10,474,642	9,396,720
Depreciation	2,405,258	2,405,258
Lease modification	-	(1,327,336)
At December 31	12,879,900	10,474,642
Carrying Amount	P17,821,459	P20,226,717

Set out below is the carrying amount of the lease liability and the movements during the period:

	2025	2024
At January 1	P54,777,681	P50,094,396
Accretion of interest	3,574,972	3,355,949
Lease modification	-	1,327,336
At December 31	P58,352,653	P54,777,681

	2025	2024
Maturity Analysis - Contractual Undiscounted Cash Flows		
One to five years	P29,304,568	P27,909,112
More than five years	58,284,842	55,509,373
Total undiscounted lease liability at December 31	P87,589,410	P83,418,485
Lease liability Included in the Separate Statements of Financial Position at December 31		
Non-current	P58,352,653	P54,777,682

Amounts Recognized in Profit or Loss

	2025	2024
2020 - Leases under PFRS 16		
Depreciation of right-of-use asset	P2,405,258	P2,405,258
Interest expense related to lease liability	3,574,972	3,404,733

The interest expense associated with the lease liability amounted to P3.57 million and P3.40 million for the year ended December 31, 2025 and December 31, 2024.

Total lease payments made by the Company amounted to nil for both 2025 and 2024.

21. Significant Contingencies

The Company is a defendant in other legal and labor cases which are still pending resolution. Management and its legal counsel believe that the outcome of these cases will not have any material effect on the Company's financial position and results operations.

22. Summary of Material Accounting Policies

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

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition

Financial instruments are recognized in the separate statements of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates these classifications at each reporting date.

All regular way purchases and sales of financial assets are recognized on the trade date, i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Measurement at Initial Recognition

Financial instruments are recognized initially at fair value of the consideration given (in case of an asset) or received (in case of a liability). Except for financial instruments at FVTPL, the initial measurement of financial instruments includes transaction costs.

Financial Assets

On initial recognition, a financial asset is classified as measured at amortized cost, FVOCI or FVTPL, based on their contractual cash flow characteristics and the business model for managing the financial assets.

Debt Instruments

Financial Assets Measured at Amortized Cost

A financial asset that is a debt instrument, other than those that are designated at FVTPL, which meet both of the following conditions:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Included in this category are the Company cash and cash equivalents, trade and other current receivables, note receivable and due from a related party.

FVOCI

A financial asset that is a debt instrument measured at FVOCI shall meet both of the following conditions and is not designated as FVTPL:

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

There are no debt instruments at FVOCI as at December 31, 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 Company has equity securities - at FVOCI as financial assets measured at FVOCI.

Business Model Assessment

Business model pertains to the manner by which a portfolio of financial assets will be managed to generate cash flows such as by collecting contractual cash flows or by both collecting contractual cash flows and selling the financial assets, among others.

The Company makes an assessment of the objective of the business model for the financial assets because this best reflects the way the financial assets are managed. The information considered includes:

- the stated policies and objectives for the financial assets and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, earning dividend income, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash outflows through the sale of assets;
- the risks that affect the performance of the business model and how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales of financial assets in prior periods, the reason for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered for this purpose, consistent with the Company continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose financial performance is evaluated on a fair value basis are measured at FVTPL.

Cash and Cash Equivalents

Cash and cash equivalents include cash equivalents, cash on hand and in banks which are stated at face value. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of 3 months or less from dates of acquisition and are subject to an insignificant risk of changes in value.

Assessment whether Contractual Cash Flows are SPPI

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company claim to cash flows from specified assets (e.g. nonrecourse features).

Prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired for a discount or premium to its contractual face amount, a feature that permit or requires prepayment that an amount that substantially represents the contractual face amount plus accrued (but unpaid) contractual interest (which may include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent Measurement of Financial Assets

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Amounts recognized in OCI are not classified to profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Classification and Measurement of Financial Liabilities

Financial Liabilities

Financial liabilities are initially recognized at fair value. Transaction costs are deducted from the initial measurement of the Company financial liabilities except for debt instruments classified at FVTPL.

Financial liabilities are subsequently measured as follows:

- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in a business combination.

As at December 31, 2025 and 2024, other financial liabilities at amortized cost include trade and other current payables (excluding statutory payables), due to related parties and retention payables in the separate statements of financial position (see Notes 10, 11 and 18). There are no financial liabilities measured at FVTPL.

Other Financial Liabilities at Amortized Cost

Issued financial instruments or their components which are not classified as financial liabilities at FVTPL are classified as other financial liabilities at amortized cost, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder or lender, or to satisfy the obligation other than by the exchange of a fixed amount of cash. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Derecognition of Financial Instruments

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Company has transferred its right to receive cash flows from the asset and either has: (a) transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts recognized in separate statements of profit or loss and other comprehensive income.

Offsetting of Financial Instrument

Financial assets and financial liabilities are offset, and the net amount is reported in the separate statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is generally not the case with master netting agreements, thus, the related assets and liabilities are presented at gross amounts in the separate statements of financial position.

Determination and Measurement of Fair Value

The Company measures financial instruments at fair value at each separate statements of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to market participant that would use the asset in its highest and best use.

The Company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the separate financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the separate statements of financial position on a recurring basis, the Company determines whether transfer have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of Financial Assets

Impairment of Financial Instruments

At the date of initial application of PFRS 9, the Company uses reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that a financial instrument was initially recognized and compared that to the credit risk at the date of initial application.

Lifetime ECLs result from all possible default events over the expected life of a financial instruments while 12-month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period of the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Movement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the EIR of the financial assets.

Credit-impaired Financial Assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. The financial asset is “credit impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as default or being more than the normal credit terms of the Company
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Inventories

Inventories are stated at the lower of cost and NRV. Cost comprises all cost of purchase and other direct costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method.

NRV represents the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. NRV of operating supplies and engineering and maintenance supplies is the estimated replacement cost.

Prepaid Expenses

Prepaid expenses represent expenses not yet incurred but are already paid. Prepaid expenses are initially recorded as assets and measured at the amount of cash paid. Subsequent to initial recognition, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepaid expenses are classified in the separate statements of financial position as current assets when the cost of goods or services related to the prepayment are expected to be incurred within one year or the Company’s normal operating cycle, whichever is longer. Otherwise, they are classified as noncurrent assets.

Investments in Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity if, and only if, the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the 3 elements of control.

The Company carries its investments in shares of stock of its subsidiaries under the cost method of accounting for investments. Under this method, investments are carried at cost less impairment losses. The investor recognizes income from the investment only to the extent that the investor receives distributions from accumulated profits of the investee arising after the date of the acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment.

Property and Equipment

Measurement at Recognition

Upon recognition, items of property and equipment are measured at cost which comprises the purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use. For land which is acquired as part of business combination, it is originally measured at deemed cost (fair value at the acquisition date). No depreciation is provided on land.

Measurement Subsequent to Recognition

Operating equipment is carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Hotel building and furniture, fixtures and equipment are carried at revalued amounts, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Fair values are determined through the appraisal of an independent firm of appraisers. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in the carrying amount resulting from a revaluation (revaluation increase) is recognized in OCI and accumulated in equity. However, the increase shall be recognized in profit or loss to the extent that the increase reverses a revaluation decrease of the same asset previously recognized in profit or loss.

Any decrease in the carrying amount resulting from a revaluation (revaluation decrease) is recognized in profit or loss. However, the decrease shall be recognized in OCI to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in OCI reduces the amount accumulated in equity.

Subsequent Costs

Subsequent costs that can be measured reliably are added to the carrying amount of the asset when it is probable that future economic benefits associated with the asset will flow to the Company. The costs of day-to-day servicing of an asset are recognized as an expense in the period in which they are incurred.

Depreciation

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Number of Years
Hotel building	15 - 50
Furniture, fixtures and equipment	3 - 5

The useful lives and depreciation method are reviewed at each reporting date to ensure that such useful lives and depreciation method are consistent with the expected pattern of economic benefits from those assets.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

Construction-in-progress is stated at cost. This includes cost of construction, equipment and other direct costs. Construction-in-progress is not depreciated until such time the relevant assets are completed and put into operational use.

When an asset is disposed of, or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal is recognized in profit or loss.

Impairment of Nonfinancial Assets

The carrying amount of the Company's property and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the impaired asset is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss, unless the asset is carried at revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset.

The recoverable amount is the greater of the asset's fair value less costs of disposal and value in use. Fair value less cost of disposal is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, less the costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset being evaluated. If an asset does not generate cash inflows that are largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized. Reversals of impairments are recognized in profit or loss, unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

After such reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Revenue Recognition

The following is a description of principal activities from which the Company generates its revenue. Revenue is disaggregated by major products/service lines as reflected in the separate statements of profit or loss and other comprehensive income.

Interest Income

Interest income is recognized on a time proportion basis on the principal outstanding and at the rate applicable.

Other Income

Other income is recognized at the point in time when the service has been rendered.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss upon utilization of the service or at the date they are incurred. Interest expense is recognized in profit or loss in the period in which they are incurred using the effective interest method.

Income Taxes

Income tax comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized in OCI or directly in equity, in which case they are recognized respectively therein.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

Current Tax

Current tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the end of each reporting period.

Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided, using the liability method, on all temporary differences at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic subsidiaries, associates and interest in joint ventures. With respect to investments in other subsidiaries, associates and interests in joint ventures, deferred tax liabilities are recognized except when the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred tax asset to be recovered. It is probable that sufficient future taxable profits will be available against which a deductible temporary difference can be utilized when there are sufficient taxable temporary difference relating to the same taxation authority and the same taxable entity which are expected to reverse in the same period as the expected reversal of the deductible temporary difference. In such circumstances, the deferred tax asset is recognized in the period in which the deductible temporary difference arises.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rate and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognized in OCI or directly in equity is recognized in the separate statements of other comprehensive income and separate statements of changes in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if there is a legally enforceable right to offset current income tax assets against current income tax liabilities and they relate to income taxes levied by the same tax authority and the Company intends to settle its current income tax assets and liabilities on a net basis.

Foreign Currency Transactions and Translations

Transactions in foreign currencies are translated into PHP using the exchange rates prevailing at the dates of such transactions. Monetary assets and liabilities denominated in foreign currencies are translated to their PHP equivalents using the rates of exchange prevailing at the reporting date.

Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Employee Benefits

Short-term Employee Benefits

Short-term employee benefit obligations, such as those for salaries and wages, social security contributions, short-term compensated absences, bonuses and non-monetary benefits, among others, are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits Costs

The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of DBO is performed on a periodic basis by a qualified actuary using the PUCM. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI and presented under Retirement benefits reserves under equity. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the DBO at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Related Party Relationship

A related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its KMP, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in PFRS 16.

The Company as Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use asset - net that do not meet the definition of investment property and lease liability as a separate line item in the separate statements of financial position.

Short-term Leases

The Company has elected not to recognize right-of-use assets - net and lease liabilities for short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as Lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies PFRS 15, *Revenue from Contracts with Customers*, to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in PFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of "Revenues" under "Others" account.

Capital Stock

Capital stock is classified as equity. Incremental costs directly attributable to the issuance of capital stock and share options are recognized as deduction from equity, net of any tax effects.

Preferred share capital is classified as equity if it is non-redeemable, or redeemable only at the option of the Company, or if the dividend payments are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the BOD of the Company.

Retained Earnings

Retained earnings include accumulated results of operations as reported in the separate statements of profit or loss and other comprehensive income less any dividends declared. Dividends are recorded in the period in which the dividends are approved by the BOD.

Treasury Stock

The Company's shares which are reacquired and held by the Company are deducted from equity and accounted for at weighted average cost. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

Provisions and Contingencies

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that a transfer of economic benefits will be required to settle the obligation.

Contingent liabilities are not recognized as liabilities, but are disclosed in the separate financial statements unless the possibility of an outflow of resources is remote. Contingent assets are not recognized but are disclosed in the separate financial statements when an inflow of economic benefits is probable.

Events After the Reporting Period

The Company identifies post-year-end events as events that occurred after the reporting date but before the date when the separate financial statements were authorized for issue. Any post-year-end events that provide additional information on conditions that existed at the end of a reporting period (adjusting events) are recognized in the separate financial statements. Events that are not adjusting events are disclosed in the notes to the separate financial statements when material.

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

In addition to the disclosures mandated under PFRS Accounting Standards, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to the separate financial statements, certain supplementary information for the taxable year. The amounts relating to such supplementary information may not necessarily be the same with those amounts disclosed in the separate financial statements which were prepared in accordance with PFRS Accounting Standards. The following is the supplementary tax information required for the taxable year ended December 31, 2025:

A. Output VAT

Output VAT declared in 2025 amounted to nil due to the suspension of the hotel operations.

B. Input VAT Claimed

The reconciliation of the input VAT as at and for the year ended December 31, 2025 follows:

Input VAT	P177,315,563
Beginning of the year	-
Current year's domestic purchases:	
Purchases of goods other than capital goods	18,313
Purchases of services	953,786
Balance at the end of the year	P178,287,662

C. Withholding Taxes

Details of withholding taxes are as follows:

Tax on compensation and benefits	P1,781,595
Expanded withholding taxes	232,822
	P2,014,417

D. All Other Taxes (Local and National)

<i>Other taxes paid during the year recognized under "Taxes and licenses" account under Other costs and expenses</i>	
Real estate taxes	P12,777,491
Business permit fees	178,718
Documentary stamp	49,119
Others	40,458
	P13,045,786

E. Tax Assessment

The Company has no open tax cases and assessments as at December 31, 2025.

Information on the landed cost of imports and amount of custom duties and tariff fees paid or accrued and the amount of excise taxes is not applicable since there are no transactions that the Hotel could be subjected to these taxes.

Name of Organization	
Location of Headquarters	Manila City, Philippines
Location of Operations	UN Ave. Cor. Ma. Orosa St., Ermita, Manila, 1000
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Acesite Realty, Inc. (ARI) Pavilion Enterprises Corp. (PEC) Pavilion Leisure Entertainment Corp. (PLEC)
Business Model, including Primary Activities, Brands, Products, and Services	The Company operates the Waterfront Manila Hotel and Casino, which is engaged in hotel operations and restaurant operations. There are no operations in the hotel. Suspension of renovation works due to justifiable reasons.
Reporting Period	For the year ended 31 December 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.*

(the "Corporation") has considered the significant economic, environmental, and social impacts. In the definition of the materiality, the Company has considered different factors such as key organizational values and policies, laws and regulations of the local government, and the recent issues in the economy.

The SASB Materiality Map is referenced in the SEC Memorandum Circular No. 4, Series of 2019 on the Sustainability Reporting Guidelines for Publicly Listed Companies.

Based on the materiality assessment, the Corporation has identified the following topics as having the most significant influence on our long-term value creation and our impact on the economy, environment, and society:

1. Energy Management, Waste and Wastewater Management
2. Labor Practices, Product and/or Service Quality and Safety
3. Procurement Practices

¹ See GRI 102-46 (2016) for more guidance.



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 who have received anti-corruption training	100	%
Percentage of employees who have received anti-corruption Training	100	%

The Company has no material impact at this moment under this category.	N/A	N/A
There is no risk/s identified at this moment for this category.	N/A	N/A
There is no opportunity/ies identified at this moment for this category.	N/A	N/A

Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

The Company has no material impact at this moment under this category.	N/A	N/A
There is no risk/s identified at this moment for this category	N/A	N/A
There is no opportunity/ies identified at this moment for this category.	N/A	N/A



Energy consumption (renewable sources)	N/A	GJ
Energy consumption (gasoline)	NIL	L
Energy consumption (LPG)	NIL	Kg
Energy consumption (diesel)	NIL	L
Energy consumption (electricity)	194,587	kWh

Energy reduction (renewable sources)	N/A	GJ
Energy reduction (gasoline)	NIL	L
Energy reduction (LPG)	NIL	Kg
Energy reduction (diesel)	NIL	L
Energy reduction (electricity)	NIL	kWh

The Company has no material impact at this moment under this category.	N/A	N/A
There is no risk/s identified at this moment for this category.	N/A	N/A
There is no opportunity/ies identified at this moment for this category.	N/A	N/A

Water withdrawal	N/A	m ³
Water consumption	788	m ³
Water recycled and reused	NIL	m ³

The Company has no material impact at this moment under this category.	N/A	N/A
There is no opportunity/ies identified at this moment for this category.	N/A	N/A

There is no risk/s identified at this moment for this category	N/A	N/A
There is no opportunity/ies identified at this moment for this category.	N/A	N/A

Not applicable. The Waterfront Manila Hotel is not in operation at this time.

Materials used by weight or volume		
• Renewable	NIL	kg/liters
• non-renewable	NIL	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	NIL	%

Not Applicable.	N/A	N/A
There is no risk/s identified at this moment for this category.	N/A	N/A
There is no opportunity/ies identified at this moment for this category.	N/A	N/A

Not applicable. Waterfront Manila Hotel is not located in an area of high biodiversity such as watershed/ coastline/ marine sanctuary.

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	-

3 International Union for Conservation of Nature

The Company has no material impact at this moment under this category.	N/A	N/A
There is no risk/s identified at this moment for this category.	N/A	N/A

There is no opportunity/ies identified at this moment for this category.	N/A	N/A

Not applicable. Waterfront Manila Hotel is currently not in operation.

Direct (Scope 1) GHG Emissions	NIL	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	NIL	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	NIL	Tonnes

The Company has no material impact at this moment under this category.	N/A	N/A
There is no risk/s identified at this moment for this category.	N/A	N/A
There is no opportunity/ies identified at this moment for this category.	N/A	N/A

Not applicable. Waterfront Manila Hotel is currently not in operation and does not emit air pollutants.

Nox	NIL	kg
Sox	NIL	kg
Persistent organic pollutants (POPs)	NIL	kg
Volatile organic compounds (VOCs)	NIL	kg
Hazardous air pollutants (HAPs)	NIL	kg
Particulate matter (PM)	NIL	kg

The Company has no material impact at this moment under this category.	N/A	N/A
There is no risk/s identified at this moment for this	N/A	N/A

category.		
There is no opportunity/ies identified at this moment for this category.	N/A	N/A

Not applicable. Waterfront Manila Hotel is currently not in operation and does not generate solid waste.

Total solid waste generated		
Reusable	-	kg
Recyclable	-	kg
Composted	-	kg
Incinerated	-	kg
Residuals/Landfilled	-	kg

The Company has no material impact at this moment under this category.	N/A	N/A
There is no risk/s identified at this moment for this category.	N/A	N/A
There is no opportunity/ies identified at this moment for this category.	N/A	N/A

Total weight of hazardous waste generated	NIL	kg
Total weight of hazardous waste transported	NIL	kg

The Company has no material impact at this moment under this category.	N/A	N/A
There is no risk/s identified at this moment for this category.	N/A	N/A
There is no opportunity/ies identified at this moment	N/A	N/A

for this category.		
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Not applicable. Waterfront Manila Hotel is not in operation at the moment and does not discharge wastewater.

Total volume of water discharges	788	m3
Percent of wastewater recycled	NIL	%

The Company has no material impact at this moment under this category.	N/A	N/A
There is no risk/s identified at this moment for this category.	N/A	N/A
There is no opportunity/ies identified at this moment for this category.	N/A	N/A

The Company has no violations of any and is in compliance with all environmental laws and regulations.
Non-compliance with Environmental Laws and Regulations

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 the dispute resolution mechanism	NIL	#

The Company has no material impact at this moment under this category.		
There is no risk/s identified at this moment for this category.		
There is no opportunity/ies identified at this moment for this category.		



Total number of employees ⁴	17	#
a. Number of female employees	11	#
b. Number of male employees	6	#
Attrition rate ⁵	29.41	%
Ratio of the lowest-paid employee against the minimum wage	00:00	ratio

SSS	Y	65%	35%
PhilHealth	Y	65%	35%
Pag-ibig	Y	65%	35%
Parental leaves	Y	0%	100%
Vacation leaves	Y	65%	35%
Sick leaves	Y	65%	35%
Medical benefits (aside from PhilHealth))	Y	65%	35%
Housing assistance (aside from Pag-ibig)	N	0%	0%
Retirement fund (aside from SSS)	Y	0%	100%
Further education support	N	0%	0%
Company stock options	N	0%	0%
Telecommuting	N	0%	0%
Group life insurance	Y	65%	35%
(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)

The Company ensures that the above benefits are fully complied with for the motivation and productivity of the employees.	All government required wages and benefits are strictly complied with by the Company.
Employees will become inefficient if the Company will not complied with the benefits of the employees.	The Company adopts a proactive compliance framework to ensure 100% adherence to all regulatory requirements.

By prioritizing employee well-being and comprehensive social security, the Company identifies the opportunity to build a resilient and loyal core team.	The Company's view benefit compliance (SSS, PhilHealth, Pag-IBIG, and private insurance) not merely as a legal mandate, but as a strategic tool for organizational stability.
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The Company provides training internal and external to employees.

Total training hours provided to employees		
a) Female employees	323	hours
b) Male employees	189	hours
Average training hours provided to employees		
a) Female employees	29	hours
b) Male employees	31	hours

The trainings improved employee skills, safety awareness, emergency preparedness in the workplace and improved understanding of company policies and employee benefits.	The company supports these by providing employees with training opportunities.
Limited budget and scheduling conflicts may affect employee participation in trainings.	We mitigate this through our Echo Training Program. By strategically selecting representatives to attend outside training and requiring them to lead mini-learning sessions for their peers, we ensure that the entire team benefits from the training investment regardless of funding limitations.
Continuous training helps improve service quality, workplace safety, and employee performance.	The company encourages regular employee participation in trainings and seminars.

% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#

The Company has no material impact at this moment under this category.	N/A
The Company has no risk/s at this moment under this category.	N/A
The Company has no opportunity/ies at this moment under	N/A

this category.	
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The company has a policy of equal opportunity to qualified individuals.

% of female workers in the workforce	65%	%
% of male workers in the workforce	35%	%
Number of employees from indigenous communities and/or vulnerable sector*	NIL	#

**Vulnerable sector includes the 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).*

The Company has no material impact at this moment under this category.	N/A
The Company has no risk/s at this moment under this category.	N/A
The Company has no opportunity/ies at this moment under this category.	N/A

The Waterfront Manila Hotel is not in operation at the moment. As such, the company does not have an adequate number of employees to make a meaningful assessment of these metrics.

Safe Man-Hours	8 hours per day	Man-hours
No. of work-related injuries	NIL	#
No. of work-related fatalities	NIL	#
No. of work-related ill-health	NIL	#
No. of safety drills	2	#

The impact lies in the overall safety of the employees when they are performing their tasks.	Management provides policies that ensure that the workplace is a safe environment for its employees.
Risk of workplace accidents or health hazards within a dormant site, which could lead to employee injury, DOLE-imposed sanctions, and legal liabilities for the Company.	The Company has an established safety and security committee that ensures compliance with the standards set by the respective regulatory agencies.

To improve safety and security measures.	Regular evaluation of safety procedures, including drills and training.
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No. of legal actions or employee grievances involving forced or child labor	NIL	#
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Do you have policies that explicitly disallow violations of labor laws and human rights (e.g., harassment, bullying) in the workplace?

Forced labor	N	
Child labor	Y	Policy on allowable age for hiring
Human Rights	Y	Policy on Anti Sexual Harassment, Data Privacy Policy

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 the rights of the employees whilst employed by the organization.
Possibility of aired grievances and lawsuits	Management provides a process to ensure that the rights of employees are protected.
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.

Do you consider the following sustainability topics when accrediting suppliers?

Suppliers and service providers are primarily evaluated based on the quality, timeliness, and cost-effectiveness of their offerings. However, management reserves the right to terminate a relationship if there are proven allegations of material wrongdoing (e.g., non-compliance with laws and regulations).

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

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The impact is on the service providers/suppliers' quality and efficient services required by the Company	All services and purchases by the Company are carefully evaluated and approved by authorized employees.
There's no risk/s identified at this moment for this category.	N/A
There's no opportunity/ies identified at this moment for this category.	N.A

The Company currently does not have an adequate number of employees from the vulnerable sector to make an assessment of impacts, risks, and opportunities under this category.

(excluding CSR projects; this must be business operations)					
1.N/A					
2.N/A					
3.N/A					
4.N/A					

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational, and provide a copy or link to the certificates if available:

The FPIC process is still undergoing	-	#
CP secured	-	#

The Company has no material impact at this moment under this category.	N/A
There's no risk/s identified at this moment for this category.	N/A
There's no opportunity/ies identified at this moment for this category.	N/A

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Customer satisfaction	N/A	N

The Company has no material impact at this moment under this category.	N/A
The Company has no risk/s at this moment under this category.	N/A
The Company has no opportunity/ies at this moment under this category.	N/A

The Waterfront Manila Hotel is not in operation at the moment. As such, the company does not have an adequate number of employees to make a meaningful assessment in this category.

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.*

The Company has no material impact at this moment under this category.	N/A
There's no risk/s identified at this moment for this category.	N/A
The Company has no opportunity/ies at this moment under this category.	N/A

The Waterfront Manila Hotel is not in operation at the moment. As such, the company does not have an adequate number of employees to make a meaningful assessment in this category.

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 with and acted upon by government agencies.*

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The Company has no material impact at this moment under this category.	N/A
There's no risk/s identified at this moment for this category.	N/A
The Company has no opportunity/ies at this moment under this category.	N/A

The company is compliant with the Data Privacy Act of 2012

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.*

This impacts the confidentiality of customer/employees information.	Management follows a set of strict procedures that safeguard the information provided by customers/employees.
Risks that customer information might be leaked.	Management has provided both manual and technological safety nets to protect customer /employees information from being leaked.
There's no opportunity/ies identified at this moment for this category.	N/A

The company is committed to protect data security

No. of data breaches, including leaks, thefts, and losses of data	NIL	#

The proper implementation of the Data Privacy Act of 2012 has been put into measures.	The Company has assigned a Data Privacy Officer and Compliance Officer for Privacy in order to ensure that data security measures are implemented.

There is no risk/s identified at this moment for this category.	N/A
There's no opportunity/ies identified at this moment for this category.	N/A



Key products and services and their contribution to sustainable development.

Hotel and Leisure Food and Beverage Service	Contribute in the generation of more decent work and economic growth.	Opportunities to offer jobs to the vulnerable sector are scarce.	Management can assess procedures and existing policies to find more opportunities to provide for the vulnerable sector.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of their subsidiaries may be disclosed.*