SECURITIES AND EXCHANGE COMMISSION
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Company Information

SEC Registration No.: CS200901269
Company Name: PH RESORTS GROUP HOLDINGS, INC.
Industry Classification: J66940
Company Type: Stock Corporation

Document Information

Document ID: OST10502202583249197
Document Type: ANNUAL_REPORT
Document Code: SEC_Form_17-A
Period Covered: December 31, 2024
Submission Type: Amendment
Remarks: WITH FS-CONSO

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended **December 31, 2024**

2. SEC Identification Number **CS200901269** 3. BIR Tax Identification No. **007-236-853-000**

4. Exact name of issuer as specified in its charter **PH RESORTS GROUP HOLDINGS, INC.**

5. **PHILIPPINES**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **20th Floor, Udenna Tower, Rizal Drive corner 4th Avenue,**
   Bonifacio Global City, Taguig City **1634**
   Address of principal office Postal Code

8. **(632) 8838-1985**
   Issuer's telephone number, including area code

9. **PHILIPPINE H2O VENTURES, CORP.**
   GGDC Administrative Services Building, Clark Global City,
   Clark Freeport Zone, Pampanga, Philippines 2023
   Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock, P1 par value	**7,282,017,027**

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

    Yes [X] No [ ]

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

    There are 7,282,017,027 common shares in the Company that are listed in the Philippine Stock Exchange

12. Check whether the issuer:

    (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 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 [X] No [ ]

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

Yes [X] No [ ]

13. The aggregate market value of the voting stock held by non-affiliates of the registrant as of April 28, 2025 are as follows:

(a) Total number of shares held by non-affiliates as of April 28, 2025 is 2,059,151,263 shares.
(b) Closing price of the Registrant's share on the exchange as of April 28, 2025 is ₱0.205 per share.
(c) Aggregate market price of (a) as of April 28, 2025 is ₱1,492,813,491.

14. Documents Incorporated by Reference

No documents were incorporated by reference to any report in this SEC Form 17-A.

SEC FORM17-A TABLE

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

1. 1 Business Development

PH Resorts Group Holdings, Inc. (formerly Philippine H2O Ventures Corp., "PH Resorts", "H2O", or the "Company") was incorporated in the Philippines and was registered with the Securities and Exchange Commission (SEC) on January 30, 2009. The common shares of the Company are listed and traded in the Philippine Stock Exchange (PSE). The new registered office address of the Company is at 20th Floor Udenna Tower, Rizal Drive corner, 4th Avenue Bonifacio Global City, Taguig City.

As of December 31, 2024, the Company is a majority-owned subsidiary of Udenna Corporation ("Ultimate Parent Company" or "Udenna"), a company incorporated in the Philippines.

On June 25, 2018, the Board of Directors (BOD) and the stockholders approved the following amendments to the Company's Articles of Incorporation (AOI):

- Change of corporate name from Philippine H2O Ventures Corp. to PH Resorts Group Holdings, Inc.

- Change the primary purpose of H2O from "to invest in, purchase, or otherwise acquire and own, hold, use, develop, lease, sell, assign, transfer, mortgage, pledge, exchange, operate, enjoy or otherwise dispose of, as may be permitted by law, all properties of every kind, nature and description and wherever situated, including but not limited to real estate, whether improved or unimproved, agricultural and natural resource projects, buildings, warehouses, factories, industrial complexes and facilities; shares of stock, subscriptions, bonds, warrant, debentures, notes, evidences of indebtedness, and other securities and obligations of any corporation or corporations, associations, domestic or foreign, for whatever lawful to pay therefore stocks, bonds, debentures, contracts, or obligations, to receive, collect, and dispose of interest, dividends, and income arising from such property; and to possess and exercise in respect thereof all the rights, powers, and privileges of ownership, including complying with the provisions of Revised Securities Act" to "to subscribe, acquire, hold, sell, assign, or dispose of shares of stock and other securities of any corporation including those engaged in the hotel and/or gaming and entertainment business, without however engaging in the dealership of securities or in the stock brokerage business or in the business of an investment company, to the extent permitted by law, and to be involved in the management and operations of such investee companies; and to guarantee the obligations of its subsidiaries or affiliates or any entity in which the Corporation has lawful interest".

- Change of registered principal office address from 4th Floor, 20 Lansbergh Place Bldg., 170 Tomas Morato, Quezon City to GGDC Administrative Services Building, Clark Global City, Clark Freeport Zone, Pampanga, Philippines, 2023.

- Change the number of directors from seven to nine.

- Increase in authorized capital stock from ₱500.0 million, consisting of 500.0 million common shares with a par value of ₱1.00 per share to ₱8.00 billion consisting of 8.00 billion common shares with a par value of ₱1.00 per share.

1.2 Business of Issuer

Overview

PH Resorts Group Holdings, Inc. was incorporated primarily to subscribe, acquire, hold, sell, assign, or dispose of shares of stock and other securities of any corporation including those engaged in the hotel and/or gaming and entertainment business, without however engaging in the dealership of securities or in the stock brokerage business or in the business of an investment company, to the extent permitted by law, and to be involved in the management and operations of such investee companies; and to guarantee the obligations of its subsidiaries or affiliates or any entity in which the Corporation has lawful interest.

PH Resorts Group Holdings, Inc. (“PHR) is the parent company of PH Travel and Leisure Holdings Corp. (“PH Travel”). PHR, through PH Travel and its subsidiaries, is engaged in real estate property development. Including the management and operation of the activities conducted therein such as but not limited to resorts, hotels and/or casinos, clubhouses and sports facilities. PHR’s indirect subsidiaries include LapuLapu Leisure, Inc. (”LapuLapu Leisure”, “LLI”) and LapuLapu Land Inc. (“LLC”), Donatela Hotel Panglao Corp (“DHPC”, “Donatela Resort & Sanctuary”), and Davao PH Resort Corp.

LLI AND LLC
LapuLapu Leisure is the developer of Emerald Bay, an integrated tourism resort to be located in Mactan Island, Lapu-Lapu City, Cebu, Philippines. On May 3, 2017, LapuLapu Leisure and UDEVCO were granted a provisional license by the Philippine Amusement and Gaming Corporation (“PAGCOR”) to establish Emerald Bay on a prime beachfront area on Mactan Island, Lapu-Lapu City, Cebu. In July 2018, upon the request of the Company, PAGCOR approved the substitution of LapuLapu Land Corp. (“LapuLapu Land”, “LLC”) as a new co-licensee of the Emerald Bay Provisional License in place of UDEVCO. Emerald Bay will be located on a 12.4-hectare site located on the Punta Engaño peninsula of Mactan Island, which is approximately six kilometers away from Mactan-Cebu International Airport. Construction of Emerald Bay commenced in December 2017 and will be constructed in two phases. The first phase of Emerald Bay is expected to have a five-star hotel with approximately 311 hotel rooms; a gaming floor area with approximately 600 electronic gaming machines approximately 122 gaming tables; an open-air promenade; 5 F&B outlets; and one pool complementing a partially completed 300-meter-long beach front that will be open to resort guests. Emerald Bay is also expected to have Branded Serviced Residences offering approximately 128 branded serviced residence units. The second phase is expected to have a gaming floor area with approximately 729 electronic gaming machines, approximately 146 gaming tables, 4 pools, approximately 16 F&B outlets, and MICE facilities. The introduction of Branded Serviced Residences in the Emerald Bay master plan is expected to enhance Emerald Bay’s competitive position given the reported hotel room shortage and the success of similar hotel/branded serviced residence concepts on Mactan Island.

The Group is recasting its construction timetables and the opening date of the first phase as strategic investor negotiations are ongoing. Current construction activity is minimal on a deliberate basis due to potential changes in specifications to be agreed with the strategic investor, however, site assessment is in progress with increased activity on site due to the introduction of Branded Serviced Residences in the Emerald Bay master plan.

On December 8, 2023, PH Travel executed a term sheet with Tiger Resort Leisure & Entertainment, Inc (“TRLEI”) to acquire a significant majority ownership of LLI and LLC as operators of the Emerald Bay project, subject to various conditions, allowing them to take over the development of Emerald Bay. The conditions included, among others, the execution of definitive agreements, and the approval from the relevant governmental authorities, if any. The final terms were subject to shareholders’ approval, once determined. Pursuant to the provisions of the term sheet, LLI received partial nonrefundable payments from TRLEI totaling ₱327.6 million and were presented as part of “Advances for future stock subscription” under Liabilities in the consolidated statement of financial position as of June 30, 2024.

On July 1, 2024, PH Travel and TRLEI terminated the Term Sheet dated December 8, 2023. Despite termination, this development gave the Group an opportunity to engage with other parties which have already expressed their keen interest in the Emerald Bay Project, but have been unable to formalize due to the restrictions under the TRLEI deal. These strategic investor discussions are ongoing with several parties. Due diligence is ongoing and in various stages of completion. Following the termination of the Term Sheet, the nonrefundable amounts received by LLI from TRLEI totaling ₱327.6 million were reclassified from "Advances for future stock subscription" under Liabilities in the consolidated statement of financial position to "Income from nonrefundable transaction payments" in the consolidated statement of comprehensive income for the year ended December 31, 2024.

On December 6, 2024, Udenna Corporation executed a Memorandum of Understanding (MOU) with EEI Corporation (EEI) with regard to Emerald Bay in Punta Engano, Mactan Island, Cebu. In particular, the MOU provides an avenue for a potential partnership between EEI and PHR, upon the execution of the definitive agreements and subject to the fulfillment of conditions precedent and regulatory approvals, if any. The MOU also paves the way for EEI to execute an agreement with PHR and/or its subsidiaries, Lapulapu Leisure, Inc. (LLI) and Lapulapu Land Corp. (LLC), to finance, construct, and complete Emerald Bay. Advances of ₱300.0 million was received by LLI from EEI through Udenna in January 2025. These advances from a related party were used to partially fund the lease and interest payments to China Banking Corporation ("Chinabank"). As of April 30, 2025, the Group and EEI have ongoing discussions to determine and finalize the terms of the agreements. As of the same date, the Group is also working on a possible repurchase option following its expiration on March 31, 2025.

DHPC

DHPC is the Company's other indirect subsidiary that owns and manages its other project, the Donatela Resort & Sanctuary, a boutique-style, upscale hotel in Tawala, Panglao Island, Bohol. In October 2021, in a proactive response to preserve the Group's resources and in response to the return of Enhanced Community Quarantine (ECQ) restrictions in the National Capital Region (NCR) and certain adjacent provinces, management decided to temporarily close the property until further reassessment of the situation. At that time, existing bookings were cancelled and the expected number of reservations was not achieved. In December 2021, Typhoon Odette caused some damage to several villas of the Donatela Resort along with the landscaping. In December 2022, Donatela was reopened after necessary repairs and maintenance were made to the villas, pool and resort facilities. This was funded by additional shareholder advances. Currently, Donatela has opened 11 of the 12 villas. Group hotel and/or restaurant bookings have allowed the Donatela Resort to cover operating expenses, payroll and basic resort maintenance.

In connection with a Memorandum of Agreement signed between AppleOne Mactan, Inc. (AppleOne) and Donatela Hotel Panglao Corp. (DHPC) on December 16, 2024, negotiations are ongoing with Landbank on a proposed loan repayment schedule between DHPC and AppleOne. The consolidated statements of financial position will continue to reflect a principal and interest balance of ₱1.40 billion under current liabilities until the Investment Agreement is signed by the relevant parties. Udenna Corporation, as the ultimate parent company of DHPC and PHTLC, reconfirmed its Letter of Support to PHR Group that it will cover DHPC's loan with Landbank (₱975 million principal plus interest) and shall ensure that the same can be paid by DHPC and/or PHTLC.

DAVAO PH RESORT CORP.

Davao PH Resort Corp., is a wholly-owned subsidiary of PHR which owns 3,134 sqm of prime commercial real estate in Azuela Cove, Davao City ("Azuela Property"). Azuela Cove is a 25-hectare master planned mixed use township jointly developed by Ayala Land and the Alcantara Group of Companies. The Azuela Property is planned as a mid-rise Branded Serviced Residence/Boutique Hotel with close proximity to the Davao International Airport. Discussions and due diligence are underway to select a complementary property on the Island Garden City of Samal that will be planned as Branded Serviced Residences/Hotel

& Resort ("Davao Projects") that can be reached via a short scenic boat ride and the future Davao-Samal Bridge that is currently under construction.

The Company's other remaining indirect subsidiaries have no material operations as of the date of this annual report.

The Company expects Emerald Bay to take advantage of the large growing market for gaming in Asia, which unfortunately was severely dented by the global onslaught of the COVID-19 pandemic. Macau's casino industry demonstrated significant recovery in 2024, with gross gaming revenue (GGR) reaching US$28.34 billion, a 23.9% increase from the previous year. This growth reflects the city's ongoing rebound from the COVID-19 pandemic, aided by the reopening of international borders in early 2023. The recovery is credited to a restructured operating environment for casino concessionaires, which has minimized dependence on junket commissions while emphasizing the mass market and premium segments. On the other hand, the Philippine gaming industry reached a new high in 2024, generating ₱410 billion in GGR including offshore operations. This translated to a 24.6% increase year-on-year, driven by 165% growth within the country's e-games, which covers both online casino games and internet-based bingo.

With the Philippines seen to continue to recover going forward from both local and foreign players, the Company believes that Emerald Bay will be able to take advantage of this increasing demand by providing an attractive gaming option for Philippine and regional Mass Market and VIP players, with its combination of high-end design, varied gaming and non-gaming offerings, five-star amenities and high-quality customer service.

The Company believes that Emerald Bay will be one of the Philippines' premier integrated tourism resort complexes, offering a premium resort and gaming experience to all of its customers in a facilities designed and operated according to world-class standards.

Competition

<u>Emerald Bay</u>

As an integrated resort designed, planned and developed according to world-class industry standards, Emerald Bay will compete with integrated tourism resorts and casinos domestically in the Philippines, including Nustar Resort and Casino in Cebu, Resorts World Manila, Solaire Resort & Casino, City of Dreams Manila and Okada Manila in Entertainment City. Emerald Bay will also be designed to compete with other integrated tourism resorts and casinos in Macau, Singapore, Cambodia and other parts of Asia. The Company believes these Philippine and regional resorts of the same high-end design and international quality will generally be the major competitors of Emerald Bay. The Company also expects that Emerald Bay will compete against facilities in the world's other major gaming centers, including in Las Vegas, Nevada and Australia. In particular, with respect to VIP customers, the Company expects to compete primarily with Macau, Singapore and Australia for customers of independent junket promoters, while the Company expects Singapore to be strong competition for VIP Direct customers. Chinese High Rollers are still seen as a key component of the world market for casino VIP gambling. The Company also recognizes strong historical demand from local players and will design promotions to specifically cater to this market segment.

In line with the memorandum of agreement between UDEVCO and the City Government of Lapu-Lapu, which provides effective exclusivity to UDEVCO with respect to the operation of a casino in Lapu-Lapu City for a period of seven years from the commencement of commercial operations of Emerald Bay, the Company expects Emerald Bay to be the only integrated resort in Lapu-Lapu City in the immediate future, and the only integrated resort in Mactan, Cebu. In terms of its integrated tourism resort and tourism business, the Company will compete domestically with both Philippine and foreign-owned hotels and resorts. With respect to its gaming business in particular, Emerald Bay is expected to compete domestically with PAGCOR gaming facilities, existing privately- owned casinos and the facilities, if any, to be built by the other developers granted provisional licenses by PAGCOR. Other competitors licensed by government agencies include companies specializing in horse racing, cockfighting, lotteries, sweepstakes and other smaller-scale gaming operators.

The Company believes its gaming competitors may, to the extent they have not already, partner with international gaming companies. Although these companies and their partners may have substantial experience and/or resources in constructing and operating resorts and gaming establishments and may be supported by conglomerates with access to more capital than the Company, the Company believes that Emerald Bay will be able to compete effectively with these entrants by offering a differentiated product that will appeal to the preferences of all segments of the Philippine gaming market, which is expected to grow significantly over the next few years.

The introduction of Branded Serviced Residences in the Emerald Bay master plan is expected to enhance Emerald Bay's competitive position given the reported hotel room shortage and the relative success of similar hotel/branderd service residence concepts on Mactan Island.

Donatela Resort & Sanctuary

The Donatela Resort & Sanctuary is one of several upscale hotels in the Bohol and Cebu area. As an upscale resort, the Donatela Resort & Sanctuary competes with other upscale hotels both domestically and internationally. The Donatela Resort & Sanctuary is subject to competition from many large hotels with established international brands, as well as smaller, "boutique" style hotels including Eskaya Resort and Amorita within Bohol, Abaca Boutique Resort and Kandaya Resort within the Cebu region, and Purist Villas Indonesia and Como Point Yamu Thailand within the Southeast Asian region. The opening of the Bohol-Panglao International Airport (TAG) in November 2018 has improved access to Bohol and with tourist arrival recovery after the COVID-19 pandemic, the Company expects a number of new hotels to be developed in the coming years.. The members of the management team of DHPC, the operator of the Donatela Resort & Sanctuary, have significant experience in successfully operating upscale resorts. As such, the Company believes that the Donatela Resort & Sanctuary will be able to compete effectively with existing and future hotels in the region.

Intellectual Property

As of the date of this annual report, the Company has registered for the relevant trademark with respect to the name Emerald Bay. The Company's application in respect of "Emerald Bay Resort and Casino" trademark was approved by the Intellectual Property Office of the Philippines on October 13, 2019, and is valid until October 13, 2029.

The Company expects to apply to register additional trademarks for its logos, club names, restaurants and other property as needed to protect its brand names.

Government License and Regulatory

The Emerald Bay Provisional License

PAGCOR issued a provisional license (including, where the context requires, any regular license issued to replace the provisional license as described below, the "Emerald Provisional License") for the development of an integrated casino, hotel and entertainment complex within Lapu-Lapu City ("Emerald Bay") on May 3, 2017 to LapuLapu Leisure, Inc. and UDEVCO. On July 19, 2018, PAGCOR approved the substitution of Lapulapu Land in place of UDEVCO as co-licensee in respect of the Emerald Bay Provisional License. LapuLapu Leisure and LapuLapu Land are the only licensees permitted to develop and operate an integrated resort and casino in Lapu-Lapu City.

The Emerald Bay Provisional License is expected to be replaced with a regular casino gaming license upon Emerald Bay's completion and PAGCOR's approval of a final report of Emerald Bay's construction. The Emerald Bay Provisional License, as well as any regular license issued to replace it (which shall have the same terms and conditions as the Emerald Bay Provisional License) is co-terminus with PAGCOR's franchise. PAGCOR's franchise will expire on July 11, 2033 and may be renewed when PAGCOR's franchise is renewed by law.

The Clark Provisional License

PAGCOR issued a provisional license (including, where the context requires, any regular license issued to replace the provisional license as described below, the "Clark Provisional License") for the development of an integrated casino, hotel and entertainment complex within Clark Freeport Zone ("Clark Freeport") on August 6, 2018 to CGLC. CGLC is also one of five licensees permitted to develop and operate an integrated resort and casino in Clark Freeport Zone.

On 5 October 2021, CGLC received approval from PAGCOR of its request to voluntarily suspend the Clark Provisional License. CGLC sought for the voluntary suspension of its license on the back of PHR's strategic plan to prioritize its resources towards the completion of Emerald Bay. On August 30, 2022, upon the request of CGLC due to ongoing strategic investor negotiations, PAGCOR's BOD approved the lifting of the voluntary suspension of Clark Provisional License.

PAGCOR informed CGLC of the approval by the PAGCOR Board of the revocation of its Provisional License. Revocation will be finalized once CGLC surrenders the original copy of the Provisional License granted by PAGCOR. This is in line with the Group's ongoing reprioritization of projects. Final plans will be disclosed as appropriate.

Research and Development

Research and development expense mainly pertained to feasibility studies in connection with gaming market assessments for Emerald Bay and the Clark Resort. No research and development expense were incurred in 2024.

Employees

As of December 31, 2024, the Company has 11 full-time employees, comprising 3 executives and 8 supervisors and rank and file employees. At least eight months prior to its launch, the Company expects to commence the hiring process for Emerald Bay's gaming and hotel operations, and fill a number of managerial and administrative roles within the Company's principal office.

Emerald Bay's employees are not subject to collective bargaining agreements and were not represented by any labor union as of December 31, 2024. The Company has not encountered any significant difficulties with its employees in connection with Emerald Bay and believes that its relations with such employees are generally good. No major strikes or collective actions have been staged by the employees. In addition, no significant difficulties have been encountered between any of the Company's construction contractors and their employees.

The Company is, and intends to continue to be, in compliance with all applicable Philippine labor and employment regulations. The Company currently has in place internal control systems and risk management procedures to monitor compliance with labor, employment and other applicable regulations. Going forward, the Company, through its human resources and legal departments, will continue to monitor all labor issues to ensure compliance with all applicable labor and employment regulations. The Company also intends to monitor compliance by its suppliers and contractors, as well as by its expected retail tenants, with such regulations.

Discussion of Risks

The following discussion is not intended to be a comprehensive description of all applicable risk considerations, and is not in any way meant to disclose all risk considerations or other significant aspects.

<u>Risks relating to the construction and development of Emerald Bay</u>

Emerald Bay is currently under construction and development and is subject to significant risks and uncertainties. The Company could encounter problems that substantially increase the costs of completing Emerald Bay and delay or prevent its opening. The timeline and project cost of Emerald Bay may also be materially and adversely affected by the performance of third-party contractors and other factors beyond the Company's control. Construction of Emerald Bay is subject to hazards that may cause personal injury or loss of life, thereby subjecting the Company to liabilities and possible losses, which may not be covered by insurance. In addition, the Company will require additional equity or debt financing, and its ability to obtain such financing may be limited, which could delay or prevent the opening of Emerald Bay. Lastly, even if Emerald Bay is completed and opened as planned, it may not be financially successful.

<u>Risks relating to the operation of Emerald Bay and the Donatela Resort & Sanctuary</u>

Emerald Bay will face competition in the Philippines and elsewhere in Asia, and the Company may not compete successfully and may be unable to gain or sustain market share, including when Emerald Bay commences operations. The Company may be unable to maintain, or develop additional, successful relationships with reputable independent gaming promoters, or compete for such relationships as the Philippine gaming industry grows. The success of Emerald Bay will depend on the reputation and integrity of the independent gaming promoters it engages, and the Company may be adversely affected by a lack of probity and integrity of such operators. The success of Emerald Bay depends on the effective execution of the Company's business strategy and its inability to do so may affect its results of operations and financial condition. The Company's strategy to attract VIP Direct and Premium Mass customers to Emerald Bay may not be effective. VIP gaming customers may cause significant volatility in the Company's revenues and cash flows. The Company may be exposed to credit risk on credit extended to its clients. The Company's business may be adversely affected by the crackdown by China on junkets and overseas gaming operators looking to attract Chinese nationals overseas for the purpose of gambling. The Company may experience difficulty in managing its expected rapid growth. Emerald Bay will require a substantial number of qualified managers and employees, and there is no guarantee that the Company will be able to successfully recruit, train and retain a sufficient number of such qualified personnel. The Casino's ability to generate revenues depends to a substantial degree on the development of Cebu as a tourist and gaming destination. Transport and tourism infrastructure in Cebu may limit the development of the gaming industry in such area. The loss of members of the Company's management team may adversely affect the Company's operations, particularly given the Company's lack of experience in the hospitality industry and in planning and operating integrated tourism resorts such as Emerald Bay. The win rates for Emerald Bay's gaming operations depend on a variety of factors, some of which are beyond the control of the Company. The Company may be unable to maintain effective internal controls. The Company may not be able to prevent money laundering at Emerald Bay. The Company's properties could encounter security issues from time to time. The Company may not be able to prevent cheating and fraud at Emerald Bay. The Company's gaming business will initially depend entirely on Emerald Bay, which may subject the Company to greater risk than its competitors with multiple operating properties. Changes in public acceptance of gaming in the Philippines may adversely affect Emerald Bay. The improper use or disclosure of customer data gathered by the Company could harm the Company's reputation and have a material adverse effect on the Company's business and prospects. Default on some of the financing agreements will allow Lenders to foreclose on real estate and chattel currently used or to be used by Emerald Bay and Donatela Resort & Sanctuary.

Risks relating to the Provisional Licenses and regulation of the Philippine gaming and hotel industries

The Company's gaming operations are dependent on the Provisional Licenses issued by PAGCOR. PAGCOR may impose regulations on casino operations that may interfere with the Company's ability to provide certain services to customers.

Any additional gaming licenses issued by PAGCOR, or any breach, termination or unenforceability of the memorandum of agreement between UDEVCO and the City Government of Lapu-Lapu, could increase competition, diminish the value of Emerald Bay's Provisional License and cause the Company to lose or be unable to gain market share. The Company's business may also be adversely affected by policy changes and modified or additional conditions on Emerald Provisional License. The Company's gaming operations in Clark, when pursued, are dependent on the Clark Provisional License issued by PAGCOR. The gaming industry in the Philippines is highly regulated. Allegations of bribery involving PAGCOR and other holders of licenses granted by PAGCOR may result in investigations of all such provisional licenses. Titles over land owned by LapuLapu Land may be contested by third parties.

General risks relating to the Company

The planning, design, construction and development, and any future development of Emerald Bay, the Donatela Resort & Sanctuary and the Company's other projects may preoccupy the Company's management time and resources, which could lead to delays, increased costs and other inefficiencies in the course of such developments. All of the Company's business and assets are in the Philippines, and the Company expects a significant number of its customers to be from China, and other parts of Asia. Any downturn in the Philippine or regional Asian economies may negatively impact the Company's business and results of operations. The Company's gaming and hotel businesses are vulnerable to global and regional economic downturns. The Company's majority shareholder, Udenna, and its Chairman, Dennis A. Uy may exert significant control over the Company and its interests may conflict with those of other shareholders. The Company is a holding company and its ability to pay dividends is dependent upon the earnings of, and distributions by, its subsidiaries. The Company's insurance coverage may be inadequate. The Company may, from time to time, be involved in legal and other proceedings.

Risks relating to the Philippines

Volatility in the value of the Peso against the U.S. dollar and other currencies as well as in the global financial and capital markets could adversely affect the Company's businesses. The Company's business may be disrupted by terrorist acts, crime, natural disasters and outbreaks of infectious diseases in Cebu, Luzon or the Philippines generally or fears of such occurrences. Political or social instability in the Philippines could destabilize the country and may have a negative effect on the Company. The Company's land and real property may be subject to compulsory acquisition by the Government. Changes in foreign exchange control regulations in the Philippines may limit the Company's access to foreign currency. The sovereign credit ratings of the Philippines may adversely affect the Company's business. In addition, territorial disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.

Item 2. Properties

Emerald Bay

The aggregate land area for Emerald Bay site comprises 12.4 hectares. In October 2023, in connection with the full settlement and discharge of its outstanding Peso bridge loan and related accrued interest, LLI entered into a Deed of Assignment with China Banking Corporation ("Chinabank") whereby it irrevocably cedes, assigns, transfers and conveys to Chinabank, free from all liens, encumbrances, restrictions, claims and occupants, all of its rights, title and interest in the improvements in Emerald Bay.

LLC also entered into a Deed of Assignment with Chinabank whereby it irrevocably cedes, assigns, transfers and conveys to Chinabank, free from all liens, encumbrances, restrictions, claims and occupants, all of its rights, title and interest in its parcels of land with a total area of 122,857 sqm., in connection with the full settlement and discharge of its outstanding Peso bridge loan and related accrued interest.

On October 2, 2023, LLI, as the lessee, entered into a lease agreement with Chinabank to lease back the improvements in Emerald Bay and the parcels of land. LLI or its assignee has the option to purchase back the properties within the option period up to March 31, 2025, plus all taxes, legal costs, fees and expenses paid by Chinabank in relation to the Deeds of Assignment and the transactions contemplated.

Considering the option to buy back the properties, the transactions were collectively accounted for as a financing transaction. The modified liability is presented as "Financial liability from sale and leaseback with a repurchase option" in the consolidated statement of financial position as of December 31, 2024 and 2023.

Other Properties

DHPC owns and manages the Company's other project, the Donatela Resort & Sanctuary, a boutique-style, upscale hotel in Tawala, Panglao Island, Bohol. In October 2021, in a proactive response to preserve the Group's resources and in response to the return of Enhanced Community Quarantine (ECQ) restrictions in the National Capital Region (NCR) and certain adjacent provinces, management decided to temporarily close the property until further reassessment of the situation. At that time, existing bookings were cancelled and the expected number of reservations was not achieved. In December 2021, Typhoon Odette caused some damage to several villas of the Donatela Resort along with the landscaping. In December 2022, Donatela was reopened after necessary repairs and maintenance were made to the villas, pool and resort facilities. This was funded by additional shareholder advances. Currently, Donatela has opened 11 of the 12 villas. Group hotel and/or restaurant bookings have allowed the Donatela Resort to cover operating expenses, payroll and basic resort maintenance.

Davao PH Resort Corp., is a wholly-owned subsidiary of PHR which owns 3,134 sqm of prime commercial real estate in Azuela Cove, Davao City ("Azuela Property"). Azuela Cove is a 25-hectare master planned mixed use township jointly developed by Ayala Land and the Alcantara Group of Companies. The Azuela Property is planned as a mid-rise Branded Serviced Residence/Boutique Hotel with close proximity to the Davao International Airport. Discussions and due diligence are underway to select a complementary property on the Island Garden City of Samal that will be planned as Branded Serviced Residences/Hotel & Resort ("Davao Projects") that can be reached via a short scenic boat ride and the future Davao-Samal Bridge that is currently under construction.

The Company's other remaining indirect subsidiaries have no material operations as of the date of this annual report.

Item 3. Legal Proceedings

Neither the Company nor any of its subsidiaries are involved in, or the subject of, any legal proceedings which, if determined adversely to the Company or the relevant subsidiary's interests, would have a material effect on the business or financial position of the Company or any of its subsidiaries.

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

There are no matters that were submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders.

PART II –OPERATIONAL AND FINANCIAL INFORMATION

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

5.1 Market Information

All 7,282,017,027 issued common shares of the Company are listed on the Philippine Stock Exchange.

The high and low sales prices for each quarter within the last two years for each quarter are indicated in the table below:

Quarter	High	Low
1st quarter of 2025	0.60	0.13
4th quarter 2024	0.87	0.45
3rd quarter 2024	0.55	0.67
2nd quarter 2024	0.70	1.05
1st quarter 2024	0.71	1.09
4th quarter 2023	0.59	1.13
3rd quarter 2023	0.50	0.67
2nd quarter 2023	0.45	0.74
1st quarter 2023	0.63	1.07

The price of the shares as of April 28, 2025, or the latest practicable trading date, is ₱0.205 per share. The market capitalization of PHR as of December 31, 2024, based on the closing price of ₱0.54 per share is ₱3,932,289,195. As of December 31, 22023, PHR's market capitalization stood at ₱6,335,354,813 based on the closing price of ₱0.87 per share. Total issued and outstanding capital stock is 7,282,017,027 common shares as of December 31, 2024 and 2023.

5.2 Holders

As of December 31, 2024, the Company has over 100 beneficial shareholders. The top 20 shareholders are the following:

Shareholder	Number of Common Shares	Percentage of Ownership
Udenna Corporation	3,604,286,705[1]	49.50%
PCD Nominee Corp. (Filipino)	2,871,214,701	39.43%
PCD Nominee Corp. (Non Filipino)	806,392,236	11.07%
Yu Kok See	106,272	0.00%
Marcial Ronald T. Asturias	7,200	0.00%
Rogelio N. Pascua	3,024	0.00%
Miguel De Castro Marana or Bituin De Castro Marana	3,000	0.00%
Lilian G. Morelos	2,160	0.00%
Eric O. Recto	1,000	0.00%
Vicente L. Pang	432	0.00%
Dondi Ron R. Limengco	111	0.00%
Shareholders' Association of the Philippines, Inc.	100	0.00%
Owen Nathaniel S. Au (ITF: Marcus Li)	75	0.00%
Ernesto S. Isla	2	0.00%
Dexter E. Quintana	2	0.00%
Rodolfo L. See	1	0.00%
Lourdes G. Ting	1	0.00%
Jolly L. Ting	1	0.00%
Nanette T. Ongcarranceja	1	0.00%

[1] Udenna owns a total of 5,643,037,228 shares in PHR but 2,038,750,523 of the total number of shares owned are lodged with PCD Nominee Corp. (Filipino).

Cherylyn C. Uy	1	0.00%
Dennis A. Uy	1	0.00%
Ortud T. Yao	1	0.00%

5.3 Dividends

The Company did not declare any dividends for the past two years.

5.4 Recent Sales of Unregistered or Exempt Securities, including recent issuance of Securities constituting an exempt transaction

None.

Item 6. Management's Discussion and Analysis and Plan of Operations

The following management's discussion and analysis relate to the consolidated financial information and operating results of the Group and should be read in conjunction with the accompanying audited financial statements and related notes of the Group as of December 31, 2024 and 2023, and for the years-ended December 31, 2024, 2023, and 2022.

6.1 Overview and Plan of Operation

Plan of Operations

The Company is expected to rely on the following sources of liquidity for the next 12 months: (1) funding from a strategic partner; and (2) shareholder advances and/or paid-up capital.

Strategic investor discussions are ongoing with several parties. Due diligence is ongoing and in various stages of completion.

Please refer to Item 2 Business of Issuer for ongoing projects.

6.2 Key Performance Indicators and Relevant Ratios

The Group's key performance indicators and relevant ratios and how they are computed are listed below:
(Amounts are in Philippine pesos)

			December	
I. PROFITABILITY			**2024**	2023
Basic Loss per Share	=	(Net income/loss – Preferred dividends)	(1,802,655,028)	(4,213,188,590)
It is the rough measurement of the amount of a company's profit that can be allocated to one share of its stock.		Weighted average number of common shares outstanding	7,282,017,027	7,282,017,027
			(0.2475)	(0.5786)
Return on Total Assets	=	Net income (loss)	(1,802,655,028)	(4,213,188,590)
		Total Assets	19,467,362,429	19,254,573,001
It measures efficiency of the Group in using its assets to generate net income.			(9.26%)	(21.88%)
Return on Equity	=	Net Income (loss)	(1,802,655,028)	(4,213,188,590)
		Stockholder's Equity	(229,577,329)	1,311,002,817
It is a measure of profitability of stockholders' investments. It shows net income as percentage of shareholder equity.			785.21%	(321.37%)

II. FINANCIAL LEVERAGE

Liabilities to Assets Ratio	=	Total Liabilities	19,696,939,758	17,943,570,184
		Total Assets	19,467,362,429	19,254,573,001
It measures the degree to which the assets of the business are financed by the debt and the shareholders' equity of a business.			1.0118	0.9319
Debt to Capitalization Ratio	=	Total Debt	2,035,516,458	1,902,964,654
		Total Capitalization	15,792,850,351	15,200,675,029
It measures the degree to which a company is financing its operations through debt versus total capitalization.			0.1289	0.1252
Liabilities to Equity Ratio	=	Total Liabilities	19,696,939,758	17,943,570,184
		Shareholder's Equity	(229,577,329)	1,311,002,817
It measures the degree to which a company is financing its operations through debt versus wholly owned funds.			(85.7965)	13.6869
Asset to Equity Ratio	=	Total Assets	19,467,362,429	19,254,573,001
		Shareholder's Equity	(229,577,329)	1,311,002,817
It relates to the proportion of total assets financed by the Group's equity.			(84.7965)	14.6869

III. MARKET VALUATION

Price to Book Ratio	=	Market value/share	0.5400	0.8700
		Book value/share	(0.0315)	0.2105
Relates the Group's stock market value to its book value per share			(17.1284)	4.1339

IV. LIQUIDITY

Current Ratio	=	Current assets	48,646,330	196,388,469
		Current liabilities*	13,636,671,791	4,350,032,361
It measures the Group's ability to pay its current liabilities with cash generated from its current assets.			0.0036	0.0451

IV. INTEREST RATE COVERAGE RATIO

Interest Coverage Ratio	=	EBIT	(1,295,900,736)	(942,621,434)
		Interest Expense	870,800,534	2,399,749,872
It measures the Group's ability to pay interest on its outstanding debt.			(1.4882)	(0.3928)

**Current liabilities as of December 31, 2024 and 2023 include a financial liability from sale and leaseback with a repurchase option. In October 2023, the Group was able to successfully restructure their existing outstanding indebtedness with China Banking Corp. ("Chinabank"), through the execution of agreements for the sale, leaseback, with option to buyback (SLBB) certain land and improvements of Lapulapu Leisure Inc. and Lapulapu Land Corp. (LLI and LLC; the "Restructuring"). This Restructuring covers the property of LLI and LLC in Lapulapu City, Mactan, Cebu, with an area of approximately 12.4 hectares, plus improvements. The Restructuring also allowed LLI and LLC to repay the Peso Bridge Loan Facility extended by Chinabank in 2018, while granting them continued possession and use over the property in order to finish the construction and development of the Emerald Bay Project.*

6.3 Results of Operations

Operating Results for the Year Ended December 31, 2024 and 2023

	FOR THE YEARS ENDED DECEMBER 31		HORIZONTAL ANALYSIS Change from Prior Year		VERTICAL ANALYSIS % to Revenues	
	2024	2023	Amount	% Change	2024	2023
NET OPERATING REVENUES						
Rooms	23,227,136	16,586,093	6,641,043	40.04%	61.00%	60.00%
Food and beverage	13,359,957	9,688,039	3,671,918	37.90%	35.00%	35.00%
Others	1,663,341	1,321,466	341,875	25.87%	4.00%	5.00%
	38,250,434	27,595,598	10,654,836	38.61%	100.00%	100.00%
DIRECT COSTS AND EXPENSES						
Salaries and wages	6,232,727	4,671,347	1,561,380	33.42%	16.00%	17.00%
Inventories consumed	5,612,431	4,092,111	1,520,320	37.15%	15.00%	15.00%
Other costs and expenses	3,716,373	3,963,427	(247,054)	-6.23%	10.00%	14.00%
	15,561,531	12,726,885	2,834,646	22.27%	41.00%	46.00%
GROSS INCOME	22,688,903	14,868,713	7,820,190	52.59%	59.00%	54.00%
OPERATING EXPENSES	164,188,219	295,914,859	(131,726,640)	-44.52%	429.00%	1072.00%
OPERATING LOSS	(141,499,316)	(281,046,146)	139,546,830	-49.65%	-370.00%	-1018.00%
NON-OPERATING INCOME (EXPENSES)						
Interest expense	(870,800,534)	(2,399,749,872)	1,528,949,338	-63.71%	-2277.00%	-8696.00%
Foreign exchange loss - net	(30,195,234)	(6,431,177)	(23,764,057)	369.51%	-79.00%	-23.00%
Interest income	1,640,679	10,408,135	(8,767,456)	-84.24%	4.00%	38.00%
Gain on lease termination	3,995,049	-	3,995,049	-	10.00%	0.00%
Day 1 gain	-	88,781,385	(88,781,385)	-100.00%	0.00%	322.00%
Loss on modification of financial liability - net	(1,464,507,325)	(66,947,287)	(1,397,560,038)	2087.55%	-3829.00%	-243.00%
Other income (expenses) - net	334,665,415	(687,386,344)	1,022,051,759	-148.69%	875.00%	-2491.00%
	(2,025,201,950)	(3,061,325,160)	1,036,123,210	-33.85%	-5295.00%	-11094.00%
LOSS BEFORE INCOME TAX	(2,166,701,266)	(3,342,371,306)	1,175,670,040	-35.17%	-5665.00%	-12112.00%
PROVISION FOR (BENEFIT FROM) INCOME TAX	(364,046,242)	870,817,284	(1,234,863,526)	-141.81%	-952.00%	3156.00%
NET LOSS	(1,802,655,028)	(4,213,188,590)	2,410,533,562	-57.21%	-4713.00%	-15268.00%
OTHER COMPREHENSIVE INCOME (LOSS)	262,074,882	(110,801,825)	372,876,707	-336.53%	685.00%	-402.00%
TOTAL COMPREHENSIVE LOSS	(1,540,580,146)	(4,323,990,415)	2,783,410,269	-64.37%	-4028.00%	-15669.00%
Basic and Diluted Loss Per Share	(0.2475)	(0.5786)	0.3310	-57.21%		

NET OPERATING REVENUES

For the year ended December 31, 2024 (YE2024), the Group reported revenues of ₱38.3 million, 38.6% higher than the ₱27.6 million recorded for the same period last year (YE2023).

As of December 31, 2024, Donatela has opened 11 of the 12 villas (from 8 villas at the end of 2023). The Donatela Resort reopened in December 2022 after necessary repairs and maintenance were made to the villas, pool and resort facilities after sustaining typhoon damage and a temporary closure during the Covid-19 pandemic.

DIRECT COSTS AND EXPENSES

Direct costs and expenses pertaining to operations of the Donatela Resort & Sanctuary were higher at ₱15.6 million (+22.3%) for YE2024 (versus ₱12.7 million for YE2023) but grew at a slower pace than revenues.

GROSS INCOME

Gross income increased to ₱22.7 million (+52.6%) for YE2024 from ₱14.9 million for YE2023.

OPERATING EXPENSES

Total operating expenses are related to the development and administration of Emerald Bay, operations of Donatela Resort & Sanctuary and other organizational expenses. Operating expenses decreased by ₱131.7 million (-44.5%) to ₱164.2 million for YE2024. This is mainly due to the decrease in permits, taxes and licenses by ₱135.7 million (-97.3%) to ₱3.8 million. For YE2023, the Group incurred transfer taxes of ₱43.1 million and documentary stamp taxes of ₱92.7 million from the sale and leaseback with option to buy back (SLBB) transaction with Chinabank.

NON-OPERATING INCOME AND EXPENSES

Interest Expense

Interest expense mainly came from the accretion of interest on the financial liability as a result of the SLBB transaction with Chinabank and amounts incurred on borrowings. The decrease to ₱870.8 million for YE2024 from ₱2.40 billion for the previous period was due to the full repayment of the intercompany advance in November 2023.

Interest income

Interest income decreased to ₱1.6 million from ₱10.4 million for YE2024 due to lower returns on the escrow balance maintained with Chinabank.

Foreign exchange gain (loss)

The Group reported forex losses of ₱30.2 million for YE2024 on USD-denominated loans, which included the Chinabank escrow loan. For the same period in 2023, the Group recorded lower forex losses of ₱6.4 million on the USD-denominated intercompany advance (fully repaid in November 2023) and the Chinabank escrow loan. For the year-ended December 31, 2024, the Philippine Peso weakened by 3.3% against the US Dollar averaging ₱57.39 monthly (versus monthly average of ₱55.56 for YE2023). During the same period in 2023, it weakened by 2.0% against the US Dollar averaging ₱55.56 monthly (versus monthly average of ₱54.47 for YE2022).

Other income

On July 1, 2024, PH Travel and TRLEI terminated the Term Sheet dated December 8, 2023. Following this development, the nonrefundable amounts received by LLI from TRLEI totaling ₱327.6 million were reclassified from “Advances for future stock subscription” under Liabilities in the consolidated statement of financial position to “Other income (expenses) - net” in the consolidated statement of comprehensive income for YE2024.

Other charges

In August 2024, Chinabank amended the terms of the sale and leaseback, with option to buyback agreement. This amendment increased the buyback cost by approximately ₱1.5 billion and resulted in the recognition of a “Loss on modification of financial liability” amounting to ₱1.46 billion presented as part of “Other income (expenses) – net under “Non-operating income (expenses)” in the consolidated statement of comprehensive income in 2024.

PROVISION FOR (BENEFIT FROM) INCOME TAX

The Group reported benefit from income tax of ₱364.0 million for YE2024, mainly driven by the amendment of the SLBB agreement with Chinabank in August 2024 that resulted in lower future taxable amounts for LLI and LLC’s land and improvements.

For YE2023, the Group reported provision for income tax of ₱870.8 million, ₱3.2 million of which was for current income tax and ₱867.6 million was for deferred income tax. Provision for deferred income tax mainly resulted from the SLBB transaction with Chinabank.

NET LOSS

The Group's net loss narrowed by ₱2.41 billion to ₱1.80 billion mainly as a result of lower interest expense reported for the period and the recognition of other income from the reclassification of nonrefundable payments from TRLEI.

EARNINGS/ (LOSS) PER SHARE

Loss per share decreased to ₱0.2475 for YE2024 from ₱0.5786 for the same period last year due to lower net loss for the period.

Operating Results for the Year Ended December 31, 2023 and 2022

	FOR THE PERIOD ENDED DECEMBER 31		HORIZONTAL ANALYSIS Change from Prior Year		VERTICAL ANALYSIS % to Revenues	
	2023	2022	Amount	% of Change	2023	2022
NET OPERATING REVENUES						
Rooms	16,586,093	626,812	15,959,281	2546.1%	60.1%	59.6%
Food and beverage	9,688,039	375,355	9,312,684	2481.0%	35.1%	35.7%
Others	1,321,466	49,981	1,271,485	2543.9%	4.8%	4.8%
	27,595,598	1,052,148	26,543,450	2522.8%	100.0%	100.0%
DIRECT COSTS AND EXPENSES						
Salaries and wages	4,671,347	154,587	4,516,760	2921.8%	16.9%	14.7%
Inventories consumed	4,092,111	144,946	3,947,165	2723.2%	14.8%	13.8%
Other costs and expenses	3,963,427	74,239	3,889,188	5238.7%	14.4%	7.1%
	12,726,885	373,772	12,353,113	3305.0%	46.1%	35.5%
GROSS INCOME	14,868,713	678,376	14,190,337	2091.8%	53.9%	64.5%
OPERATING EXPENSES	295,914,859	160,138,429	135,776,430	84.8%	1072.3%	15220.1%
OPERATING LOSS	(281,046,146)	(159,460,053)	(121,586,093)	76.2%	-1018.4%	-15155.7%
NON-OPERATING INCOME (EXPENSES)						
Interest expense	(2,399,749,872)	(747,409,038)	(1,652,340,834)	221.1%	-8696.1%	-71036.5%
Foreign exchange loss - net	(6,431,177)	(239,066,973)	232,635,796	-97.3%	-23.3%	-22721.8%
Interest income	10,408,135	3,722,874	6,685,261	179.6%	37.7%	353.8%
Other income (expenses) - net	(687,386,344)	1,998,361	(689,384,705)	-34497.5%	-2490.9%	189.9%
Day 1 gain	88,781,385	-	88,781,385	-	321.7%	0.0%
Loss on loan modification - net	(66,947,287)	-	(66,947,287)	-	-242.6%	0.0%
	(3,061,325,160)	(980,754,776)	(2,080,570,384)	212.1%	-11093.5%	-93214.5%
LOSS BEFORE INCOME TAX	(3,342,371,306)	(1,140,214,829)	(2,202,156,477)	193.1%	-12112.0%	-108370.2%
PROVISION FOR (BENEFIT FROM) INCOME TAX						
Current	3,192,416	1,919,932	1,272,484	66.3%	11.6%	182.5%
Deferred	867,624,868	(2,939,845)	870,564,713	-29612.6%	3144.1%	-279.4%
	870,817,284	(1,019,913)	871,837,197	-85481.5%	3155.6%	-96.9%
NET LOSS	(4,213,188,590)	(1,139,194,916)	(3,073,993,674)	269.8%	-15267.6%	-108273.3%
OTHER COMPREHENSIVE INCOME (LOSS)						
Revaluation surplus	298,006,122	607,887,438	(309,881,316)	-51.0%	1079.9%	57775.8%
Provision for deferred income tax for the:						
Tax effect of the revaluation surplus	(74,501,531)	(151,971,860)	77,470,329	-51.0%	-270.0%	-14444.0%
Change in the tax basis as a result of the sale						
and leaseback	(334,306,416)	-	(334,306,416)	-	-1211.4%	0.0%
	(110,801,825)	455,915,578	(566,717,403)	-124.3%	-401.5%	43331.9%
TOTAL COMPREHENSIVE LOSS	(4,323,990,415)	(683,279,338)	(3,640,711,077)	532.8%	-15669.1%	-64941.4%
Basic and Diluted Loss Per Share	(0.5786)	(0.1564)	(0.4221)	269.8%		

NET OPERATING REVENUE

The Donatela Resort & Sanctuary was temporarily closed in October 2021 up to mid-December 2022 due to the COVID-19 pandemic and onslaught of Typhoon Odette in December 2021 that damaged several villas and landscaping. It successfully reopened on December 15, 2022 after necessary repairs and maintenance were made to the villas, pool and resort facilities. With full year of operations in 2023 (vs less than a month in 2022), the Group reported higher operating revenues of ₱27.6 million vs ₱1.05 million in 2022.

DIRECT COSTS AND EXPENSES

Direct costs and expenses pertaining to the operations of the Donatela Resort & Sanctuary registered higher at ₱12.7 million versus ₱0.4 million in 2022. The increase is due to the Donatela Resort & Sanctuary operating for a full year in 2023.

OPERATING EXPENSES

Total operating expenses are related to the management and administration of Emerald Bay, operations of Donatela Resort & Sanctuary and other organizational expenses. Operating expenses increased by ₱135.8 million (+84.8%) to ₱295.9 million in 2023. This is primarily a result of the transfer taxes (₱43.1 million) and documentary stamp taxes (₱92.7 million) incurred from the sale and leaseback with option to buy back (SLBB) transaction with Chinabank.

NON-OPERATING EXPENSES

Interest expense
Interest expense incurred on borrowings increased to ₱2.40 billion from ₱747.4 million the previous year. This is mainly due to the final settlement of an intercompany advance and accretion of interest expense on the financial liability related to the SLBB transaction with Chinabank.

Interest income
Interest income increased to ₱10.4 million (+180%) from ₱3.7 million in 2022 due to higher return on the escrow account.

Other income and charges
Considering the option to buy back the properties, the transactions were collectively accounted for as a financing transaction. The modified loans payable is presented as “Financial liability from sale and leaseback with a repurchase option” in the 2023 consolidated statement of financial position. Loss on modification of the financial liability amounted to ₱66.9 million in 2023 and is presented as part of Loss on loan modification - net in the consolidated statement of comprehensive income. Costs incurred on the SLBB transaction with Chinabank amounting to ₱689.2 million are presented under "Other income (expenses) - net”. In addition, the Group recognized “Day 1” difference amounting to ₱88.8 million, which is presented as Day 1 gain and accretion of the “Day 1” difference amounting to ₱14.0 million is presented as part of Interest expense in the consolidated statement of comprehensive income.

PROVISION FOR (BENEFIT FROM) INCOME TAX

The Group reported provision for income tax in 2023 of ₱870.8 million, ₱3.2 million of which was for current income tax and ₱867.6 million was for deferred income tax. Provision for deferred income tax mainly resulted from the SLBB transaction with Chinabank.

In 2022, the Group recorded benefit from income tax of ₱1.0 million the previous year, which was a result of the additional foreign exchange loss recognized in 2022.

NET LOSS

The Group's net loss widened by ₱3.07 billion to ₱4.21 billion driven by higher reported interest expense in connection with the final settlement/repayment of the intercompany advance and the charges/expenses incurred for the SLBB transaction with Chinabank: (i) provision for deferred income tax of ₱867.7 million; (ii) taxes and licenses of ₱135.8 million; and (iii) and other charges of ₱689.2 million.

OTHER COMPREHENSIVE LOSS

Other comprehensive loss of ₱110.8 million was mainly driven by the deferred taxes recognized for the period pertaining to the SLBB transaction with Chinabank, partially offset by the gain on revaluation of the land properties owned by the Group.

EARNINGS/ (LOSS) PER SHARE

Loss per share increased to ₱0.5786 in 2023 from ₱0.1564 of the same period last year, due to higher net loss for the period.

Operating Results for the Year Ended December 31, 2022 and 2021

	FOR THE PERIOD ENDED DECEMBER 31		HORIZONTAL ANALYSIS Change from Prior Year		VERTICAL ANALYSIS % to Revenues	
	2022	2021	Amount	% of Change	2022	2021
NET OPERATING REVENUES						
Rooms	626,812	577,342	49,470	8.57%	60.00%	24.00%
Food and beverage	375,355	1,711,427	(1,336,072)	-78.07%	36.00%	70.00%
Others	49,981	158,448	(108,467)	-68.46%	5.00%	6.00%
	1,052,148	2,447,217	(1,395,069)	-57.01%	100.00%	100.00%
DIRECT COSTS AND EXPENSES						
Salaries and wages	154,587	6,217,007	(6,062,420)	-97.51%	15.00%	254.00%
Inventories consumed	144,946	781,882	(636,936)	-81.46%	14.00%	32.00%
Other costs and expenses	74,239	1,598,444	(1,524,205)	-95.36%	7.00%	65.00%
	373,772	8,597,333	(8,223,561)	-95.65%	36.00%	351.00%
GROSS LOSS	678,376	(6,150,116)	6,828,492	-111.03%	64.00%	-251.00%
OPERATING EXPENSES	160,138,429	209,080,644	(48,942,215)	-23.41%	15220.00%	8544.00%
OPERATING LOSS	(159,460,053)	(215,230,760)	55,770,707	-25.91%	-15156.00%	-8795.00%
NON-OPERATING INCOME (EXPENSES)						
Interest expense	(747,409,038)	(109,646,676)	(637,762,362)	581.65%	-71036.00%	-4480.00%
Foreign exchange loss - net	(239,066,973)	(175,664,097)	(63,402,876)	36.09%	-22722.00%	-7178.00%
Interest income	3,722,874	1,026,560	2,696,314	262.66%	354.00%	42.00%
Other income - net	1,998,361	4,189,706	(2,191,345)	-52.30%	190.00%	171.00%
	(980,754,776)	(280,094,507)	(700,660,269)	250.15%	-93215.00%	-11445.00%
LOSS BEFORE INCOME TAX	(1,140,214,829)	(495,325,267)	(644,889,562)	130.20%	-108370.00%	-20240.00%
BENEFIT FROM FOR INCOME TAX	(1,019,913)	(47,974,401)	46,954,488	-97.87%	-97.00%	-1960.00%
NET LOSS	(1,139,194,916)	(447,350,867)	(691,844,050)	154.65%	-108273.00%	-18280.00%
OTHER COMPREHENSIVE INCOME	455,915,578	439,109,476	16,806,102	3.83%	43332.00%	17943.00%
TOTAL COMPREHENSIVE LOSS	(683,279,338)	(8,241,390)	(675,037,948)	8190.83%	-64941.00%	-337.00%
Basic and Diluted Loss Per Share	(0.1564)	(0.0634)	(0.0931)	146.89%		

NET OPERATING REVENUE

The Donatela Resort & Sanctuary was temporarily closed in October 2021 up to mid-December 2022 due to the COVID-19 pandemic and onslaught of Typhoon Odette in December 2021 that damaged several villas and landscaping. It successfully reopened on December 15, 2022 after necessary repairs and maintenance were made to the villas, pool and resort facilities. With only less than a month of operation in 2022, the Group reported lower operating revenues of ₱1.05 million vs ₱2.4 million in 2021.

DIRECT COSTS AND EXPENSES

Direct costs and expenses pertaining to operations of Donatela Resort & Sanctuary registered at ₱0.4 million, a 96% decrease from ₱8.6 million in 2021. The decrease is directly due to Donatela Resort & Sanctuary's shorter period of operation in 2022.

<u>Salaries and wages</u>
Salaries and wages were lower by 98% at ₱0.2 million, which represented the payroll of employees directly involved in providing hotel and food and beverage services. The decrease is due to reduced manpower in 2022 owing to the temporary closure of the resort beginning October 2021. In addition, severance payments were made to retrenched employees in the last quarter of 2021.

<u>Inventories consumed</u>
Inventory consumption decreased by 81% to ₱0.1 million from ₱0.8 million in 2021. The decrease is mainly due to Donatela Resort & Sanctuary's shorter period of operation in 2022.

Other costs and expenses

Other costs and expenses declined by 95% to ₱0.1 million in 2022 from ₱1.6 million the previous year due to Donatela Resort & Sanctuary's shorter period of operation. These expenses are commission expenses, recreation and entertainment expenses.

OPERATING EXPENSES

Total operating expenses are related to the management and administration of Emerald Bay, operations of Donatela Resort & Sanctuary and other organizational expenses. Operating expenses decreased by ₱49 million (-23%) to ₱160 million in 2022. This is primarily due to the decreases in: (i) PAGCOR penalties billed in 2022 vs 2021 (-₱20 million; -48%) resulting from the voluntary suspension in 2021 of CGLC's Provisional License; (ii) professional fees related to fund raising (-₱13.7 million; -51%); (iii) permits, taxes and licenses (-₱8.1 million; -65%) and; (iv) PSE fees (-₱5.9 million; -88%).

NON-OPERATING EXPENSES

Interest Expense

Interest expense incurred on borrowings increased to ₱747.4 million from ₱109.6 million the previous year. This is mainly due to a portion of interest on the Chinabank construction loan and intercompany advance which were not capitalized due to minimal construction activity in Emerald Bay in 2022.

Interest income

Interest income increased to ₱3.7 million (+263%) from ₱1.0 million in 2021 due to higher return on escrow account.

PROVISION FOR (BENEFIT FROM) INCOME TAX

The Group reported a benefit from income tax of ₱1.0 million. This was a result of the additional foreign exchange loss recognized in 2022.

NET LOSS

The Group's net loss widened by ₱691.8 million to ₱1.14 billion mainly due to a portion of interest on the Chinabank construction loan and intercompany advance which were not capitalized due to minimal construction activity in Emerald Bay in 2022.

OTHER COMPREHENSIVE INCOME

Other comprehensive income of ₱455.9 million pertain to the gain on revaluation of the land properties owned by the Group.

EARNINGS/ (LOSS) PER SHARE

Loss per share increased to ₱0.1564 in 2022 from ₱0.0634 of the same period last year, due to higher net loss for the period.

Financial Position
(Comparison of December 31, 2024 and December 31, 2023)

			HORIZONTAL ANALYSIS Movement from prior period		VERTICAL ANALYSIS % of Total Assets/ Liabilities & Equity	
	December 31, 2024	December 31, 2023	PHP Change	% Change	December 31, 2024	December 31, 2023
ASSETS						
Current Assets						
Cash	18,763,346	164,968,191	(146,204,845)	-88.63%	0.10%	0.86%
Trade and other receivables	17,826,119	16,693,136	1,132,983	6.79%	0.09%	0.09%
Advances to related parties	-	2,606,747	(2,606,747)	-100.00%	0.00%	0.01%
Inventories - at cost	2,138,428	1,845,610	292,818	15.87%	0.01%	0.01%
Prepayments and other current assets	9,918,437	10,274,785	(356,348)	-3.47%	0.05%	0.05%
Total Current Assets	48,646,330	196,388,469	(147,742,139)	-75.23%	0.25%	1.02%
Noncurrent Assets						
Property and equipment						
Construction-in-progress and others - at cost	8,373,857,977	8,371,852,394	2,005,583	0.02%	43.01%	43.48%
Land - at revalued amount	9,389,665,639	9,040,232,463	349,433,176	3.87%	48.23%	46.95%
Right-of-use assets	-	13,758,241	(13,758,241)	-100.00%	0.00%	0.07%
Deposit for future property acquisition	84,812,449	66,812,449	18,000,000	26.94%	0.44%	0.35%
Cash in escrow	304,711,709	290,668,593	14,043,116	4.83%	1.57%	1.51%
Input value-added tax	338,547,582	340,807,172	(2,259,590)	-0.66%	1.74%	1.77%
Advances to contractors	522,262,761	522,262,761	-	0.00%	2.68%	2.71%
Creditable withholding tax	375,127,065	382,254,808	(7,127,743)	-1.86%	1.93%	1.99%
Advances to related parties	874,522	-	874,522	100.00%	0.00%	0.00%
Other noncurrent assets	28,856,395	29,535,651	(679,256)	-2.30%	0.14%	0.15%
Total Noncurrent Assets	19,418,716,099	19,058,184,532	360,531,567	1.89%	99.74%	98.98%
TOTAL ASSETS	19,467,362,429	19,254,573,001	212,789,428	1.11%	99.99%	100.00%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other payables	2,558,214,282	1,364,331,495	1,193,882,787	87.51%	13.14%	7.09%
Loans payable	2,035,516,458	971,392,760	1,064,123,698	109.55%	10.46%	5.04%
Current portion of financial liability from sale and						
leaseback with a repurchase option	7,798,853,847	242,920,495	7,555,933,352	3110.46%	40.06%	1.26%
Advances from related parties	943,135,205	753,519,440	189,615,765	25.16%	4.84%	3.91%
Current portion of lease liabilities	-	17,868,171	(17,868,171)	-100.00%	0.00%	0.09%
Deposit payable	300,952,000	1,000,000,000	(699,048,000)	-69.90%	1.55%	5.19%
Total Current Liabilities	13,636,671,792	4,350,032,361	9,286,639,431	213.48%	56.91%	15.49%
Noncurrent Liabilities						
Loans payable - net of current portion	-	931,571,894	(931,571,894)	-100.00%	0.00%	4.84%
Retention payable	25,002,727	25,002,727	0	0.00%	0.13%	0.13%
Financial liability from sale and leaseback with a						
repurchase option - net of current portion	-	6,086,120,230	(6,086,120,230)	-100.00%	0.00%	31.61%
Deferred tax liabilities	1,907,381,552	2,191,428,494	(284,046,942)	-12.96%	9.80%	11.38%
Advances for future stock subscription	4,127,883,688	3,668,260,170	459,623,518	12.53%	21.20%	19.05%
Other noncurrent liability	-	691,154,308	(691,154,308)	-100.00%	0.01%	3.59%
Total Noncurrent Liabilities	6,060,267,966	13,593,537,823	(7,533,269,856)	-55.42%	31.14%	62.17%
Total Liabilities	19,696,939,758	17,943,570,184	1,753,369,574	9.77%	88.05%	77.66%
Equity						
Capital stock	7,282,017,027	7,282,017,027	-	0.00%	37.41%	37.82%
Additional paid-in capital	1,629,450,205	1,629,450,205	-	0.00%	8.37%	8.46%
Deposit for future stock subscription	717,982,973	717,982,973	-	0.00%	3.69%	3.73%
Equity reserve	(4,126,935,056)	(4,126,935,056)	-	0.00%	-21.20%	-21.43%
Revaluation surplus	2,892,969,846	2,630,894,964	262,074,882	9.96%	14.86%	13.66%
Deficit	(8,625,062,324)	(6,822,407,296)	(1,802,655,028)	26.42%	-44.31%	-35.41%
Total Equity	(229,577,329)	1,311,002,817	(1,540,580,146)	-117.51%	-1.18%	6.83%
TOTAL LIABILITIES AND EQUITY	19,467,362,429	19,254,573,001	212,789,428	1.11%	86.87%	84.49%

The assets, liabilities and equity presented in the statement of financial position resulted mainly from the capital investments, project construction, business acquisitions, loan borrowings, group restructuring in 2018, and pre-operating activities of the Group from 2017 to December 31, 2024.

CURRENT ASSETS

The Group’s current assets decreased by ₱147.7 million (-75.2%) to ₱48.6 million due to the decrease in the cash balance to ₱18.8 million as of December 31, 2024 from ₱165.0 million as of December 31, 2023.

NONCURRENT ASSETS

The Group’s noncurrent assets increased by ₱360.5 million (+1.9%) to ₱19.42 billion mainly due to the increase in the appraised values of the Group’s land assets by ₱349.4 million (+3.9%) to ₱9.39 billion.

CURRENT LIABILITIES

The Group’s current liabilities were higher by ₱9.29 billion (+213.5%) at ₱13.64 billion as the following long-term liabilities as of December 31, 2023 were reclassified to current liabilities as of December 31, 2024: (i) financial liability from a sale and leaseback transaction with a repurchase option (SLBB) of ₱7.80 billion; (ii) loans payable of ₱978.3 million; and (iii) other payables of ₱750.3 million. Advances from related parties also increased by ₱189.6 million to ₱943.1 million.

Current liabilities primarily resulted from the Group having entered into an SLBB transaction with Chinabank in October 2023. This allowed LLI and LLC to repay its then outstanding Peso Bridge Loan Facility and extend the USD Loan Facility to March 31, 2025. Transaction costs for this transaction that were advanced by Chinabank are included in other payables.

In August 2024, Chinabank amended the terms of the SLBB agreement. The option to buy back of the SLBB agreement allowed LLI and LLC or their nominees to reacquire the properties. The August 2024 amendment increased the buyback cost by approximately ₱1.5 billion and resulted in the increase in the balance of the financial liability by ₱1.46 billion as of December 31, 2024.

NONCURRENT LIABILITIES

Due to the reclassifications made above together with the reclassification of the nonrefundable payments received from TRLEI of ₱327.5 million from “Advances for future stock subscription” in the consolidated statement of financial position to “Income from nonrefundable transaction payments” in the consolidated statement of comprehensive income for the year ended December 31, 2024, the Group’s noncurrent liabilities decreased by ₱7.53 billion (-55.4%) to ₱6.06 billion.

EQUITY

The Group’s equity decreased by ₱1.54 billion (-117.5%) to negative ₱229.6 million due to the net loss reported for the period, partially offset by the revaluation gain on the Group’s land assets.

(Comparison of December 31, 2023 and December 31, 2022)

	December 31,	December 31,	HORIZONTAL ANALYSIS Movement from prior period		VERTICAL ANALYSIS % of Total Assets/Liabilities & Equity	
	2023	**2022**	Change in Peso	Change in %	2023	2022
ASSETS						
Current Assets						
Cash	164,968,191	3,940,986	161,027,205	4085.96%	0.86%	0.02%
Trade and other receivables	16,693,136	12,260,364	4,432,772	36.16%	0.09%	0.07%
Advances to related parties	2,606,747	2,043,483	563,264	27.56%	0.01%	0.01%
Inventories - at cost	1,845,610	1,420,143	425,467	29.96%	0.01%	0.01%
Prepayments and other current assets	10,274,785	9,770,418	504,367	5.16%	0.05%	0.05%
Total Current Assets	196,388,469	29,435,394	166,953,075	567.18%	1.02%	0.16%
Noncurrent Assets						
Property and equipment						
Construction-in-progress and others - at cost	8,371,852,394	8,189,948,805	181,903,589	2.22%	43.48%	43.95%
Land - at revalued amount	9,040,232,463	8,750,524,672	289,707,791	3.31%	46.95%	46.96%
Right-of-use assets	13,758,241	14,577,640	(819,399)	-5.62%	0.07%	0.08%
Deposits for future property acquisition	66,812,449	61,812,449	5,000,000	8.09%	0.35%	0.33%
Cash in escrow	290,668,593	283,531,836	7,136,757	2.52%	1.51%	1.52%
Input value-added tax - net	340,807,172	707,229,349	(366,422,177)	-51.81%	1.77%	3.80%
Advances to contractors	522,262,761	541,414,935	(19,152,174)	-3.54%	2.71%	2.91%
Creditable withholding tax	382,254,808	34,066,317	348,188,491	1022.09%	1.99%	0.18%
Other noncurrent assets	29,535,651	22,153,442	7,382,209	33.32%	0.15%	0.12%
Total Noncurrent Assets	19,058,184,532	18,605,259,445	452,925,087	2.43%	98.98%	99.84%
TOTAL ASSETS	19,254,573,001	18,634,694,839	619,878,162	3.33%	100.00%	100.00%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other payables	1,364,331,495	1,668,901,937	(304,570,442)	-18.25%	7.09%	8.96%
Loans payable	971,392,760	6,036,325,000	(5,064,932,240)	-83.91%	5.04%	32.39%
Current portion of financial liability from sale and leaseback with a repurchase option	242,920,495	-	242,920,495	-	1.26%	0.00%
Advances from related parties	753,519,440	2,255,706,454	(1,502,187,014)	-66.59%	3.91%	12.10%
Current portion of lease liabilities	17,868,171	12,206,350	5,661,821	46.38%	0.09%	0.07%
Deposits payable	1,000,000,000	1,000,000,000	-	0.00%	5.19%	5.37%
Total Current Liabilities	4,350,032,361	10,973,139,741	(6,623,107,380)	-60.36%	22.59%	58.89%
Noncurrent Liabilities						
Loans payable - net of current portion	931,571,894	970,620,988	(39,049,094)	-4.02%	4.84%	5.21%
Retention payable	25,002,727	61,041,244	(36,038,517)	-59.04%	0.13%	0.33%
Lease liabilities - net of current portion	5,532,334	6,618,396	(1,086,062)	-16.41%	0.03%	0.04%
Financial liability from sale and leaseback with a repurchase option - net of current portion	6,086,120,230	-	6,086,120,230	-	31.61%	0.00%
Deferred tax liabilities	2,191,428,494	914,995,679	1,276,432,815	139.50%	11.38%	4.91%
Advances for future stock subscription	3,668,260,170	-	3,668,260,170	-	19.05%	0.00%
Interest payable	-	181,348,532	(181,348,532)	-100.00%	0.00%	0.97%
Other noncurrent liability	691,154,308	-	691,154,308	-	3.59%	0.00%
Total Noncurrent Liabilities	13,593,537,823	2,134,624,839	11,458,912,984	536.81%	70.60%	11.46%
Total Liabilities	17,943,570,184	13,107,764,580	4,835,805,604	36.89%	93.19%	70.34%
Equity						
Capital stock	7,282,017,027	7,282,017,027	-	0.00%	37.82%	39.08%
Additional paid-in capital	1,629,450,205	1,629,450,205	-	0.00%	8.46%	8.74%
Deposit for future stock subscription	717,982,973	609,920,000	108,062,973	17.72%	3.73%	3.27%
Equity reserve	(4,126,935,056)	(4,126,935,056)	-	0.00%	-21.43%	-22.15%
Revaluation surplus	2,630,894,964	2,741,696,789	(110,801,825)	-4.04%	13.66%	14.71%
Deficit	(6,822,407,296)	(2,609,218,706)	(4,213,188,590)	161.47%	-35.43%	-14.00%
Total Equity	1,311,002,817	5,526,930,259	(4,215,927,442)	-76.28%	6.81%	29.66%
TOTAL LIABILITIES AND EQUITY	19,254,573,001	18,634,694,839	619,878,162	3.33%	100.00%	100.00%

The total assets of the Group increased by ₱619.9 million (+3.3%) to ₱19.25 billion as of December 31, 2023 from ₱18.63 billion as of December 31, 2022 driven by the increase in the value of the Group's land properties and additions to construction-in-progress after final billings were received and verification and reconciliation of work done by a contractor was completed in 2023. The assets, liabilities and equity presented in the statement of financial position resulted mainly from the capital investments, project construction, business acquisitions, loan borrowings, group restructuring in 2018, and pre-operating activities of the Group from 2017 to 2023.

CURRENT ASSETS

The Group's current assets increased by ₱167.0 million (+567%) to ₱196.4 million due to the increase in the cash balance to ₱165.0 million as of December 31, 2023 from ₱3.9 million as of end-2022.

NONCURRENT ASSETS

The Group's noncurrent assets increased by ₱452.9 million (+2.4%) to ₱19.06 billion. This resulted from the increases in: (i) the appraised value of land assets by ₱289.7 million (+3.3%); (ii) construction-in-progress by ₱181.9 million (+2.2%); and (iii) creditable withholding tax by ₱382.3 million. These were partially offset by the decrease in input VAT by ₱366.4 million (-51.8%).

Latest appraisal of the Group's land assets reported an increase of ₱289.7 million to ₱9.04 billion as of December 31, 2023.

Construction-in-progress increased by ₱181.9 million (+2.2%) to ₱8.37 billion after final billings were received and verification and reconciliation of work done by a contractor was completed in 2023.

Creditable withholding tax of ₱382.3 million resulted from the SLBB transaction with Chinabank.

Input VAT decreased by ₱366.4 million (-51.8%) to ₱340.8 million due to partial application against Output VAT related to the SLBB transaction with Chinabank.

CURRENT LIABILITIES

The Group's current liabilities were lower by ₱6.62 billion (-60.4%) at ₱4.35 billion. This was mainly due to the decreases in: (i) loans payable by ₱5.06 billion (-83.9%); (ii) advances from related parties by ₱1.50 billion (-66.6%); and (iii) trade and other payables by ₱304.6 million (-18.3%). This was partially offset by the recognition of the current portion of the financial liability relating to the SLBB transaction with Chinabank.

Loans payable were lower by ₱5.06 billion (-83.9%) at ₱971.4 million as a result of the SLBB transaction with Chinabank, which allowed LLI and LLC to repay the Peso Bridge Loan Facility and extend the USD Loan Facility to March 31, 2025.

Advances from related parties were lower by ₱1.50 billion (-66.6%) at ₱753.5 million as a result of the full repayment of an intercompany advance (from proceeds of deposits / advances for future stock subscription from Udenna Corporation).

Trade and other payables decreased by ₱304.6 million (-18.3%) to ₱1.36 billion due to the full settlement and discharge of the accrued interest on the Group's Peso bridge loans as a result of the SLBB transaction with Chinabank.

The option to buy back of the SLBB transaction with Chinabank allows LLI and LLC or their nominees to reacquire the properties. This resulted to the recognition of a financial liability amounting to ₱6.33 billion, ₱ 242.9 million of which is classified as current in the consolidated statement of financial position as of December 31, 2023.

NONCURRENT LIABILITIES

The Group's noncurrent liabilities increased by ₱11.46 billion (+537%) to ₱13.59 billion mainly due to: (i) the noncurrent portion of the financial liability resulting from the SLBB transaction with Chinabank amounting to ₱6.09 billion; (ii) advances for future stock subscription received from Udenna Corporation in March to November 2023 totaling ₱3.15 billion and from TRLEI of ₱300.1 million; (iii) increase in deferred tax liabilities by ₱1.28 billion (+140%); and (iv) other noncurrent liabilities by ₱691.2 million.

In March 2023, PH Resorts received deposits for future stock subscription from Udenna Corporation amounting to ₱329.58 million. Of this amount, ₱221.52 million is presented as part of "Advances for future stock subscription" under Liabilities in the consolidated statement of financial position as of December 31, 2023. In April to November 2023, PH Resorts received advances for future stock subscription totaling ₱ 3.15 billion from Udenna Corporation, which were used to pay off an advance from a related party. Meanwhile, LLI received partial payments from TRLEI totaling ₱300.1 million as of December 31, 2023 pursuant to the provisions of the term sheet signed between PH Travel and TRLEI in December 2023.

Deferred tax liabilities increased by ₱1.28 billion (+146%) to ₱2.19 billion as a result of the SLBB transaction with Chinabank and the tax effect of the land revaluation gain recognized during the year.

Other noncurrent liabilities amounting to ₱691.2 million represents transactions costs related to the SLBB transaction advanced by Chinabank.

EQUITY

The Group's equity decreased by ₱4.22 billion (-76.3%) to ₱1.31 billion due to the net loss reported for the period, partially offset by: (i) a deposit for future stock subscription of ₱108.1 million received from Udenna Corporation in March 2023; and (ii) the net effect of the SLBB transaction with Chinabank and land revaluation gain on the Group's other comprehensive income of ₱110.8 million.

6.4 Liquidity and Capital Structure

The Group's sources and uses of funds and the Group's debt and equity profile are discussed below.

Liquidity
The Group seeks to actively manage its liquidity profile in order to finance its capital expenditures and to service maturing obligations.

Below is the table of consolidated cash flows of the Group for the years ended December 31, 2024, 2023, and 2022.

	December 31, 2024	December 31, 2023	December 31, 2022	Change in % 2024 vs 2023	Change in % 2023 vs 2022
Net cash used in operating activities	(123,472,488)	(72,375,143)	(145,510,273)	70.60%	-50.26%
Net cash provided by (used in) investing activities	(26,897,435)	5,142,711	(39,185,653)	-623.02%	-113.12%
Net cash provided by (used in) financing activities	5,067,368	228,262,355	135,530,895	-97.78%	68.42%
Net increase (decrease) in cash and cash equivalents	(145,302,553)	161,029,923	(49,165,031)	-190.23%	-427.53%
Effect of foreign exchange on cash and cash equivalents	(902,292)	(2,718)	44,630	33096.90%	-106.09%
Cash and cash equivalents at beginning of period	164,968,191	3,940,986	53,061,387	4085.96%	-92.57%
Cash and cash equivalents at end of period	18,763,346	164,968,191	3,940,986	-88.63%	4085.96%

Net cash used in operating activities of ₱123.5 million, ₱72.4 million, and ₱145.5 million in 2024, 2023, and 2022, respectively, primarily represents payment of operating and pre-development expenses.

Net cash used in investing activities of ₱26.9 million in 2024 were mainly for capitalized expenses (fuel and security) for LLI and scheduled property-related payments for DHPC. Net cash provided by investing activities of ₱5.1 million in 2023 mainly came from the interest earned on the escrow account, partially offset by an additional deposit for future property acquisition of ₱5.0 million. Net cash used in investing activities of ₱39.2 million in 2022 mainly pertain to construction-related spending on Emerald Bay. Emerald Bay sustained minimal damage from typhoon Odette in December 2021. The first few months of 2022 were dedicated to site clean-up and maintenance, slowing down construction activities.

Net cash provided by financing activities of ₱5.1 million came from: (i) ₱760 million in advances for future stock subscription from Udenna; (ii) ₱190 million in advances from related parties; and (iii) ₱86.8 million of short-term loan proceeds, offset primarily by: (i) partial payment of Deposit Payable to Bloom of ₱699.0 million; and (ii) lease and interest payments to Chinabank of ₱324.1 million.

Net cash provided by financing activities of ₱228.3 million in 2023 came from: (i) ₱3.48 billion in deposits / advances for future stock subscription from Udenna; (ii) ₱300.1 million nonrefundable payments from TRLEI; and (iii) ₱72.4 million advances from Udenna. These were largely offset by the ₱3.46 billion repayment of an intercompany loan and ₱156.3 million lease and interest payments.

Net cash provided by financing activities was ₱135.5 million in 2022, which included a ₱1.0 billion deposit from a potential investor, ₱562.4 million deposit for future stock subscription from Udenna and ₱118.7 million advances from a related party, largely offset by a ₱1.49 billion partial repayment of intercompany loan and ₱51.0 million payment of documentary stamp tax related to loan extensions.

Capital Sources

Below is the table showing the Group's capital sources as of December 31, 2024, 2023, and 2022.

	December 31, 2024	December 31, 2023	December 31, 2022
Loans payable	2,035,516,458	1,902,964,654	7,006,945,988
Advances from related parties	943,135,205	753,519,440	2,255,706,454
Advances for future stock subscription	4,127,883,688	3,668,260,170	-
Deposit for future stock subscription	717,982,973	717,982,973	609,920,000
Capital stock	7,282,017,027	7,282,017,027	7,282,017,027
Additional paid-in capital	1,629,450,205	1,629,450,205	1,629,450,205
Total	16,735,985,556	15,954,194,469	18,784,039,674

In March 2023, PH Resorts received deposits for future stock subscription from Udenna Corporation amounting to ₱329.58 million. On March 30, 2023, PH Resorts and Udenna Corporation executed a Memorandum of Agreement for the subscription of 329.58 million common shares with a subscription price of ₱1.00 per share. The ₱108.06 million is presented as "Deposit for future stock subscription" under Equity in the consolidated statements of financial position as of December 31, 2024 and December 31, 2023 while the ₱221.52 million is presented as part of "Advances for future stock subscription" under Liabilities in the consolidated statements of financial position as of December 31, 2024 and December 31, 2023.

From April to November 2023, PH Resorts received advances for future stock subscription from Udenna Corporation totaling ₱3.15 billion. These are presented as "Advances for future stock subscription" under Noncurrent Liabilities in the consolidated statements of financial position as of December 31, 2024 and December 31, 2023.

On December 8, 2023, PH Travel, the immediate parent company of LLI and LLC, executed a term sheet with Tiger Resort Leisure & Entertainment, Inc ("TRLEI") to acquire a significant majority ownership of LLI and LLC as operators of the Emerald Bay project, subject to various conditions, allowing them to take over the development of the Emerald Bay Resort. The conditions included, among others, the execution of definitive agreements, and the approval from the relevant governmental authorities, if any. The final terms were subject to shareholders' approval, once determined. Pursuant to the provisions of the term sheet, LLI received partial nonrefundable payments from TRLEI totaling ₱327.6 million and were presented as part of "Advances for future stock subscription" under Liabilities in the consolidated statement of financial position as of June 30, 2024.

On July 1, 2024, PH Travel and TRLEI terminated the Term Sheet dated December 8, 2023. Despite termination, this development gave the Group an opportunity to engage with other parties which have already expressed their keen interest in the Emerald Bay Project, but have been unable to formalize due to the restrictions under the TRLEI deal. These strategic investor discussions are ongoing with several parties. Due diligence is ongoing and in various stages of completion. Following the termination of the Term Sheet, the nonrefundable amounts received by LLI from TRLEI totaling ₱327.6 million were reclassified from "Advances for future stock subscription" under Liabilities in the consolidated statement of financial position to "Income from nonrefundable transaction payments" in the consolidated statement of comprehensive income for the year ended December 31, 2024.

On December 6, 2024, Udenna Corporation executed a Memorandum of Understanding (MOU) with EEI Corporation (EEI) with regard to Emerald Bay in Punta Engano, Mactan Island, Cebu. In particular, the MOU provides an avenue for a potential partnership between EEI and PHR, upon the execution of the definitive agreements and subject to the fulfillment of conditions precedent and regulatory approvals, if any. The MOU also paves the way for EEI to execute an agreement with PHR and/or its subsidiaries, Lapulapu Leisure, Inc. (LLI) and Lapulapu Land Corp. (LLC), to finance, construct, and complete Emerald Bay.

Advances of ₱300.0 million was received by LLI from EEI via Udenna Corp in January 2025. These Advances from a related party were used to partially fund lease and interest payments to Chinabank.

The Company is expected to rely on the following sources of liquidity for the next 12 months: (1) shareholder advances and/or paid-up capital; and (2) funding from a strategic partner.

Strategic investor discussions are ongoing with several parties. Due diligence is ongoing and in various stages of completion.

6.5 Risk Related to Financial Instruments

The Group's principal financial instrument is cash. The main purpose of these financial instruments is to finance the Group's operations. The Group has various financial assets and liabilities such as trade and other receivables, security deposits, advances from and to related parties, cash in escrow, trade and other payables, retention payable and loans payable. The main risks arising from the Group's financial instruments are credit risk, interest rate risk, liquidity risk and foreign currency risk.

Item 7. Consolidated Financial Statements

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Form 17-A.

Item 8. Information of Independent Accountant and Other Related Matters

8.1 Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has not had any disagreements with its previous and current external auditor/independent public accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

8.2 External Audit Fees and Services

SGV & Co. audited the Company's consolidated financial statements without qualification as of and for the years ended December 31, 2024, 2023, and 2022, included in this report.

Erwin Paigma is the current audit partner for the Company and its subsidiaries. Pursuant to SEC Memorandum Circular No. 8, Series of 2003, the Company will either change its External Auditor or rotate the engagement partner every five (5) years.

There have been no disagreements between the Company and SGV & Co. over the length of their relationship with regard to any matter involving accounting principles or practices, financial statement disclosures, and auditing scope and procedures.

SGV & Co. has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. SGV & Co. will not receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants, or rights thereto). The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

In connection with the audit of the Company's financial statements, the Audit Committee had, among other activities, (a) evaluated significant issues reported by the external auditor in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Company; (b) ensured that no other work is provided by the external auditor that would impair its independence and conflict with its function as independent accountants; and (c) ensured the compliance of the Company with acceptable auditing and accounting standards and regulations.

The following table sets out the aggregate fees for audit and other related services for the last three years for the professional services rendered by SGV & Co. to the Group:

in PHP millions	**2024**	2023	2022
External audit service fees	**2.90**	2.72	2.60
Other non-audit service fees	**0.25**	0.25	0.25
Total	**3.15**	2.97	2.85

The external audit service fees pertain to the professional services rendered for the audit of the annual consolidated and standalone financial statements of PH Resorts and its subsidiaries. Other non-audit service fees pertained to agreed-upon procedures engagements related to PAGCOR's DE ratio certification compliance and follow-on-offering. The services are those normally provided by the external auditor in connection with statutory and regulatory filings or engagements. There had been no consulting or tax engagements with SGV & Co.

8.3 Audit Committee and Policies

Under the Company's By-laws, the Audit Committee is responsible for, among others, checking all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including financial reporting requirements of the Securities and Exchange Commission, performing oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management, and approving all audit plans, scope and frequency one (1) month before the conduct of external audit.

The duties and functions of the Company's Audit Committee is governed by its By Laws and Revised Manual on Corporate Governance.The audit committee is composed of at least three (3) qualified non-executive directors, the majority of whom, should be independent directors. Each member shall have adequate understanding at least or competence at most of the corporation's financial management systems and environment. The chair of the Audit Committee shall be an independent director and should not be the Chairman of the Board or any other committees.

The following are the members of the Audit Committee: Jonathan L. Ravelas, William W. Yap and Angela Ignacio[2]. All members of the committee are all independent directors.

The Internal Audit's role and responsibilities are defined in the Company's Revised Manual on Corporate Governance. Primarily, it assists the Audit Committee in fulfilling its oversight responsibility to the shareholders by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and internal control processes.

Internal Audit, in fulfilling its role, performs the following general functions: a.) provide an independent risk-based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of the governance and control processes; b.) Perform regular and special audit as contained in the annual audit plan and/or based on the corporation's risk assessment; c.) Review, audit, and assess the efficiency and effectiveness of the internal control system of all areas of the company; d.) evaluate operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned; and e.) monitor and evaluate governance processes.

[2] Ms. Ignacio tendered her resignation as independent director of the Corporation effective 5 November 2024. To date, no replacement for Ms. Ignacio has been appointed yet.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

The table below sets forth the members of the Company's Board and senior officers as of the date of this Report:

Name	Age	Citizenship	Position
Dennis A. Uy	51	Filipino	Chairman, Director
Cherylyn C. Uy	45	Filipino	Director
Raymundo Martin M. Escalona	64	Filipino	President, Director
Lara Lorenzana	51	Filipino	Chief Financial Officer, Treasurer, Director
Jose Angel Sueiro	53	Spanish	Chief Operating Officer, Director
Eric O. Recto	61	Filipino	Director
William W. Yap	50	Filipino	Independent Director
Jonathan L. Ravelas	52	Filipino	Lead Independent Director

Below are summaries of the business experience and credentials of the Directors and the officers:

Dennis A. Uy

Dennis A. Uy is the founder, Chairman and Director of the Company. He is also the Chairman and President of Udenna Corporation, the Company's parent company, which has businesses in the petroleum distribution, shipping, logistics, real estate, telecommunications and service industries. Among the subsidiaries of Udenna Corporation are Phoenix Petroleum Holdings, Inc. ("PPHI"), Chelsea Logistics Holdings Corp. ("CLC"), Udenna Management & Resources Corp. ("UMRC"), Udenna Land Inc., PH Travel and Leisure, Le Penseur, Inc., and Udenna Water and Integrated Services, Inc. Mr. Uy is the Chairman and President of PPHI, the holding company of Phoenix Petroleum Philippines, Inc. ("PPPI") and serves as the Chairman of PPPI. He is currently the Chairman of CLC. He is likewise the President and Chief Executive Officer of UMRC and its subsidiaries. In addition, Mr. Uy is the Chairman of Phoenix Philippines Foundation, and Udenna Foundation. He also serves as an independent director of Atok-Big Wedge Co., Inc.

He is a member of the Young Presidents Organization – Philippine chapter and the Philippine Business for Social Progress. Since November 2011, Mr. Uy has been the Honorary Consul of Kazakhstan to the Philippines. He is a graduate of De La Salle University with a degree in Business Management.

Cherylyn C. Uy

Cherylyn C. Uy, is a Director of the Company. Ms. Uy is one of the pioneers/incorporators of Udenna Corporation, the ultimate parent company of PNX and Chelsea, and which has subsidiaries engaged in the petroleum, shipping, logistics, services, and real estate businesses, among others. She is the Corporate Treasurer of the Udenna group. She is also a director of PPPI and CLC.

She is also one of the Directors of Phoenix Philippines Foundation, Inc. and of Udenna Foundation, Inc., the corporate social responsibility entities of the Udenna Group. Ms. Uy is the Corporate Treasurer of UMRC, Chelsea Shipping Corp. and other Udenna companies. Ms. Uy is a graduate of Business and Finance from Ateneo de Davao University.

Raymundo Martin M. Escalona

Raymundo Martin M. Escalona is the President and CEO and a Director of the Company. He is also currently the President of Udenna Corporation. Mr. Escalona has over 28 years of experience in corporate finance and banking, primarily in the areas of treasury and relationship management. Prior to joining the Company, Mr. Escalona was the Executive Vice President and served as the Head of the Institutional

Banking Group of CTBC Bank (Philippines) Corp. He also served as the Executive Vice President and Corporate and Institutional Bank Head of Australia and New Zealand Bank, Manila Branch. Mr. Escalona was also previously the First Vice President and Unit Head of Corporate Banking and Financial Institutions in BDO; Vice President and Head of Large Local Corporate Unit and Deputy Corporate Banking Head in Deutsche Bank AG, Manila Branch; and Assistant Vice President of Relationship Management Unit in Citytrust. Mr. Escalona earned his Bachelor of Science in Commerce degree, Major in Management of Financial Institutions, at the De La Salle University.

Lara Lorenzana

Lara Lorenzana is the Treasurer and Chief Financial Officer and a Director of the Company. Ms. Lorenzana has over 20 years of experience in investment banking, project and structured finance, and risk and portfolio management. She started her career in Citibank Manila's Corporate Finance department which was the leader in project and structured finance for the privatization of power, water and telecom industries in the Philippines. Ms. Lorenzana spent the next 17 years in New York City as the Global Portfolio Risk Manager for Barclays Capital, Portfolio Manager/Director for Unicredito Italiano New York Branch, and Portfolio Manager/Managing Director for fixed income for Modern Bank, NA. Ms. Lorenzana has a Masters in International Management from Thunderbird School of Management in Arizona, a Masters in Business Administration from Fordham University in New York City, and a Bachelor of Arts degree in Economics from the Ateneo de Manila University.

Jose Angel Sueiro

Jose Angel Sueiro is the Chief Operating Officer and a Director of the Company. Mr. Sueiro has over 20 years of experience in the hotel and gaming industry and has worked on over 30 hotel and casino projects in 18 countries, such as Fiesta Casino Alajuela, Intercontinental Hotel Fiesta Casino Guatemala, Hilton Margarita Cirsa and Centrum Casino Lodz. He has extensive knowledge about product creation and marketing and has a deep understanding of the local regulatory environment, the relation and balance between different political, economic and social forces. During his time with Thunderbird Resorts (including the Thunderbird Hotel and Casino in Rizal, Poro Point and Daman), a company with operations in more than 20 countries, he served the as the Chief Operating Officer, Vice President for Corporate Affairs and Vice President for Design and Construction. He was responsible for creating and executing strategy, communicating culture and running daily matters with the objective of increasing stakeholder value. Mr. Sueiro holds an MBA from EUDE Business School, Madrid.

Eric O. Recto

Eric O. Recto is a director of the Company. He is also a director for DITO CME Holdings Corp. He also serves as the Chairman and Director of Philippine Bank of Communications. He is presently Chairman and President of Bedfordbury Development Corporation; Chairman and CEO of Alphaland Corporation; Chairman and CEO of Atok-Big Wedge Co., Inc. He is Vice Chairman and Lead Independent Director of Aboitiz Power Corporation. He is Independent Director of Manila Water Company, Inc. He was recently appointed Senior Advisor of Stonepeak Infrastructure Partners in the US and Director of Miescor Infrastructure Development Corporation. Prior to his current roles, he was President of Petron Corporation, the largest oil refining and marketing company in the Philippines. He also previously served as Undersecretary of Finance of the Republic of the Philippines from 2002 to 2005. Eric has an undergraduate degree in Industrial Engineering from the University of the Philippines and has an MBA from Cornell University's Johnson Graduate School of Management.

William W. Yap

William W. Yap is one of the three independent directors of the Company. He is currently the CEO of YYKredit Inc. and the President of YYKaizen Food Labs Inc., Palawan Resources Development Corporation, and Udlot Realty Corporation. Mr. Yap also serves as the Treasurer for Nissan Cebu

Distributors Inc. Mr. Yap has a Bachelor's Degree in Industrial Engineering from the University of San Carlos.

Jonathan L. Ravelas

Jonathan L. Ravelas is the lead independent director of the Company. He was FVP-Chief Market Strategist at BDO Unibank from 2002 to June 2022. He provided analysis on financial markets and macroeconomic developments in local and foreign markets. He held the same position at Equitable PCI Bank's Treasury Department from 1998 to 2002. His prior experience includes working as a strategist, analyst, equities dealer and portfolio manager in both money management and institutional equity brokerage with DBS Securities and ACE Securities. Mr. Ravelas holds a bachelor's degree in Management of Financial Institutions from the De La Salle University (1992). In 1996, he finished the Asian Securities Executive Program at the Asian Institute of Management (Manila). He also serves as an independent director in Dito CME Holdings Corp.

Leandro E. Abarquez

Leandro E. Abarquez is the Corporate Secretary of the Company and Chief Counsel of Udenna Corporation. He is also the Corporate Secretary of DITO CME Holdings Corp. Prior to joining the Company, he was a Senior Associate at Romulo, Mabanta, Buenaventura, Sayoc & de los Angeles from 2010 to 2017, where he advised clients on various diverse matters and special projects including mergers and acquisitions, initial public offerings, gaming regulatory advice, public-private partnerships, project finance, and dispute resolution matters. He received his bachelor's degree in Biology from the Ateneo de Manila University in 2004, and his juris doctor degree from the same university in 2009. He is also the Compliance Officer of CLC and PNX as well as the Corporate Secretary of DITO CME.

As of the date of this Report, family relationships (by consanguinity or affinity within the fourth civil degree) between Directors and members of the Company's senior management are as follows:

Dennis A. Uy, Chairman and Director of the Company, is the spouse of Cherylyn C. Uy, Director of the Company.

Other than as disclosed above, there are no other family relationships between Directors and members of the Company's senior management known to the Company.

There are no material legal proceedings that were disposed with finality during the past five (5) years that affect the ability or integrity of any director and/or senior management officer of the Company.

Item 10. Executive Compensation

The Company's executives are regular employees and are paid a compensation package of 12-month pay plus the statutory 13th month pay. The members of the Board of Directors who are not employees of the company are elected for a period of one year. They receive compensation on a per meeting participation. There are no other arrangements for which the members of the board are compensated.

Summary of Compensation Table for the Year Ending December 31, 2024 and 2023:

Compensation of Executive Officers and Directions (in Thousands PHP)							
		Year Ending Dec. 31, 2024			Year Ending Dec. 31, 2023		
Name	**Principal Position**	**Salaries**	**Bonuses/ 13th Month/ Other**	**Total**	**Salaries**	**Bonuses/ 13th Month/ Others**	**Total**
Dennis A. Uy	Chairman	25,728	2,174	27,902	27,744	2,144	29,888
Raymundo Martin M. Escalona	President						
Jose Angel Sueiro	Chief Operating Officer						
Lara Lorenzana	Chief Finance Officer						
All other officers		NA					

Summary of Compensation Table for the Year Ending December 31, 2023 and 2022:

Compensation of Executive Officers and Directions (in Thousands PHP)							
		Year Ending Dec. 31, 2023			Year Ending Dec. 31, 2022		
Name	**Principal Position**	**Salaries**	**Bonuses/ 13th Month/ Other**	**Total**	**Salaries**	**Bonuses/ 13th Month/ Others**	**Total**
Dennis A. Uy	Chairman	27,744	2,144	29,888	37,824	3,152	40,976
Raymundo Martin M. Escalona	President						
Jose Angel Sueiro	Chief Operating Officer						
Lara Lorenzana	Chief Finance Officer						
All other officers		NA					

Item 11. Security Ownership of Certain Beneficial Owners and Management

The following table presents the record/beneficial owners known to the Company who in person or as group own more than five percent (5%) of the issued and outstanding capital stock of the Company as of December 31, 2024:

Title of Class	Name of Beneficial Owner of Common Stock	Name of Beneficial Owner	Citizenship	No. Of Shares	Percent of Class
Common	Udenna Corporation	Dennis A. Uy / Cherylyn C. Uy/ Silver Crescent Global Limited/ Elite First Investment Limited	Filipino	5,643,037,228[3]	77.49%

As of December 31, 2024, the shares owned of record or beneficially by the directors and the executive officers are as follows:

Title of Class	Name of Beneficial Owner of Common Stock	Nature of Beneficial Ownership (D) Direct / (I) Indirect	Citizenship	No. Of Shares	Percent of Class
Common	Dennis A. Uy*	D / I	Filipino	2,635,105,475*	36.19%
Common	Cherylyn C. Uy*	D / I	Filipino	753,216,682*	10.34%
Common	Raymundo Martin M. Escalona	D	Filipino	1,501,000	0%
Common	Jose Angel Sueiro	D	Spanish	1,501,000	0%
Common	Lara C. Lorenzana	D	Filipino	1,001,000	0%
Common	William W. Yap	D	Filipino	5,300	0%
Common	Eric O. Recto	D	Filipino	1,000	0%
Common	Leandro E. Abarquez	D	Filipino	1,000,000	0%
Common	Jonathan L. Ravelas	D	Filipino	10,000	0%

*Indirect beneficial ownership thru PHR's parent company, Udenna Corporation.

[3] Of the total number of shares owned by Udenna, 2,038,750,523 are lodged under PCD Nominee Corp. (Filipino).

Item 12. Certain Relationships and Related Transactions

The Group, in the normal course of business, has transactions with the following companies which have common members of BOD and stockholders as the Group:

Relationship	Name
Ultimate Parent Company	Udenna Corporation
Affiliates under Common Control	CGLC Cultural Heritage Foundation, Inc.
	Chelsea Shipping Corp.
	Dennison Holdings Corp.
	Emerald Development Holdings Ltd. (Emerald)
	Enderun Hospitality Management and Consultancy Services (Enderun)
	Global Gateway Development Corp. (GGDC)
	L3 Concrete Specialists Inc.
	Lapulapu Cultural Heritage Foundation, Inc.
	LapuLapu Land Corp. (LLC)*
	Phoenix Petroleum Philippines, Inc.
	Udenna Land Inc. (ULI, formerly UDEVCO)
	Udenna Management & Resources Corp.
	Udenna Tower Corporation (UTOW)
	Udenna Water & Integrated Services, Inc.
	Value Leases Inc.

** Acquired by LLI in 2019*

The consolidated statements of financial position include the following amounts with respect to the balances with related parties as of December 31, 2024 and 2023:

	Amount/ Volume of Transactions			Outstanding Receivable (Payable)		
	2024	2023	2022	**2024**	2023	Terms & Conditions
Udenna, *Ultimate Parent Company*						
Cash advances from a related party for working capital and project completion (ii)	**₱98,675,000**	₱84,159,483	₱112,360,359	**(₱324,890,577)**	(₱226,215,577)	Unsecured; noninterest-bearing; due and demandable
Deposit for future stock subscription (see Note 14) (a)(iv)	–	108,062,973	609,920,000	**(717,982,973)**	(717,982,973)	Non-refundable
Advances for future stock subscription (a)(v)	**459,623,518**	3,368,136,715	–	**(4,127,883,688)**	(3,668,260,170)	Unsecured; noninterest-bearing; due and demandable
Entities under Common Control						
Cash advances to related parties (i)	**(1,732,225)**	563,264	3,742	**874,522**	2,606,747	Unsecured; noninterest-bearing; not impaired; due and demandable
Cash advances from related parties for working capital (ii)	–	–	31,237	**(38,703,863)**	(38,703,863)	Unsecured; noninterest-bearing; due and demandable
Interest payables on long-term advances (b) (vi)	–	726,582,977	579,053,260	–	–	Unsecured; interest-bearing; with terms
(Forward)						
Cash advances from related parties for working capital (b) (ii)	**₱940,765**	₱–	₱–	**(₱354,540,765)**	(353,600,000)	Unsecured; interest-bearing; due and demandable
Interest payable on other advances (b) (iii)	**(4,690,316)**	27,308,880	30,268,077	**(182,078,074)**	(186,768,390)	Unsecured; due within 1 to 2 years
Management and consultancy services (see Notes 13 and 15) (d) (iii)	–	1,580,059	–	**(7,564,797)**	(7,564,797)	Unsecured; noninterest-bearing; due and demandable
Due from a related party for sale of a subsidiary (see Notes 1, 6 and 21) (i)	–	–	–	**10,000,000**	10,000,000	Unsecured; noninterest-bearing; due and demandable
Stockholder						
Cash advances from a stockholder for working capital (ii)	**90,000,000**	–	–	**(225,000,000)**	(135,000,000)	Unsecured; noninterest-bearing; due and demandable
Employees						
Advances to employees (see Note 6) (vii)	**77,175**	1,941,230	128,819	**2,500,480**	2,423,305	Unsecured; noninterest-bearing; not impaired; one-month liquidation

i. Outstanding balance is included in Advances to related parties as of December 31, 2024 and 2023.
ii. Outstanding balance is included in Advances from related parties as of December 31, 2024 and 2023.
iii. Outstanding interest is included in Trade and other payables as of December 31, 2024 and 2023.
iv. Outstanding balance is presented under the Equity section in the consolidated statements of financial position as of December 31, 2024 and 2023.

v. Outstanding balance is presented in Advances for future stock subscription as of December 31, 2024 and 2023.
vi. Outstanding balance is presented in Interest payable as of December 31, 2024 and 2023.
vii. Outstanding balance is included in Trade and other receivables as of December 31, 2024 and 2023.

a. Deposit and advances for future stock subscription from Ultimate Parent Company

In December 2021 and July 2022, PH Resorts received deposits for future stock subscription from Udenna Corporation amounting to ₱47.5 million and ₱562.4 million, respectively.

On December 29, 2022, PH Resorts and Udenna Corporation executed a Memorandum of Agreement for the subscription of 609.92 million common shares with a subscription price of ₱1.00 per share. This is presented as “Deposit for future stock subscription” under Equity in the consolidated statement of financial position as at December 31, 2024 and 2023.

In March 2023, PH Resorts received deposits for future stock subscription from Udenna Corporation amounting to ₱329.58 million. On March 30, 2023, PH Resorts and Udenna Corporation executed a Memorandum of Agreement for the subscription of 329.58 million common shares with a subscription price of ₱1.00 per share. The ₱108.06 million is presented as “Deposit for future stock subscription” under Equity in the consolidated statement of financial position as at December 31, 2024 and 2023 while the ₱221.52 million is presented as part of “Advances for future stock subscription” under Liabilities in the consolidated statement of financial position as at December 31, 2024 and 2023.

From April to November 2023, PH Resorts received advances for future stock subscription from Udenna Corporation totaling ₱3.67 billion. These are presented as “Advances for future stock subscription” under Liability in the consolidated statement of financial position as of December 31, 2024 and 2023.

In October 2024, PH Resorts received advances for future stock subscription from Udenna of ₱699.0 million, which was used to significantly reduce the balance of the Deposit payable to BRC. Total advances for future stock subscription received by PH Resorts from Udenna in 2024 amounted to ₱759.7 million. In March 2025, an additional deposit for future stock subscription was received by PH Resorts from Udenna amounting to ₱75.0 million, which was utilized to further reduce the Deposit payable to ₱226.0 million as of April 30, 2025. As of December 31, 2024 and 2023, deposits and advances for future stock subscription from Udenna totaled ₱4.85 billion and ₱4.39 billion respectively.

b. Interest-bearing cash advances from related parties

i. Emerald Development Holdings Ltd. (EDHL)

On October 17, 2019, PH Resorts obtained an advance of US$42.5 million from EDHL, an offshore entity wholly-owned by Udenna Corporation (Udenna). The proceeds of the advance were used to fund the ongoing construction of Emerald Bay. The principal and interest totaling $60.3 million was originally due in 2021.

On December 28, 2020, PH Resorts and EDHL agreed to extend the payment of the advances to April 30, 2022 and was further extended to April 30, 2023. Further extension up to June 2024 was executed in April 2023.

In May 2022, the Group made a ₱1 billion partial repayment of the EDHL intercompany advance applied to both principal and accrued interest. In July 2022, the Group made an additional ₱562.4 million (US$10.0 million) partial repayment of the EDHL intercompany advances. After the partial prepayments in 2022, the Group recognized loss on early settlement which effectively is an early recognition of interest expense related to prepayments amounting to ₱216.7 million.

These adjustments were recorded as interest expense in 2022. As at December 31, 2022, the EDHL advance amounted to ₱1.58 billion and the related accrued interest payable of ₱116.3 million was presented as "Interest payable" in the consolidated statements of financial position.

The Group amended its intercompany advance agreement on April 24, 2023 with EDHL for the recapitalization of interest and due date of June 2024 for principal and interest amounting to $50.2 million. In November 2023, the EDHL intercompany advances was fully repaid, including future interests. As a result, the Group recognized a loss on early settlement amounting to ₱ 1,047.6 million in 2023 presented as part of interest expense in the consolidated statement of comprehensive income.

ii. Other related parties

Various related parties granted advances to the Group to finance the operating activities and financing requirements. Total advances amounted to ₱943.1 million and ₱753.5 million as at December 31, 2024 and 2023, respectively. These are unsecured, with interest rates ranging from 8.5% to 12%, and are due and demandable.

Interest incurred on these advances amounted to nil, ₱24.9 million, and ₱30.3 million in 2024, 2023, and 2022, respectively. Interest payable of ₱182.1 million and ₱186.8 million as at December 31, 2024 and 2023, respectively, are included under "Trade and other payables" account in the consolidated statements of financial position (see Note 14).

c. Lease

On June 29, 2018, CGLC entered into a lease agreement with GGDC for the lease of office space in the General Administrative Office Building of Clark Global City, Pampanga. The lease agreement is for a period of three (3) years counted from the lease commencement date, subject to renewal upon mutual agreement of the parties.

In 2021, CGLC renewed the lease agreement with GGDC for additional three (3) years from September 1, 2021 to October 7, 2024, subject to renewal upon mutual agreement. CGLC shall pay a monthly aggregate of ₱0.1 million with a 5% annual escalation rate at the beginning of the second year of the lease term. On October 7, 2024, the lease agreement has been terminated.

On July 10, 2019, PH Resorts entered into a lease agreement with UTOW for office space with a total area of 870.31 square meters in the twentieth (20th) floor of the Udenna Tower and nine (9) parking slots located at the building. The lease agreement is for a period of 5 years from July 15, 2019 until July 14, 2024 subject to renewal for another 5 years upon mutual agreement of the parties. PH Resorts shall pay a monthly aggregate of ₱1,400 per square meter per month and ₱6,000 per parking slot per month with a yearly escalation rate of five percent (5%).

The estimated annual minimum rentals under these lease agreements within one year period is nil and ₱20.0 million, as at December 31, 2024 and 2023, respectively.

As at December 31, 2024 and 2023, right-of-use asset amounted to nil and ₱13.8 million, respectively. As at December 31, 2024 and 2023, the lease liabilities amounted to nil and ₱17.9 million, respectively. Amortization expense amounted nil in 2024 and ₱0.8 million in 2023. Interest expense on lease liabilities amounted to nil in 2024 and ₱0.1 million in 2023 (see Note 13).

d. *Management fees*

In February 2023, DHPC entered into a 5-year Hotel Management Service Agreement with Enderun. Enderun manages DHPC's hotel operations starting April 1, 2023 according to the terms and conditions set forth in the agreement. Management fees consist of basic management fee, incentive fee, marketing fee and corporate shared service fees (see Notes 14 and 18).

e. *Guarantees*

LLI's USD-denominated bank loan with Chinabank is secured by a corporate guaranty by Udenna Corporation and by certain stockholders through a Continuing Surety Agreement with the bank (see Note 11).

The performance of the obligations of DHPC to Landbank at any time under the loan agreement shall be the joint and several liability of PH Travel and DHPC (see Note 11).

f. *Compensation and Other Benefits of Key Management Personnel*

The compensation of key management personnel pertaining to salaries and short-term employee benefits amounted to ₱27.9 million in 2024, ₱29.9 million in 2023, and ₱41.0 million in 2022.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Company submitted its Revised Manual on Corporate Governance (the "Manual") to the Securities and Exchange Commission (SEC) in compliance with SEC Memorandum Circular No.24, Series of 2019 ("SEC MC No. 19, series of 2019"). The Company and its respective directors, officers and employees have complied with the best practices and principles on good corporate governance as embodied in its Corporate Governance Manual.

There has not been any deviation from the Company's Revised Manual of Corporate Governance. The Company plans to continue adopting the SEC's recommendations for improved corporate governance.

Independent Directors

The Manual requires the Company to have at least two independent directors in the Board of Directors, or such number as to constitute at least one-third of the members of the Board, whichever is higher. An independent director is defined as a person who has not been an officer or employee of the Company, its Subsidiaries or affiliates or related interests during the past two years counted from date of his election, or any other individual having a relationship with the institution, its parent, subsidiaries or related interest, or to any of the Company's director, officer or stockholder holding shares of stock sufficient to elect one seat in the board of directors or any of its related companies, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Company's independent directors serve as members of the different board committees as required under SEC MC No. 24, series of 2019.

PART V - EXHIBITS AND SCHEDULES

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

(a) Exhibits

The following exhibits are incorporated by reference in this report.

- Consolidated Financial Statements of the Company as of and for the year ended 31 December 2024
- Index to Financial Statements and Supplementary Schedules

(b) Reports on SEC Form 17-C

Date	Excerpts
June 24, 2024	Clarification of News Report published on InsiderPH.com regarding the discussion with the Okada Group for the Emerald Bay Resort and Casino project.
July 2, 2024	Update on the TRLEI Transaction.
July 11, 2024	Clarification of News Article published on InsiderPH.com regarding the foreign backstop to the share sale of Dito CME, a PHR affiliate.
August 1, 2024	Results of the Annual Stockholders' Meeting
August 1, 2024	Results of the Organizational Meeting of the Board of Directors
August 1, 2024	Change in Directors and/or Officers due to the expiration of Mr. Raouf's Kizilbash's term, election of Mr. Jonathan L. Ravelas as independent director and change in Mr. Eric O. Recto's designation from independent director to director.
November 5, 2024	Resignation of Ms. Angela E. Ignacio due to her appointment as Undersecretary in the Office of the Special Assistant to the President for Investment and Economic Affairs
December 6, 2024	Execution of a Memorandum of Understanding with EEI Corporation
January 22, 2025	Certificate of Attendance of the Members of the Board of Directors for the year 2024

All current directors were present during all meetings held during the year.

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 Taguig on 30 APR 2025, 2025.

By:

DENNIS A. UY
Chairman of the Board

RAYMUNDO MARTIN M. ESCALONA
Chief Executive Officer and President

LARA C. LORENZANA
Chief Financial Officer

LEANDRO E. ABARQUEZ
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 30 APR 2025 day of _________ 20__. Affiants have confirmed their identities by presenting competent evidence of identity, viz:

Name	Competent Evidence of Identity
Dennis A. Uy	
Raymundo Martin M. Escalona	
Lara C. Lorenzana	
Leandro E. Abarquez	

and that they further attest that the same true and correct.

Doc No. 918;
Page No. 65;
Book No. VIII;
Series of 2025.

BUWIS NA RENTAS INTERNAS
DSK2022
22562417
30 30

30 APR 2025

ATTY. ALYSSA HANNAH R. NUQUI
Appointment No. 30 (2025-2026)
Notary Public for Taguig City
Until December 31, 2026
21F Udenna Tower, Rizal Dr. cor. 4th Ave.,
Bonifacio Global City, Taguig City
Roll No. 70319
PTR No. A-6408796/01-02-2025/Taguig City
IBP No. 484353/12-17-2024/Makati City
MCLE Compliance No. VIII-0013496/04-14-2028
Notary Public

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
FORM 17-A, Item 7

PH
RESORTS GROUP
A Udenna Company

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **PH Resorts Group Holdings Inc. and Subsidiaries** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2024** and **December 31, 2023**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

SyCip, Gorres, Velayo & Co., the independent auditor 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.

DENNIS A. UY
Chairman of the Board

RAYMUNDO MARTIN M. ESCALONA
Chief Executive Officer and President

LARA C. LORENZANA
Chief Financial Officer

Signed this 3 0 day of APR 2025, 2025

SUBSCRIBED AND SWORN to before me this 30 day of APR 2025 20__. Affiants have confirmed their identities by presenting competent evidence of identity, viz:

Name	Competent Evidence of Identity
Dennis A. Uy	
Raymundo Martin M. Escalona	
Lara C. Lorenzana	

and that they further attest that the same true and correct.

Doc No. 319 ;
Page No. 65 ;
Book No. VIII ;
Series of 2025.

REPUBLIKA NG PILIPINAS
RENTAS INTERNAS
DSK2022
22562408
30

30 APR 2025

ATTY. ALYSSA HANNAH R. NUQUI
Appointment No. 30 (2025-2026)
Notary Public for Taguig City
Until December 31, 2026
21F Udenna Tower, Rizal Dr. cor. 4th Ave.,
Bonifacio Global City, Taguig City
Roll No. 70319
PTR No. A-6408796/01-02-2025/Taguig City
IBP No. 484353/12-17-2024/Makati City
MCLE Compliance No. VIII-0013496/04-14-2028

Notary Public

COVER SHEET

SEC Registration Number

C	S	2	0	0	9	0	1	2	6	9	

COMPANY NAME

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES

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

20th Floor, Udenna Tower, Rizal Drive corner 4th Avenue, Bonifacio Global City, Taguig City

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
info@phresorts.com	(632) 8838-1985	+639912052343

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
22	3rd Wednesday of May	12/31

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
Lara Lorenzana	lara.lorenzana@phresorts.com	(632) 8838-1985	N/A

CONTACT PERSON's ADDRESS

20th Flr. Udenna Tower, Rizal Drive cor. 4th Ave. Bonifacio Global City, Taguig City 1634

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.*

SGV
Building a better
working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
PH Resorts Group Holdings, Inc.
20th Floor, Udenna Tower
Rizal Drive corner 4th Avenue
Bonifacio Global City
Taguig City

Opinion

We have audited the consolidated financial statements of PH Resorts Group Holdings, Inc. and its subsidiaries (collectively referred as "the Group"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which indicates that the Group reported a net loss of ₱1,802.7 million in 2024, ₱4,213.2 million in 2023, and ₱1,139.2 million in 2022, which resulted in a deficit of ₱8,625.1 million and ₱6,822.4 million as at December 31, 2024 and 2023, respectively, and a capital deficiency of ₱229.6 million as at December 31, 2024. The Group's current liabilities exceeded its current assets by ₱13,588 million and ₱4,153.6 million as at December 31, 2024 and 2023, respectively, and the Group has negative operating cash flows of ₱123.5 million, ₱72.4 million, and ₱145.5 million in 2024, 2023, and 2022, respectively. In addition, the Group's option to repurchase its parcels of land and construction in progress under a sale and leaseback arrangement expired on March 31, 2025 and the Group is currently working on a possible repurchase option. These conditions, along with other matters discussed in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. In addition to the matters described in the *Material Uncertainty Related to Going Concern* section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report. 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. For each matter in the following section, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Valuation of Land at Revalued Amount

The Group accounts for its land classified as property and equipment using the revaluation model. The land accounts for 48% of the total consolidated assets as at December 31, 2024. The determination of the fair value of land involves significant management judgement and estimations and requires the assistance of external appraisers whose calculations also depend on certain assumptions such as sales listing of comparable properties registered within the vicinity and adjustments to sales price based on internal and external factors. Thus, we considered the valuation of land at revalued amount as a key audit matter.

The disclosures relating to land at revalued amount classified as property and equipment are included in Notes 4 and 9 to the consolidated financial statements.

Audit Response

We evaluated the competence, capabilities and objectivity of the external appraisers by considering their qualifications, experience and reporting responsibilities. We evaluated the methodology and assumptions in the valuation of land. We assessed the methodology adopted by referencing common valuation models and inquired with the appraiser the relevant information supporting the sales and listings of comparable properties. We also inquired from the external appraisers the basis of the adjustment factors made to the sales prices.

Impairment Testing of Property and Equipment

The Group's gaming segment has temporarily ceased project site construction of the Emerald Bay starting 2023. In addition, the Group's hotel and restaurant segment has partially re-opened with a low occupancy rate. These events and conditions are impairment indicators requiring the assessment of the recoverable amount of property and equipment amounting to ₱17,763.5 million as at December 31, 2024. The assessment of recoverability of property and equipment, which accounts for 91% of the total consolidated assets as at December 31, 2024, involves significant judgment, estimation and assumptions about forecasted revenues and costs, gross margin, capital expenditures, revenue growth rate, long-term growth rate and discount rate, among others.

The Group's disclosures relating to property and equipment are included in Notes 4 and 9 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's impairment assessment process, weighted probability scenarios and procedures to identify triggering events for potential impairment of assets. We obtained the cash flow forecast and compared these to the Group's long-term and strategic plans. We involved our internal specialist in evaluating the methodologies and assumptions used in determining the value in use. We compared the key assumptions used such as forecasted revenues, costs and gross margin against the comparable entities with adjustments taking into consideration the maturity of comparable entities. We compared capital expenditure with the Group's strategic plans. We compared the key assumptions used such as revenue growth rate against comparable entities; and long-term growth rate against relevant economic and external data. We tested the parameters used in the determination of the discount rate by comparing against market data.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 17-A, SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2024 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 17-A, SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's 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 audits, or otherwise appears to be materially misstated.

If based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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 activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 auditor's 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 auditor's report is Erwin A. Paigma.

SYCIP GORRES VELAYO & CO.

Erwin A. Paigma

Erwin A. Paigma
Partner
CPA Certificate No. 0118576
Tax Identification No. 944-093-568
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-155-2024, October 2, 2024, valid until October 1, 2027
PTR No. 10465359, January 2, 2025, Makati City

April 30, 2025

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash (Note 5)	**₱18,763,346**	₱164,968,191
Trade and other receivables (Notes 5, 6 and 7)	**17,826,119**	16,693,136
Advances to related parties (Note 7)	–	2,606,747
Inventories	**2,138,428**	1,845,610
Prepayments and other current assets (Note 8)	**9,918,437**	10,274,785
Total Current Assets	**48,646,330**	196,388,469
Noncurrent Assets		
Property and equipment:		
Construction-in-progress and others - at cost (Notes 9, 10 and 11)	**8,373,857,975**	8,371,852,394
Land - at revalued amount (Notes 9 and 11)	**9,389,665,639**	9,040,232,463
Right-of-use-assets (Note 13)	–	13,758,241
Deposits for future property acquisition (Note 10)	**84,812,449**	66,812,449
Cash in escrow (Notes 5 and 22)	**304,711,709**	290,668,593
Input value-added tax (VAT) - net	**338,547,582**	340,807,172
Advances to contractors (Note 9)	**522,262,761**	522,262,761
Creditable withholding tax	**375,127,065**	382,254,808
Advances to related parties (Note 7)	**874,522**	–
Other noncurrent assets	**28,856,395**	29,535,651
Total Noncurrent Assets	**19,418,716,097**	19,058,184,532
TOTAL ASSETS	**₱19,467,362,427**	₱19,254,573,001
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 7 and 14)	**₱2,558,214,279**	₱1,364,331,495
Loans payable (Note 11)	**2,035,516,458**	971,392,760
Current portion of financial liability from sale and leaseback with a repurchase option (Note 12)	**7,798,853,847**	242,920,495
Advances from related parties (Note 7)	**943,135,205**	753,519,440
Current portion of lease liabilities (Note 13)	–	17,868,171
Deposits payable (Notes 1 and 4)	**300,952,000**	1,000,000,000
Total Current Liabilities	**13,636,671,789**	4,350,032,361
Noncurrent Liabilities		
Loans payable (Note 11)	–	931,571,894
Retention payable (Note 9)	**25,002,727**	25,002,727
Financial liability from sale and leaseback with a repurchase option - net of current portion (Note 12)	–	6,086,120,230
Deferred tax liabilities - net (Notes 9 and 19)	**1,907,381,552**	2,191,428,494
Advances for future stock subscription (Notes 7, 15 and 16)	**4,127,883,688**	3,668,260,170
Other noncurrent liability (Note 9, 11 and 12)	–	691,154,308
Total Noncurrent Liabilities	**6,060,267,967**	13,593,537,823
Total Liabilities	**19,696,939,756**	17,943,570,184
Equity		
Capital stock (Note 16)	**7,282,017,027**	7,282,017,027
Additional paid-in capital (Note 16)	**1,629,450,205**	1,629,450,205
Deposit for future stock subscription (Notes 7 and 15)	**717,982,973**	717,982,973
Equity reserve (Notes 2 and 16)	**(4,126,935,056)**	(4,126,935,056)
Revaluation surplus (Notes 9 and 19)	**2,892,969,846**	2,630,894,964
Deficit (Note 16)	**(8,625,062,324)**	(6,822,407,296)
Total Equity (Net Capital Deficiency)	**(229,577,329)**	1,311,002,817
TOTAL LIABILITIES AND EQUITY	**₱19,467,362,427**	₱19,254,573,001

See accompanying Notes to the Consolidated Financial Statements.

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 and 2022

	2024	2023	2022
NET OPERATING REVENUES			
Rooms	**₱23,227,136**	₱16,586,093	₱626,812
Food and beverage	**13,359,957**	9,688,039	375,355
Others	**1,663,341**	1,321,466	49,981
	38,250,434	27,595,598	1,052,148
DIRECT COSTS AND EXPENSES			
Salaries and wages	**6,232,727**	4,671,347	154,587
Inventories consumed (Note 17)	**5,612,431**	4,092,111	144,946
Other costs and expenses (Note 17)	**3,716,373**	3,963,427	74,239
	15,561,531	12,726,885	373,772
GROSS INCOME	**22,688,903**	14,868,713	678,376
OPERATING EXPENSES (Note 18)	**164,188,219**	295,914,859	160,138,429
OPERATING LOSS	**(141,499,316)**	(281,046,146)	(159,460,053)
NON-OPERATING INCOME (EXPENSES)			
Loss on modification of financial liability - net (Note 12)	**(1,464,507,325)**	(66,947,287)	–
Interest expense (Notes 7, 11, 12, 13 and 18)	**(870,800,534)**	(2,399,749,872)	(747,409,038)
Foreign exchange loss – net	**(30,195,234)**	(6,431,177)	(239,066,973)
Interest income (Note 5)	**1,640,679**	10,408,135	3,722,874
Gain on lease termination	**3,995,049**	–	–
Day 1 gain (Note 12)	–	88,781,385	–
Other income (expenses) - net (Notes 12 and 18)	**334,665,415**	(687,386,344)	1,998,361
	(2,025,201,950)	(3,061,325,160)	(980,754,776)
LOSS BEFORE INCOME TAX	**(2,166,701,266)**	(3,342,371,306)	(1,140,214,829)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 19)			
Current	**7,358,994**	3,192,416	1,919,932
Deferred	**(371,405,236)**	867,624,868	(2,939,845)
	(364,046,242)	870,817,284	(1,019,913)
NET LOSS	**(1,802,655,028)**	(4,213,188,590)	(1,139,194,916)
OTHER COMPREHENSIVE INCOME (LOSS)			
Items not to be reclassified to profit or loss in subsequent periods:			
Revaluation surplus (Note 9)	**349,433,176**	298,006,122	607,887,438
Provision for deferred income tax for the (Notes 9 and 19):			
Tax effect of the revaluation surplus	**(87,358,294)**	(74,501,531)	(151,971,860)
Change in the tax basis as a result of the sale and leaseback	–	(334,306,416)	–
	262,074,882	(110,801,825)	455,915,578
TOTAL COMPREHENSIVE LOSS	**(₱1,540,580,146)**	(₱4,323,990,415)	(₱683,279,338)
Basic and Diluted Loss Per Share (Note 23)	**(₱0.2475)**	(₱0.5786)	(₱0.1564)

See accompanying Notes to the Consolidated Financial Statements.

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 and 2022

	Capital Stock (Notes 1 and 16)	**Additional paid-in Capital** (Note 16)	**Deposit for Future Stock Subscription** (Notes 7 and 15)	**Equity Reserve** (Notes 2 and 16)	**Revaluation Surplus** (Notes 9 and 19)	**Deficit** (Note 16)	**Total**
Balance as of December 31, 2023	**₱7,282,017,027**	**₱1,629,450,205**	**₱717,982,973**	**(₱4,126,935,056)**	**₱2,630,894,964**	**(₱6,822,407,296)**	**₱1,311,002,817**
Total comprehensive income (loss)	–	–	–	–	**262,074,882**	**(1,802,655,028)**	**(1,540,580,146)**
Balance at December 31, 2024	**₱7,282,017,027**	**₱1,629,450,205**	**₱717,982,973**	**(₱4,126,935,056)**	**₱2,892,969,846**	**(₱8,625,)**	**(₱229,577,329)**
Balance as of December 31, 2022	₱7,282,017,027	₱1,629,450,205	₱609,920,000	(₱4,126,935,056)	₱2,741,696,789	(₱2,609,218,706)	₱5,526,930,259
Deposit for future stock subscription (Note 15)	–	–	108,062,973	–	–	–	108,062,973
Total comprehensive loss	–	–	–	–	(110,801,825)	(4,213,188,590)	(4,323,990,415)
Balance at December 31, 2023	₱7,282,017,027	₱1,629,450,205	₱717,982,973	(₱4,126,935,056)	₱2,630,894,964	(₱6,822,407,296)	₱1,311,002,817
Balance as of December 31, 2021	₱7,282,017,027	₱1,629,450,205	₱–	(₱4,126,935,056)	₱2,285,781,211	(₱1,470,023,790)	₱5,600,289,597
Deposit for future stock subscription (Note 15)	–	–	609,920,000	–	–	–	609,920,000
Total comprehensive income (loss)	–	–	–	–	455,915,578	(1,139,194,916)	(683,279,338)
Balance at December 31, 2022	₱7,282,017,027	₱1,629,450,205	₱609,920,000	(₱4,126,935,056)	₱2,741,696,789	(₱2,609,218,706)	₱5,526,930,259

See accompanying Notes to the Consolidated Financial Statements.

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax	**(₱2,166,701,266)**	(₱3,342,371,306)	(₱1,140,214,829)
Adjustments for:			
Interest expense (Notes 7, 11, 12, 13 and 18)	**870,800,534**	2,399,749,872	747,409,038
Interest income (Note 5)	**(1,640,679)**	(10,408,135)	(3,722,874)
Depreciation and amortization (Note 9)	**10,134,849**	24,042,842	30,651,164
Unrealized foreign exchange loss (gain)	**30,013,588**	(246,856)	171,683,129
Gain on lease termination (Note 13)	**(3,995,049)**	–	–
Income from nonrefundable transaction payments (Note 15)	**(300,123,455)**	–	–
Day 1 gain (Note 12)	**–**	(88,781,385)	–
Loss on modification of financial liability - net (Note 12)	**1,464,507,325**	66,947,287	–
Input VAT (Note 25)	**–**	366,422,177	–
Transaction costs incurred in sale and leaseback (Note 12)	**–**	765,902,277	
Income (loss) before working capital changes	**(97,004,153)**	181,256,773	(194,194,372)
Decrease (increase) in:			
Trade and other receivables	**(1,132,983)**	(14,148,846)	(318,618)
Advances to related parties	**1,732,225**	(563,264)	(3,742)
Inventories	**(292,818)**	(425,467)	(466,218)
Creditable withholding tax	**575,569**	(348,188,491)	–
Prepayments and other current asset	**(251,488)**	(504,367)	1,494,354
Increase in trade and other payables	**(27,083,103)**	113,390,935	49,898,255
Net cash used for operations	**(123,456,751)**	(69,182,727)	(143,590,341)
Income taxes paid	**(15,737)**	(3,192,416)	(1,919,932)
Net cash used in operating activities	**(123,472,488)**	(72,375,143)	(145,510,273)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment (Notes 9 and 24)	**(11,358,952)**	(908,806)	(29,936,574)
Decrease (increase) in:			
Deposits for future property acquisition (Note 10)	**(18,000,000)**	(5,000,000)	–
Input VAT	**2,144,709**	–	(32,229,455)
Advances to contractors	**–**	–	24,045,938
Other noncurrent assets	**(102,224)**	–	(4,144,999)
Interest received	**419,032**	11,051,517	3,079,437
Net cash provided by (used in) investing activities	**(26,897,435)**	5,142,711	(39,185,653)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Advances for future stock subscription (Notes 14 and 15)	**759,746,973**	3,776,323,143	562,420,000
Advances from related parties	**189,615,765**	72,360,211	118,702,843
Loans payable	**86,847,500**	–	–
Deposits payable (Notes 1 and 4)	–	–	1,000,000,000

(Forward)

	2024	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Deposits payable	**(699,048,000)**	–	–
Loans payable	**(1,680,900)**	–	–
Interest	**(38,346,835)**	(11,846,983)	–
Intercompany loan and related charges	**–**	(3,464,163,044)	(1,494,587,216)
Financial liability	**(292,067,135)**	(144,410,972)	–
Debt issuance costs	**–**	–	(50,994,419)
Mortgage loan (Note 11)	**–**	–	(10,313)
Net cash provided by financing activities	**5,067,368**	228,262,355	135,530,895
NET INCREASE (DECREASE) IN CASH	**(145,302,555)**	161,029,923	(49,165,031)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**(902,290)**	(2,718)	44,630
CASH AT BEGINNING OF THE YEAR	**164,968,191**	3,940,986	53,061,387
CASH AT END OF THE YEAR (Note 5)	**₱18,763,346**	₱164,968,191	₱3,940,986

See accompanying Notes to the Consolidated Financial Statements.

1. **General Information**

Corporate Information
PH Resorts Group Holdings, Inc. (PH Resorts, or Parent Company) was incorporated in the Philippines and was registered with the Securities and Exchange Commission (SEC) on January 30, 2009. The common shares of the Parent Company were listed beginning November 24, 2011 and have been traded in the Philippine Stock Exchange (PSE) since then.

The registered office address of the Parent Company is at 20th Floor, Udenna Tower, Rizal Drive corner 4th Avenue, Bonifacio Global City, Taguig City.

The Parent Company and its subsidiaries are collectively referred to as "the Group". The Group's ultimate parent company is Udenna Corporation (Udenna).

The consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 were authorized for issue by the Board of Directors (BOD) on April 30, 2025.

Subsidiaries of PH Resorts
PH Travel and Leisure Holdings Corp. (PH Travel) was incorporated and registered with the SEC on January 3, 2017. PH Travel's registered office and principal place of business is 20th Floor Udenna Tower, Rizal Drive corner 4th Avenue, Bonifacio Global City, Taguig. PH Travel's primary purpose is to invest in, purchase or otherwise acquire and own, hold, use, construct, develop, maintain, subdivide, sell, assign, lease and hold for investment, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including the management and operation of the activities conducted therein pertaining to general amusement and recreation enterprises, such as but not limited to resorts, clubhouses, and sports facilities, hotels, casino and gaming facilities, including all the apparatus, equipment and other appurtenances as may be related thereto or in connection therewith.

PH Travel holds investments in certain subsidiaries that are all incorporated in the Philippines and are engaged in businesses related to the main business of PH Travel. PH Travel and its subsidiaries shall herein be referred to as PH Travel Group.

On December 26, 2018, as a result of the effectivity of the assignment of shares and equity share swap transaction, PH Resorts holds 100% ownership interest in PH Travel and PH Travel and its subsidiaries became legal subsidiaries of PH Resorts.

As at December 31, 2024 and 2023, PH Travel holds ownership interests in the following entities (collectively referred to as "PH Travel Group") incorporated in the Philippines:

Subsidiary Name	Nature of Business	Date of Incorporation	Percentage of Ownership
CD Treasures Holdings Corp. (CTHC)	Holding company	March 8, 2018	100%
LapuLapu Leisure, Inc. (LLI)	Hotels, casino and gaming	January 25, 2017	100%
LapuLapu Land Corp. (LLC)*	Real estate	February 14, 2017	100%
Clark Grand Leisure Corp. (CGLC)	Hotels, casino and gaming	March 7, 2018	100%
Donatela Hotel Panglao Corp. (DHPC)	Hotel and recreation	November 7, 2017	100%
Donatela Resorts and Development Corp. (DRDC)	Hotel and recreation	February 27, 2018	100%
Davao PH Resort Corp. (DPRC)	Hotel and recreation	April 8, 2018	100%

* *Indirect ownership through LLI.*

Provisional Licenses
On May 3, 2017, Philippine Amusement and Gaming Corporation (PAGCOR) issued a Provisional License (License) authorizing LLI to develop a property in Mactan Islands, LapuLapu City, Cebu and to establish and operate casinos and engage in gaming activities. The term of LLI's License is for a period of 15 years or until May 3, 2032, which may be renewed subject to the terms of conditions of the License. On August 27, 2020, PAGCOR's BOD extended the term of the License to be co-terminus with PAGCOR's current franchise or until July 11, 2033.

On August 6, 2018, PAGCOR issued a Provisional License to CGLC for the development of an integrated tourism resort and to establish and operate a casino within Clark Freeport Zone (Clark Resort). On October 5, 2021, CGLC received approval from PAGCOR of its request to voluntarily suspend the Clark Provisional License. CGLC sought for the voluntary suspension of its license on the back of the Group's strategic plan to prioritize its resources towards the completion of the Emerald Bay project of Lapulapu Leisure, Inc. in Cebu. On August 30, 2022, upon the request of CGLC due to ongoing strategic investor negotiations, PAGCOR's BOD approved the lifting of the voluntary suspension of Clark Provisional License. In 2024, PAGCOR informed CGLC of the approval by the PAGCOR Board of the revocation of its Provisional License. Revocation will be finalized once CGLC surrenders the original copy of the Provisional License granted by PAGCOR. As of April 30, 2025, CGLC has yet to surrender the original copy of the Provisional License. This is in line with the Group's ongoing reprioritization of projects.

Further details of the terms and commitments under the Provisional Licenses are included in Note 22.

Status of Operations
The Group is engaged in the gaming and tourism industry-related businesses and has an ongoing construction project in Mactan Island, Lapu-Lapu, Cebu, which will benefit from a 7-year exclusivity period in Lapu-Lapu City upon completion. The Group is also engaged in the operation of a resort in Panglao Island, Bohol which started commercial operations in 2018. The Group reported a net loss of ₱1,802.7 million in 2024, ₱4,213.2 million in 2023, and ₱1,139.2 million in 2022, which resulted in a deficit of ₱8,625.1 million and ₱6,822.4 million as of December 31, 2024 and 2023, respectively, and a capital deficiency of ₱229.6 million as at December 31, 2024. The Group's current liabilities exceeded its current assets by ₱13,588 million and ₱4,153.6 million as at December 31, 2024 and 2023, respectively, and the Group has negative operating cash flows of ₱123.5 million, ₱72.4 million, and ₱145.5 million in 2024, 2023, and 2022, respectively. In addition, the Group's option to repurchase its parcels of land and construction in progress under a sale and leaseback arrangement expired on March 31, 2025 and the Group is currently working on a possible repurchase option. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realize its assets and discharge its liabilities in the normal course of business.

The Group has the following plans and these are currently being undertaken to support its liquidity requirements:

- On December 6, 2024, Udenna Corporation (Udenna), the ultimate parent company, executed a Memorandum of Understanding (MOU) with EEI Corporation (EEI) regarding Emerald Bay in Punta Engano, Mactan Island, Cebu. In particular, the MOU provides an avenue for a potential partnership between EEI and the Group, upon the execution of the definitive agreements and subject to the fulfilment of conditions precedent and regulatory approvals, if any. The MOU also paves the way for EEI to execute an agreement with the Parent Company and/or its subsidiaries, Lapulapu Leisure, Inc. (LLI) and Lapulapu Land Corp. (LLC), to finance, construct, and complete Emerald Bay.

Advances of ₱300.0 million was received by LLI from EEI through Udenna in January 2025. These advances from a related party were used to partially fund the lease and interest payments to China Banking Corporation ("Chinabank").

As of April 30, 2025, the Group and EEI have ongoing discussions to determine and finalize the terms of the agreements. As of the same date, the Group is also working on a possible repurchase option following its expiration on March 31, 2025.

- The Group received a letter of financial support in April 2025 from its ultimate parent company stating that it commits and is willing and has the ability to provide continuing support to the Group with respect to the following liabilities: (a) deposit payable to Bloomberry Resorts Corporation, (b) US Dollar loans to Chinabank and 8H Capital Growth Asia Fund, (c) payable to contractors, (d) long-term loan with Landbank of the Philippines ("LBP" or "Landbank"), and (e) other pre-operating expenses in 2025. Udenna also committed that it will not collect its outstanding receivables from the Group in the next 12 months from April 30, 2025.

- The Group's ultimate parent has continued to cover other operating expenses and maintenance of the Group's other properties and has demonstrated that it has the ability and willingness to support the Group in its financial obligations. Deposits and advances for future stock subscription from Udenna totaled ₱4.94 billion and ₱4.39 billion as of December 31, 2024 and 2023, respectively.

- A Memorandum of Agreement (MOA) was signed between AppleOne Mactan, Inc. (AppleOne) and Donatela Hotel Panglao Corp. (DHPC) on December 16, 2024 for a potential purchase of properties or shares of stocks. Negotiations are ongoing with LBP on a proposed loan repayment schedule between DHPC and AppleOne.

- The Group has additional ongoing strategic investor discussions with several parties. Due diligence is ongoing and in various stages of completion.

Management believes that considering the progress of the steps undertaken to date, these financing and capital raising plans are feasible and will generate sufficient cash flows to enable the Group to meet its obligations when they fall due and address the Group's liquidity requirements to support its operations and the completion of its projects. As such, the accompanying consolidated financial statements have been prepared on going concern basis of accounting.

The status of operations of the subsidiaries is as follows:

LLI and LLC. Co-licensees for a PAGCOR Casino License in connection with the construction of Emerald Bay, an integrated tourism resort to be located on a 12.4-hectare site in Mactan Island, Lapu-Lapu, Cebu. Construction commenced in December 2017 and upon completion, it will benefit from a 7-year exclusivity period in LapuLapu City. Emerald Bay will be constructed in two phases.

The first phase of Emerald Bay is expected to have a five-star hotel with approximately 311 hotel rooms; a gaming floor area with approximately 600 electronic gaming machines approximately 122 gaming tables; an open-air promenade; 5 F&B outlets; and one pool complementing a partially completed 300-meter-long beach front that will be open to resort guests. Emerald Bay is also expected to have Branded Serviced Residences offering approximately 128 branded serviced residence units. The second phase is expected to have a gaming floor area with approximately 729 electronic gaming machines, approximately 146 gaming tables, 4 pools, approximately 16 F&B outlets, and MICE facilities. The introduction of Branded Serviced Residences in the Emerald Bay master plan is expected to enhance Emerald Bay's competitive position given the reported hotel room shortage and the success of similar hotel/branded service residence concepts on Mactan Island.

The Group is recasting its construction timetables and the opening date of the first phase as strategic investor negotiations are ongoing. Current construction activity is minimal on a deliberate basis due to potential changes in specifications to be agreed with the strategic investor, however, site assessment is in progress with increased activity on site due to the introduction of Branded Serviced Residences in the Emerald Bay master plan.

CGLC. CGLC currently leases the site on which the Clark Resort will be located from Global Gateway Development Corporation (GGDC). On October 5, 2021, CGLC received approval from PAGCOR for its request to voluntarily suspend its Provisional License in connection with the Group's strategic plan to prioritize its resources towards the completion of Emerald Bay. On August 30, 2022, upon the request of CGLC due to ongoing strategic investor negotiations, PAGCOR's BOD approved the lifting of the voluntary suspension of Clark Provisional License. In 2024, PAGCOR informed CGLC of the approval by the PAGCOR Board of the revocation of its Provisional License. Revocation will be finalized once CGLC surrenders the original copy of the Provisional License granted by PAGCOR. As of April 30, 2025, CGLC has yet to surrender the original copy of the Provisional License. This is in line with the Group's ongoing reprioritization of projects.

DHPC. DHPC is the owner of the Donatela Resort & Sanctuary ("Donatela Resort"), a boutique-style, upscale hotel in Tawala, Panglao Island, Bohol. DHPC acquired the resort in 2017 and commenced its operations under new ownership in January 2018. The Donatela Resort has upscale villas with pools, a fine-dining restaurant and a well-stocked wine cellar. In October 2021, in a proactive response to preserve the Group's resources and in response to the return of Enhanced Community Quarantine (ECQ) restrictions in the National Capital Region (NCR) and certain adjacent provinces, management decided to temporarily close the property until further reassessment of the situation. At that time, existing bookings were cancelled and the expected number of reservations was not achieved. In December 2021, Typhoon Odette caused some damage to several villas of the Donatela Resort along with the landscaping.

In December 2022, Donatela was reopened after necessary repairs and maintenance were made to the villas, pool and resort facilities. This was funded by additional shareholder advances. Currently, Donatela has opened 11 of the 12 villas. Group hotel and/or restaurant bookings have allowed the Donatela Resort to cover operating expenses, payroll and basic resort maintenance.

DPRC. Davao PH Resort Corp. is a wholly-owned subsidiary of PH Resorts which owns 3,134 sqm of prime commercial real estate in Azuela Cove, Davao City (Azuela Property). Azuela Cove is a 25-hectare master planned mixed use township jointly developed by Ayala Land and the Alcantara Group of Companies. The Azuela Property is planned as a mid-rise Branded Serviced Residence/Boutique Hotel with close proximity to the Davao International Airport. Discussions and due diligence are underway to select a complementary property on the Island Garden City of Samal that will be planned as Branded Serviced Residences/Hotel & Resort (Davao Projects) that can be reached via a short scenic boat ride and the future Davao-Samal Bridge that is currently under construction. A property for share swap is being contemplated as initial potential funding for the Davao Projects.

The other entities within the Group have no material operations as at December 31, 2024 and 2023.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation
The consolidated financial statements of the Group have been prepared on a historical cost basis, except for land which is carried at revalued amount. These consolidated financial statements are presented in Philippine peso, which is the Group's functional and presentation currency. All values are rounded to the nearest Peso, unless otherwise indicated.

Statement of Compliance
The consolidated financial statements of the Group as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis of Consolidation
On December 26, 2018, the equity share swap transaction between PH Resorts and PH Travel became effective. The acquisition transaction was accounted for similar to a reverse acquisition following the guidance provided by PFRS Accounting Standards. In a reverse acquisition, the legal parent, PH Resorts, is identified as the acquiree for accounting purposes because PH Resorts did not meet the definition of a business and based on the substance of the transaction, the legal subsidiary, PH Travel, is adjudged to be the entity that gained control over the legal parent and was thus deemed to be the acquirer for accounting purposes. To classify as a business, it should consist of an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income or generating other income from ordinary activities. Accordingly, the consolidated financial statements of PH Resorts have been prepared as a continuation of the consolidated financial statements of the PH Travel Group. The PH Travel Group has accounted for the acquisition of PH Resorts on December 26, 2018, which was the date when PH Travel acquired control of PH Resorts (see Note 1).

The consolidated statements of financial position reflect the legal capital (i.e., the number and type of capital stock issued, additional paid-in capital and deficit) of PH Resorts. The adjustment, which is the difference between the capital structure of the PH Travel and PH Resorts, is recognized as part of equity reserve in the consolidated statements of financial position (see Note 16).

Reverse acquisition applies only to the consolidated financial statements of PH Resorts. The parent company financial statements will continue to represent PH Resorts as a stand-alone entity as of and for the years ended December 31, 2024 and 2023.

The consolidated financial statements include the accounts of the Parent Company and the aforementioned subsidiaries (see Note 1) held directly or indirectly through wholly and majority-owned subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. There are no noncontrolling interests as of December 31, 2024 and 2023.

3. Summary of Material Accounting Policies

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*
  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*
  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7*, Disclosures: Supplier Finance Arrangements*
  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

<u>Standards Issued But Not Yet Effective</u>
Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21*, Lack of Exchangeability*

Effective beginning on or after January 1, 2026
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards — Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
  - Amendments to PFRS 10, *Determination of a "De Facto Agent"*
  - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity
- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Summary of Material Accounting Policies

Business Combinations
Business combinations are accounted for using the acquisition method.

Financial Instruments
Financial Assets
The Group has financial assets at amortized cost consisting of cash, trade and other receivables, cash in escrow, advances to related parties and security deposits under “Prepayments and other current assets” and “Other noncurrent assets”.

The expected credit losses (ECL) on cash, other receivables, cash in escrow, advances to related parties and security deposits are estimated applying the general approach in calculating ECLs. The Group recognizes a loss allowance based on either 12-month ECL or lifetime ECL, depending on whether there has been significant increase in credit risk (SICR) on these financial assets since initial recognition.

The Group considers that its high-grade cash in banks and cash in escrow have low credit risk based on external credit ratings of the banks. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

For other financial assets such as advances to related parties and security deposit, the ECL is based on the 12-month ECL. However, being due and demandable, the intercompany receivables, will attract a negligible ECL, since ECLs are only measured over the period in which the entity is exposed to credit risk. No other factors have been noted by the Group that would indicate that the advances are incapable of being repaid on demand, such that the borrower would default if the loan were called wherein the probability of default would need to be set to 100%.

ECLs on trade receivables are estimated by applying the simplified approach using a provision matrix developed based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Liabilities
The Group’s financial liabilities at amortized cost consist of loans payable, financial liability from sale and leaseback with a repurchase option, trade and other payables, retention payable, lease liabilities, advances from related parties, deposits payable and interest payable.

Modification of contractual cash flows
When the contractual cash flows of a financial instrument are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the Group recalculates the gross carrying amount of the financial instrument as the present value of the renegotiated or modified contractual cash flows discounted at the original effective interest rate (EIR) (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of comprehensive income.

When the modification of a financial instrument results in the derecognition of the existing financial instrument and the subsequent recognition of the modified financial instrument, the modified instrument is considered a “new” financial instrument. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset.

Inventories
Inventories are carried at the lower of cost and net realizable value (NRV). Cost is determined primarily on the basis of the moving average method. NRV is the selling price in the ordinary course of business, less the costs of completion, marketing and other costs necessary to make the sale.

Property and Equipment
Property and equipment, except for land, is stated at cost less accumulated depreciation, amortization and any accumulated impairment.

Land is measured at fair value at the date of revaluation. Changes in fair value of land, net of related deferred income tax, are recorded in other comprehensive income (OCI) and credited to the "Revaluation surplus" account in equity.

Depreciation and amortization, recognition of which commences when the asset becomes available for its intended use, are computed on a straight-line basis over the following estimated useful lives:

Land improvements and infrastructures	5-14 years
Buildings and plant	25 years
Office furniture, fixtures and equipment	2-10 years
Transportation equipment	5-7 years
Leasehold improvements and others	3years or lease term, whichever period is shorter

Construction-in-progress (CIP) represents properties under construction and is stated at cost. This includes cost of construction and other direct costs. The account is not depreciated until such time that the assets are completed and available for use. Interest costs on borrowings used to finance the construction of the project are accumulated under this account. Interest costs are capitalized until the project is completed and becomes operational. The capitalized interest is amortized over the estimated useful life of the related assets. The capitalization of interest cost is suspended during extended periods in which it suspends active development of a qualifying asset.

Leases
Determining the lease term of leases that are renewable subject to mutual agreement of the lessor and the lessee. Leasehold improvements are amortized based on the shorter of the estimated useful life of 3-5 years or the lease term which considers the enforceability of renewal options and limits on the use of the leasehold improvement.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Sale and leaseback
When determining whether the transfer of an asset should be accounted for as a sale, the seller-lessee applies the requirements in PFRS 15, *Revenue from Contracts with Customers,* on when an entity satisfies a performance obligation by transferring control of an asset. If control of an underlying asset passes to the buyer-lessor, the transaction is accounted for as a sale of the asset and a lease.

If the transfer of an asset is not a sale, the seller-lessee accounts for the transaction as a financing transaction. The Group accounts for the sale and leaseback of its land and improvements as a financing transaction (see Note 12).

The seller-lessee (the Group) keeps the transferred asset subject to the sale and leaseback transaction on its statement of financial position and accounts for amounts received as a financial liability in accordance with PFRS 9, *Financial Instruments*. The seller-lessee decreases the financial liability by the payments made less the portion considered as interest expense.

Advances to Contractors
Advances to contractors under "Noncurrent assets" represent initial payments made to contractors as mobilization funds for use in the construction of the Group's buildings and building improvements and are initially recognized at cost. These are subsequently reduced proportionately upon receipt of progress billings.

Deposits for Future Property Acquisition
Deposits for future property acquisition represents installment payments made for contracts to purchase properties for which risks and rewards have not yet transferred to the Group.

Deposits for Future Stock Subscription
The deposits for future stock subscription account represents funds received by the Group which it records as such with a view to applying the same as payment for additional issuance of shares or increase in capital stock. Deposits for future stock subscription is reported as part of consolidated statement of changes in equity and as a separate item in the equity section of consolidated statement of statement of financial position, if the following criteria are met, otherwise, this is classified as noncurrent liability:

- the unissued authorized capital stock of the entity is insufficient to cover the number of shares indicated in the contract;
- there is BOD's approval on the proposed increase in authorized capital stock (for which a deposit was received by the Group);
- there is stockholders' approval of said proposed increase; and
- the application for the approval of the proposed increase has been filed with the SEC on or before the financial reporting date.

Equity
Equity reserve. Equity reserve account pertains to the equity adjustments resulting from the effect of the reverse acquisition and acquisition of a subsidiary.

Revenue Recognition
Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties. The Group assessed that is acting as a principal in its revenue arrangement since it has the discretion in establishing the prices and bears the credit risk.

The Group recognizes as revenue, the amount of the transaction price that is allocated to that performance obligation. Revenue is recorded net of trade discounts, estimates of other variable consideration and amounts collected on behalf of third parties.

The following specific criteria must also be met before revenue is recognized:
- *Rooms revenue.* Revenue is recognized at point in time when services are provided to the customers.
- *Food and beverage.* Revenue is recognized at point in time when goods are delivered to customers.
- *Other revenues.* Other revenues are recognized at point in time when services are performed.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's consolidated financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements. The judgments, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances that are believed to be reasonable as of the date of the consolidated financial statements. While the Group believes that the assumptions are reasonable and appropriate, differences in actual experience or changes in the assumptions may materially affect the estimated amounts. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Assessment of Going Concern

As discussed in Note 1, the Group is engaged in the gaming and tourism industry-related businesses and has an ongoing construction project in Mactan Island, Lapu-Lapu, Cebu, which will benefit from a 7-year exclusivity period in Lapu-Lapu City upon completion. The Group is also engaged in the operation of a resort in Panglao Island, Bohol which started commercial operations in 2018.

The Group reported a net loss of ₱1,802.7 million in 2024, ₱4,213.2 million in 2023, and ₱1,139.2 million in 2022, which resulted in a deficit of ₱8,625.1 million and ₱6,822.4 million as of December 31, 2024 and 2023, respectively, and a capital deficiency of ₱229.6 million as at December 31, 2024. The Group's current liabilities exceeded its current assets by ₱13,588 million and ₱4,153.6 million as at December 31, 2024 and 2023, respectively, and the Group has negative operating cash flows of ₱123.5 million, ₱72.4 million, and ₱145.5 million in 2024, 2023, and 2022, respectively. In addition, the Group's option to repurchase its parcels of land and construction in progress under a sale and leaseback arrangement expired on March 31, 2025 and the Group is working on a possible repurchase option. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realize its assets and discharge its liabilities in the normal course of business. The Group has ongoing plans for suitable financing and capital raising options (see Note 1).

Management believes that considering the progress of the steps undertaken to date as discussed in Note 1, these financing and capital raising plans are feasible and will generate sufficient cash flows to enable the Group to meet its obligations when they fall due and address the Group's liquidity requirements to support its operations and the completion of its projects. As such, the accompanying consolidated financial statements have been prepared on going concern basis of accounting.

Acquisition of Investment Accounted as an Asset Acquisition
In applying the requirements of PFRS 3, *Business Combinations*, an acquisition has to be assessed whether it constitutes a business. The assessment requires identification of inputs and processes applied to these inputs to generate outputs or economic benefits. The acquisition of LLC by LLI in 2019 was considered as an acquisition of an asset since LLC is a single investment property that does not transfer activities to LLI which is a requirement to meet the definition of a business (see Notes 1 and 16).

Identifying Performance Obligations in Food and Beverages and Rooms Revenues, a Bundled Sale of Services.
The Group provides hotel services that are either sold separately or bundled together with the other services.

For its hotel service, the Group determined that each of the services is capable of being distinct. The fact that the Group regularly sells each service on a stand-alone basis indicates that the customer can benefit from both products on their own. The services are not highly interdependent or highly interrelated because the Group would be able to transfer each service even if the customer declined the other. Consequently, the Group allocates the transaction price using the residual approach. Under this approach, the Group determines the stand-alone selling price by relevance to the total transaction price and deducting the sum of the stand-alone selling price of food and beverages promised in the contract.

For its restaurant services, the Group records its service charge to the extent that it is viewed as an additional consideration for the services provided, and benefits directly inure to the restaurants thus, excluding the amounts collected on behalf of third parties.

Capitalization of Borrowing Cost
The Group determines whether the amount of borrowing costs qualify for capitalization as part of the cost of the qualifying asset, or should be expensed outright. The accounting treatment for the finance costs is determined by assessing whether the asset is a qualifying asset taking into consideration the period of time to bring the asset ready for its intended use. Failure to make the right judgment will result in misstatement of assets and net profit. The Group suspends the capitalization of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

No borrowing costs were capitalized in 2024 and 2023. Capitalized borrowing costs equivalent to the effective interests incurred on the loans, including amortization of debt issuance costs, amounted to ₱430.5 million in 2022 (see Notes 9 and 11). Borrowing costs on loans availed that did not qualify for capitalization amounted ₱870.8 million, ₱2,399.7 million, and ₱747.4 million in 2024, 2023 and 2022, respectively (see Note 18). The Group did not capitalize borrowing costs incurred beginning on the third quarter of 2022 due to suspension of construction.

Transfer of Risks and Rewards Over a Property Under Conditional Purchase
In 2017, the Group entered into contract to sell, to acquire various parcels of land. The terms include the transfer of title only upon full payment of the agreed price as stated in the contract for DHPC. The contract is subject to cancellation by the seller upon breach of the contract or default by the Group and the seller may forfeit the improvements therein. The Group has paid approximately 96% of the agreed price on the contract to sell entered by DHPC as at December 31, 2024 and 2023. The Deed of Absolute Sale was executed for certain contracts entered by DHPC. The total contract price related to parcels of land wherein the risk and rewards of ownership have been transferred to the Group was recognized as land under "Property and equipment" in the consolidated statements of financial position. Management believes that as at December 31, 2024 and 2023, the risks and rewards of ownership of the properties not covered by Deed of Absolute Sale were retained by the seller, accordingly, installment payments totaling ₱84.81 million and ₱66.81 million as at December 31, 2024 and 2023, respectively, were

presented as "Deposits for future property acquisition" in the consolidated statements of financial position (see Notes 9 and 10).

Sale and Leaseback with Chinabank
In 2023, in connection with the full settlement and discharge of the Peso bridge loans totaling ₱5,200.0 million and accrued interest amounting to ₱543.1 million, the Group assigned certain parcels of land and the improvements in Emerald Bay to Chinabank. Management assessed that the assignment of the properties did not qualify as a sale considering the Group's option to repurchase the asset. Chinabank was not able to obtain control over the assets. As such, the transactions were collectively treated as a financing transaction and the Group continued to recognize the transferred properties (see Notes 9, 11 and 12).

Impairment Property and Equipment and Other Nonfinancial Assets
The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The carrying values of nonfinancial assets are as follows:

	2024	2023
Land at revalued amount (Note 9)	**₱9,389,665,639**	₱9,040,232,463
Property and equipment - at cost (Note 9)	**8,373,857,977**	8,371,852,394
Input VAT*	**342,390,002**	346,234,971
Advances to contractors (Note 9)*	**525,714,228**	524,970,032
Creditable withholding taxes	**375,127,065**	382,254,808
Right-of-use assets (Note 13)	–	13,758,241
Deposits for future property acquisition (Note 10)	**84,812,449**	66,812,449
Other noncurrent assets**	**13,756,603**	14,435,860

**Exclusive of security deposit amounting to ₱15.1 million in 2024 and 2023*

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

- significant adverse changes in the technological, market, or economic environment where the Group operates
- significant decrease in the market value of an asset
- evidence of obsolescence and physical damage
- significant changes in the manner in which an asset is used or expected to be used
- plans to restructure or discontinue an operation
- significant decrease in the capacity utilization of an asset, or
- evidence is available from internal reporting that the economic performance of an asset is, or will be, worse than expected.

The Group identified the temporary cessation in the project site construction of its gaming segment and the low occupancy rate of its hotel and restaurant segment as impairment indicators which require an assessment of the recoverability of property and equipment, in particular its construction in progress and other property and equipment at cost.

The carrying value of the property and equipment amounted to ₱17,763.5 million and ₱17,412.1 million as at December 31, 2024 and 2023, respectively. The Group estimates the recoverable amount through value-in-use calculation considering weighted probability scenarios. For construction in progress, value-in-use calculation uses pre-tax cash flow projections based on the prospective financial information using 5-year forecast as approved by management. In determining the present value of estimated future cash flows expected to be generated from the continued use of these assets, the Group is required to make assumptions used in the valuation such as discount rate of 7.77% and growth rate of 5.80% to 6.92% in 2024 and discount rate of 8.07% and growth rate of 5.82% to 6.37% in 2023, forecasted revenue and costs and gross margin and capital expenditures, among others. No impairment loss was recognized in 2024, 2023 and 2022.

Estimates and Assumptions
The key assumptions concerning the future and other sources of estimation uncertainty at the end of financial reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of Land at Revalued Amount
The Group carries its land at fair value, with changes in fair value being recognized in OCI. The Group engaged independent valuation specialists to assess the fair value of the land. The value of the land was estimated using the "Sales comparison approach". This is a comparative approach to value that considers the properties offered for sale and the related market data and establishes a value estimate by processes involving comparisons. Significant increase (decrease) in estimated price per square meter would result in a significantly higher (lower) fair value. The key assumptions used to determine the fair value of the properties are provided in Note 9. Land at fair value amounted to ₱9,389.7 million and ₱9,040.2 million as at December 31, 2024 and 2023, respectively (see Note 9).

Determination of Fair Value of Financial Instruments
Where the fair value of financial assets and liabilities recorded in the consolidated statements of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The fair values of financial assets and financial liabilities are disclosed in Note 21.

Provision for ECL on Financial Assets
a. *Definition of Default and Credit-Impaired Financial Assets*. The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative Criteria*. The borrower is generally more than 60 to 90 days past due on its contractual payments, which is consistent with the Group's definition of default.

- *Qualitative Criteria*. The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

    a. The borrower is experiencing financial difficulty or is insolvent;
    b. The borrower is in breach of financial covenant(s); or
    c. It is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the probability of default (PD), loss given default (LGD) and exposure at default (EAD) throughout the Group's ECL calculation.

Simplified Approach for Trade receivables. The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every financial reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

b. *Macro-economic Forecasts and Forward-looking Information.* Macro-economic forecast is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group takes into consideration using different macro-economic variables to ensure linear relationship between internal rates and outside factors. Regression analysis was used to objectively determine which variables to use.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 2 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

No impairment was recognized on the Group's financial assets for each of the three years in the period ended December 31, 2024. The Group's trade and other receivables amounted to ₱17.8 million and ₱ 16.7 million as at December 31, 2024 and 2023, respectively.

Recoverability of Deferred Taxes
The Group reviews the carrying amounts of its deferred income tax assets at the end of each reporting date and unrecognized deferred income tax assets are reassessed to the extent that it has become probable that future taxable profit will allow the deferred tax to be recovered. Accordingly, the Group did not recognize deferred tax asset from the carryover benefits of NOLCO and other deductible temporary difference amounting to ₱8,135.3 million and ₱7,132.0 million as of December 31, 2024 and 2023, respectively (see Note 19).

5. Cash

As at December 31, 2024 and 2023, the Group's cash on hand and in banks amounted to ₱18.8 million and ₱165.0 million, respectively.

Cash in banks earn interest at the respective bank deposit rates. Interest income earned on cash amounted to ₱0.4 million in 2024, ₱0.02 million in 2023, and ₱0.1 million in 2022.

Cash in Escrow
Cash in escrow represents restricted fund for the development of the projects in accordance with the terms in the Provisional License. The Group's escrow account represents the aggregate balance of short-term placements maintained in local banks primarily to meet the requirements of the License Agreement with PAGCOR in relation to LLI and CGLC's investment commitments (see Note 22).

The Group's cash in escrow through LLI and CGLC amounted to ₱304.7 million and ₱290.7 million as at December 31, 2024 and 2023, respectively.

Interest income earned on cash in escrow amounted to ₱1.2 million in 2024, ₱10.4 million in 2023, and ₱3.7 million in 2022. Accrued interest receivable as at December 31, 2024 and 2023 is presented under "Trade and other receivables" account in the consolidated statements of financial position.

6. Trade and Other Receivables

	2024	2023
Receivable from sale of a subsidiary (Notes 1, 7 and 20)	**₱10,000,000**	₱10,000,000
Trade	**5,325,584**	4,199,775
Others	**2,500,535**	2,493,361
	₱17,826,119	₱16,693,136

Receivable from sale of a subsidiary is noninterest-bearing and collectible upon demand. Interest receivables are normally collectible within 90 days.

Trade receivables are noninterest-bearing and are normally on a 30 to 120 days' term.

Other receivables are noninterest-bearing and include advances to officers and employees that are subject to liquidation and normally on a 30 to 120 days' term.

No provision for ECL was recognized in 2024 and 2023.

7. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, 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 entity and its key management personnel, directors or stockholders.

Approval requirements and limits on the amount and extent of related party transactions
Material related party transactions (MRPT) refers to any related party transaction either individually or over a twelve (12)-month period, amounting to ten percent (10%) or higher of the total assets. All individual MRPT shall be approved by the majority vote of the BOD. Directors with personal interest in the transaction shall abstain from discussions and voting on the same.
Outstanding balances at year-end are unsecured and non-interest bearing and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. The impairment assessment on advances to related parties, is based on the 12-month ECL. However, being due and demandable, the intercompany receivables will attract a negligible ECL, since ECLs are only measured over the period in which the Group is exposed to credit risk. No other factors have been noted by the Group that would indicate that the advances are incapable of being repaid on demand, such that the borrower would default if the loan were called wherein the

probability of default would be needed to be set to 100%. For the years ended December 31, 2024, 2023, and 2022, the Group has not recorded any impairment on amounts owed by the related parties.

The Group, in the normal course of business, has transactions with the following companies which have common members of BOD and stockholders as the Group:

Relationship	**Name**
Ultimate Parent Company	Udenna Corporation
Affiliates under Common Control	CGLC Cultural Heritage Foundation, Inc.
	Clark Grand Leisure
	Chelsea Shipping Corp.
	Emerald Development Holdings Ltd. (Emerald)
	Enderun Hospitality Management and Consultancy Services (Enderun)
	Global Gateway Development Corp. (GGDC)
	L3 Concrete Specialists Inc.
	Lapulapu Cultural Heritage Foundation, Inc.
	LapuLapu Land Corp. (LLC)
	L3 Concrete Specialist
	Phoenix Petroleum Philippines, Inc.
	Udenna Land Inc. (ULI, formerly UDEVCO)
	Udenna Management & Resources Corp.
	Udenna Tower Corporation (UTOW)
	Udenna Water & Integrated Services, Inc.
	Value Leases Inc.

The consolidated statements of financial position include the following amounts with respect to the balances with related parties as of December 31, 2024 and 2023:

	Amount/ Volume of Transactions			Outstanding Receivable (Payable)		
	2024	2023	2022	**2024**	2023	Terms & Conditions
Udenna, *Ultimate Parent Company*						
Cash advances from a related party for working capital and project completion (ii)	**₱98,675,000**	₱84,159,483	₱112,360,359	**(₱324,890,577)**	(₱226,215,577)	Unsecured; noninterest-bearing; due and demandable
Deposit for future stock subscription (see Note 14) (a)(iv)	–	108,062,973	609,920,000	**(717,982,973)**	(717,982,973)	Non-refundable
Advances for future stock subscription (a)(v)	**459,623,518**	3,368,136,715	–	**(4,127,883,688)**	(3,668,260,170)	Unsecured; noninterest-bearing; due and demandable
Entities under Common Control						
Cash advances to related parties (i)	**(1,732,225)**	563,264	3,742	**874,522**	2,606,747	Unsecured; noninterest-bearing; not impaired; due and demandable
Cash advances from related parties for working capital (ii)	–	–	31,237	**(38,703,863)**	(38,703,863)	Unsecured; noninterest-bearing; due and demandable
Interest payables on long-term advances (b) (vi)	–	726,582,977	579,053,260	–	–	Unsecured; interest-bearing; with terms
(Forward)						
Cash advances from related parties for working capital (b) (ii)	**₱940,765**	₱–	₱–	**(₱354,540,765)**	(353,600,000)	Unsecured; interest-bearing; due and demandable
Interest payable on other advances (b) (iii)	**(4,690,316)**	27,308,880	30,268,077	**(182,078,074)**	(186,768,390)	Unsecured; due within 1 to 2 years
Management and consultancy services (see Notes 13 and 15) (d) (iii)	–	1,580,059	–	**(7,564,797)**	(7,564,797)	Unsecured; noninterest-bearing; due and demandable
Due from a related party for sale of a subsidiary (see Notes 1, 6 and 21) (i)	–	–	–	**10,000,000**	10,000,000	Unsecured; noninterest-bearing; due and demandable
Stockholder						
Cash advances from a stockholder for working capital (ii)	**90,000,000**	–	–	**(225,000,000)**	(135,000,000)	Unsecured; noninterest-bearing; due and demandable
Employees						
Advances to employees (see Note 6) (vii)	**77,175**	1,941,230	128,819	**2,500,480**	2,423,305	Unsecured; noninterest-bearing; not impaired; one-month liquidation

i. Outstanding balance is included in Advances to related parties as of December 31, 2024 and 2023.
ii. Outstanding balance is included in Advances from related parties as of December 31, 2024 and 2023.
iii. Outstanding interest is included in Trade and other payables as of December 31, 2024 and 2023.
iv. Outstanding balance is presented under the Equity section in the consolidated statements of financial position as of December 31, 2024 and 2023.
v. Outstanding balance is presented in Advances for future stock subscription as of December 31, 2024 and 2023.
vi. Outstanding balance is presented in Interest payable as of December 31, 2024 and 2023.
vii. Outstanding balance is included in Trade and other receivables as of December 31, 2024 and 2023.

a. *Deposit and advances for future stock subscription from Ultimate Parent Company*

In December 2021 and July 2022, PH Resorts received deposits for future stock subscription from Udenna Corporation amounting to ₱47.5 million and ₱562.4 million, respectively.

On December 29, 2022, PH Resorts and Udenna Corporation executed a Memorandum of Agreement for the subscription of 609.92 million common shares with a subscription price of ₱1.00 per share. This is presented as "Deposit for future stock subscription" under Equity in the consolidated statement of financial position as at December 31, 2024 and 2023.

In March 2023, PH Resorts received deposits for future stock subscription from Udenna Corporation amounting to ₱329.58 million. On March 30, 2023, PH Resorts and Udenna Corporation executed a Memorandum of Agreement for the subscription of 329.58 million common shares with a subscription price of ₱1.00 per share. The ₱108.06 million is presented as "Deposit for future stock subscription" under Equity in the consolidated statement of financial position as at December 31, 2024 and 2023 while the ₱221.52 million is presented as part of "Advances for future stock subscription" under Liabilities in the consolidated statement of financial position as at December 31, 2024 and 2023.

From April to November 2023, PH Resorts received advances for future stock subscription from Udenna Corporation totaling ₱3.67 billion. These are presented as "Advances for future stock subscription" under Liability in the consolidated statement of financial position as of December 31, 2024 and 2023.

In October 2024, PH Resorts received advances for future stock subscription from Udenna of ₱699.0 million, which was used to significantly reduce the balance of the Deposit payable to BRC. Total advances for future stock subscription received by PH Resorts from Udenna in 2024 amounted to ₱759.7 million. In March 2025, an additional deposit for future stock subscription was received by PH Resorts from Udenna amounting to ₱75.0 million, which was utilized to further reduce the Deposit payable to ₱226.0 million as of April 30, 2025. As of December 31, 2024 and 2023, deposits and advances for future stock subscription from Udenna totaled ₱4.85 billion and ₱ 4.39 billion respectively.

b. *Interest-bearing cash advances from related parties*

i. Emerald Development Holdings Ltd. (EDHL)

On October 17, 2019, PH Resorts obtained an advance of US$42.5 million from EDHL, an offshore entity wholly-owned by Udenna Corporation (Udenna). The proceeds of the advance were used to fund the ongoing construction of Emerald Bay. The principal and interest totaling $60.3 million was originally due in 2021.

On December 28, 2020, PH Resorts and EDHL agreed to extend the payment of the advances to April 30, 2022 and was further extended to April 30, 2023. Further extension up to June 2024 was executed in April 2023.

In May 2022, the Group made a ₱1 billion partial repayment of the EDHL intercompany advance applied to both principal and accrued interest. In July 2022, the Group made an additional ₱562.4 million (US$10.0 million) partial repayment of the EDHL intercompany advances. After the partial prepayments in 2022, the Group recognized loss on early settlement which effectively is an early recognition of interest expense related to prepayments amounting to ₱216.7 million.

These adjustments were recorded as interest expense in 2022. As at December 31, 2022, the EDHL advance amounted to ₱1.58 billion and the related accrued interest payable of ₱116.3 million was presented as "Interest payable" in the consolidated statements of financial position.

The Group amended its intercompany advance agreement on April 24, 2023 with EDHL for the recapitalization of interest and due date of June 2024 for principal and interest amounting to $50.2 million. In November 2023, the EDHL intercompany advances was fully repaid, including future interests. As a result, the Group recognized a loss on early settlement amounting to ₱1,047.6 million in 2023 presented as part of interest expense in the consolidated statement of comprehensive income.

ii. Other related parties

Various related parties granted advances to the Group to finance the operating activities and financing requirements. Total advances amounted to ₱943.1 million and ₱753.5 million as at December 31, 2024 and 2023, respectively. These are unsecured, with interest rates ranging from 8.5% to 12%, and are due and demandable.

Interest incurred on these advances amounted to nil, ₱24.9 million, and ₱30.3 million in 2024, 2023, and 2022, respectively. Interest payable of ₱182.1 million and ₱186.8 million as at December 31, 2024 and 2023, respectively, are included under "Trade and other payables" account in the consolidated statements of financial position (see Note 14).

c. Lease

On June 29, 2018, CGLC entered into a lease agreement with GGDC for the lease of office space in the General Administrative Office Building of Clark Global City, Pampanga. The lease agreement is for a period of three (3) years counted from the lease commencement date, subject to renewal upon mutual agreement of the parties.

In 2021, CGLC renewed the lease agreement with GGDC for additional three (3) years from September 1, 2021 to October 7, 2024, subject to renewal upon mutual agreement. CGLC shall pay a monthly aggregate of ₱0.1 million with a 5% annual escalation rate at the beginning of the second year of the lease term. On October 7, 2024, the lease agreement has been terminated.

On July 10, 2019, PH Resorts entered into a lease agreement with UTOW for office space with a total area of 870.31 square meters in the twentieth (20th) floor of the Udenna Tower and nine (9) parking slots located at the building. The lease agreement is for a period of 5 years from July 15, 2019 until July 14, 2024 subject to renewal for another 5 years upon mutual agreement of the parties. PH Resorts shall pay a monthly aggregate of ₱1,400 per square meter per month and ₱6,000 per parking slot per month with a yearly escalation rate of five percent (5%).

The estimated annual minimum rentals under these lease agreements within one year period is nil and ₱20.0 million, as at December 31, 2024 and 2023, respectively.

As at December 31, 2024 and 2023, right-of-use asset amounted to nil and ₱13.8 million, respectively. As at December 31, 2024 and 2023, the lease liabilities amounted to nil and ₱17.9 million, respectively. Amortization expense amounted nil in 2024 and ₱0.8 million in 2023. Interest expense on lease liabilities amounted to nil in 2024 and ₱0.1 million in 2023 (see Note 13).

d. Management fees

In February 2023, DHPC entered into a 5-year Hotel Management Service Agreement with Enderun. Enderun manages DHPC's hotel operations starting April 1, 2023 until March 31, 2028 according to the terms and conditions set forth in the agreement. Management fees consist of basic management fee, incentive fee, marketing fee and corporate shared service fees (see Notes 14 and 18).

e. Guarantees

LLI's USD-denominated bank loan with Chinabank is secured by a corporate guaranty by Udenna Corporation and by certain stockholders through a Continuing Surety Agreement with the bank (see Note 11).

The performance of the obligations of DHPC to Landbank at any time under the loan agreement shall be the joint and several liability of PH Travel and DHPC (see Note 11).

f. Compensation and Other Benefits of Key Management Personnel

The compensation of key management personnel pertaining to salaries and short-term employee benefits amounted to ₱27.9 million in 2024, ₱29.9 million in 2023, and ₱41.0 million in 2022.

8. Prepayments and Other Current Assets

	2024	2023
Input VAT	**₱3,842,420**	₱5,427,799
Advances to contractors	**3,451,467**	2,707,271
Prepaid insurance	**702,641**	755,537
Short-term security deposits	**365,488**	365,488
Others	**1,556,421**	1,018,690
	₱9,918,437	₱10,274,785

Advances to contractors represents downpayments made for contracts of services entered with suppliers to be provided within a year.

Prepaid expenses represent prepayments on insurance, rent and other expenses which amortized on a periodic basis over a period not exceeding one year.

Short-term security deposits represent unsecured and noninterest-bearing deposits for use of equipment and for office rentals which are renewable annually.

Other current assets represent unsecured, noninterest-bearing cash advances for business-related expenditures and are subject to liquidation within a year.

9. Property and Equipment

At Cost

	2024						
	Land Improvements and Infrastructures	**Buildings and Plant**	**Office Furniture, Fixtures and Equipment**	**Transportation Equipment**	**Leasehold improvements and Others**	**CIP (see Notes 7, 11 and 22)**	**Total**
Cost							
Beginning balances	**₱8,511,612**	**₱140,635,370**	**₱31,521,193**	**₱5,558,274**	**₱39,347,267**	**₱8,243,212,144**	**₱8,468,785,860**
Additions	**378,840**	**–**	**1,361,881**	**–**	**–**	**9,618,231**	**11,358,952**
Ending balances	**8,890,452**	**140,635,370**	**32,883,074**	**5,558,274**	**39,347,267**	**8,252,830,375**	**8,480,144,812**
Accumulated Depreciation							
Beginning balances	**3,128,664**	**23,903,647**	**28,761,886**	**5,452,896**	**35,686,373**	**–**	**96,933,466**
Depreciation (Note 18)	**632,990**	**7,108,468**	**1,267,936**	**91,502**	**252,475**	**–**	**9,353,371**
Ending balances	**3,761,654**	**31,012,115**	**30,029,822**	**5,544,398**	**35,938,848**	**–**	**106,286,837**
Net Book Value	**₱5,128,798**	**₱109,623,255**	**₱2,853,252**	**₱13,876**	**₱3,408,419**	**₱8,252,830,375**	**₱8,373,857,975**

	2023						
	Land Improvements and Infrastructures	Buildings and Plant	Office Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold improvements and Others	Construction-in-progress (see Notes 7, 11 and 22)	Total
Cost							
Beginning balances	₱8,339,890	₱140,635,370	₱30,806,609	₱5,535,774	₱39,347,267	₱8,040,035,890	₱8,264,700,800
Additions	171,722	–	714,584	22,500	–	203,176,254	204,085,060
Ending balances	8,511,612	140,635,370	31,521,193	5,558,274	39,347,267	8,243,212,144	8,468,785,860
Accumulated Depreciation							
Beginning balances	2,512,595	16,795,178	26,199,409	5,077,697	24,167,116	–	74,751,995
Depreciation (Note 18)	616,069	7,108,469	2,562,477	375,199	11,519,257	–	22,181,471
Ending balances	3,128,664	23,903,647	28,761,886	5,452,896	35,686,373	–	96,933,466
Net Book Value	₱5,382,948	₱116,731,723	₱2,759,307	₱105,378	₱3,660,894	₱8,243,212,144	₱8,371,852,394

The CIP account reflects expenditures related to the US$300.0 million investment commitment of LLI required by the License Agreement with PAGCOR. Total Project cost includes land acquisition; costs related to securing development rights; construction and development costs; and all other direct expenses. No borrowing costs were capitalized in 2024 and 2023. In 2022, the CIP account includes capitalized borrowing costs of ₱246.3 million, equivalent to the effective interest incurred on the loans (see Note 11).

Advances to contractors of ₱522.3 million as at December 31, 2024 and 2023 relates to initial deposits made for the ongoing construction of the Project. Retention payable to suppliers and contractors related to the construction project amounted to ₱25.0 million as at December 31, 2024 and 2023.

Land at Revalued Amounts

	2024	2023
Land at the beginning of year at fair value	**₱9,040,232,463**	₱8,750,524,672
Revaluation surplus recognized in OCI	**349,433,176**	298,006,122
Reclassification / adjustment	**–**	(8,298,331)
Balance at end of year	**₱9,389,665,639**	₱9,040,232,463

LLC's land property includes a 12.5-hectare beachfront property and another 4,511-sqm adjacent property located in LapuLapu City, Mactan Island, Cebu. The fair value of this property based on latest appraisal amounted to ₱7,636.4 million and ₱7,336.8 million as at December 31, 2024 and 2023, respectively. Bulk of this property was acquired in 2019 in connection with the Group's purchase of LLC, which owns the project site of Emerald Bay.

The Group also owns the Donatela Resort & Sanctuary situated on 7.2 hectares of land in Panglao Island, Bohol as well as 2,000 sqm. of commercial property adjacent to Alona Beach, which were purchased in 2018. As at December 31, 2024 and 2023, the Bohol properties were appraised at ₱1,493.3 million and ₱1,459.5 million, respectively, an increase of ₱33.8 million from prior year.

In addition, the Group owns 3,134 sqm of land in Azuela Cove in Davao City, a 25-hectare master planned mixed use township co-developed by Ayala Land and the Alcantara Group of Companies. The land purchase was completed in 2019 and as at December 31, 2024 and 2023, has an appraised value of ₱260.0 million and ₱244.0 million, respectively.

The market values were based on the valuation performed by independent appraisers in December 2024 and December 2023. Revaluation surplus on land are as follows:

	2024	2023
Balance at beginning of year, net of tax	**₱2,630,894,964**	₱2,741,696,789
Revaluation surplus during the year	**349,433,176**	298,006,122
Deferred tax liability (see Note 19):		
Tax effect of the revaluation surplus	**(87,358,294)**	(74,501,531)
Change in the tax basis as a result of the sale and leaseback	**–**	(334,306,416)
Balance at end of year, net of tax	**₱2,892,969,846**	₱2,630,894,964

The cost of these parcels of land carried at fair value amounted to ₱5,095.0 million as at December 31, 2024 and 2023.

Description of the valuation techniques and key inputs to valuation of lands to its revalued amount is as follows:

Valuation technique	Significant unobservable input	2024	2023
Sales comparison approach	Selling price of identical piece of land	**₱20,000 to ₱200,000 per square meter**	₱20,000 to ₱135,000 per square meter
	External factor adjustments	**-20% to 5%**	-30% to 5%
	Internal factor adjustments	**-30% to 35%**	-20% to 5%
	Average fair value after internal and external factor adjustments	**₱24,000 to ₱83,000 per square meter**	₱23,200 to ₱78,000 per square meter

The value of the land was estimated by using the "Sales comparison approach". This approach is based on sales and listings of comparable property registered within the vicinity. The technique of this approach requires the establishment of comparable property by reducing reasonable comparative sales and listings to a common denominator which is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property. The unobservable inputs to determine the market value of the property are the following: location characteristics, size, improvements and developments, and time element.

DHPC's land, land improvements and infrastructures and building are used as a real estate mortgage with Landbank (see Note 11). The carrying value of the pledged properties was ₱1.50 billion and ₱1.47 billion as at December 31, 2024 and 2023, respectively.

Sale and leaseback with Chinabank
In 2023, in connection with the full settlement and discharge of its Peso bridge loan amounting to ₱3.1 billion and accrued interest amounting to ₱323.78 million, LLI entered into a Deed of Assignment with Chinabank whereby it irrevocably cedes, assigns, transfers and conveys to Chinabank, free from all liens, encumbrances, restrictions, claims and occupants, all of its rights, title and interest in the improvements in Emerald Bay. As part of the agreement, the maturity of the US dollar denominated loan was extended to March 31, 2025.

In connection with the full settlement and discharge of its Peso bridge loan amounting to ₱2.1 billion and accrued interest amounting to ₱219.33 million, LLC also entered into a Deed of Assignment with Chinabank whereby it irrevocably cedes, assigns, transfers and conveys to Chinabank, free from all liens, encumbrances, restrictions, claims and occupants, all of its rights, title and interest in its parcels of land with a total area of 122,857 sqm.

On October 2, 2023, LLI, as the lessee, entered into a lease agreement with Chinabank to lease back the improvements in Emerald Bay and the parcels of land in exchange for semi-annual rental of ₱292.1 million. LLI or its assignee has the option to purchase back the properties for ₱5.74 billion within the option period up to March 31, 2025, plus all taxes, legal costs, fees and expenses paid by Chinabank in relation to the Deeds of Assignment and the transactions contemplated.

In August 2024, Chinabank amended the terms of the sale and leaseback, with option to buy-back agreement. This amendment increased the buyback cost by approximately ₱1.5 billion and resulted in the recognition of a "Loss on modification of financial liability" amounting to ₱1.46 billion presented as part of "Other income (expenses) – net under "Non-operating income (expenses)" in the consolidated statement of comprehensive income in 2024.

Management assessed that the assignment of the properties did not qualify as a sale considering the Group's option to repurchase the asset. Chinabank was not able to obtain control over the assets. As such, the transactions were collectively treated as a financing transaction (see Note 12) and the Group continued to recognize the transferred properties.

10. Deposits for Future Property Acquisition

On October 18, 2017, DHPC entered into a contract to sell, to acquire various parcels of land situated in Tawala, Panglao, Bohol and in Tagbilaran City, Bohol, with a total area of 74,578 square meters. The parcels of land contain improvements, consisting of several structures/buildings, walkways, gardens, as well as fixtures, furniture, and other personal properties and accessories owned by the seller.

The Deeds of Absolute Sale for the 67,853 square meters were executed in August 2018 for a total consideration of ₱1.14 billion which was subsequently reclassified as property and equipment. As at December 31, 2024 and 2023, deposit for future property acquisition amounting to ₱84.8 million and ₱66.8 million, respectively, pertains to the partial settlement for the remaining area. As at December 31, 2024 and 2023, DHPC has already paid ₱1.12 billion and ₱1.10 billion respectively, which represents 98% of the total purchase price.

11. Loans Payable

	2024	2023
Short-term loans:		
US dollar denominated loans* (a)	**₱979,508,667**	₱937,598,667
US dollar denominated loans* (b)	**85,032,150**	–
Long-term loan -		
Peso denominated loans (c)	**975,000,000**	975,000,000
	2,039,540,817	1,912,598,667
Debt issuance costs	**(4,024,359)**	(9,634,013)
Loans payable	**2,035,516,458**	1,902,964,654
Current portion of loans payable	**(2,035,516,458)**	(971,392,760)
Noncurrent portion of loans payable	**₱–**	₱931,571,894

**US dollar denominated loans of $16.93 million and $1.47 million were translated to Philippine Peso using foreign exchange closing rate of ₱57.845 in 2024 and ₱55.37 in 2023.*

a. Chinabank Short-term Loans

i. On June 7, 2017, LLI obtained a ₱900.0 million bank loan from Chinabank to fund the construction of the first phase of Emerald Bay and a US$15.0 million loan to fund the escrow requirement of the Provisional License (see Note 20). In 2017, the Peso loan had an annual interest rate of 4.75% to 6.25% while the US$ loan had an annual interest of 3.5% to 6.25%.

In October 2018, Chinabank approved a bridge loan facility that extended the tenor of LLI's short-term loan facilities until November 21, 2019. This is composed of (a) ₱3.1 billion Peso loan facility (increased from ₱900.0 million in 2018); and (b) US$15.0 million loan facility. The Peso and Dollar facilities were fully drawn on November 26, 2018 with interest rates of 9.55% and 6.25%, respectively. On November 21, 2019, interest rates were reduced to 8.00% and 5.00%, respectively.

ii. In 2017, LLC obtained a ₱2.1 billion Peso loan facility from Chinabank to finance the acquisition of parcels of land at Punta Engaño, Mactan, Cebu. In October 2018, Chinabank approved a bridge loan facility that extended the tenor of LLC's short-term loan facilities until November 21, 2019.

As discussed in Note 9, in October 2023, the Group assigned certain parcels of land and the improvements in Emerald Bay to Chinabank in connection with the full settlement and discharge of the Peso bridge loans amounting to ₱5.2 billion and accrued interest amounting to ₱543.11 million with a total of ₱5.74 billion. The Group also entered a lease agreement with Chinabank to lease back the properties to allow the Group continued possession and use over the properties in order to finish the construction and development of Emerald Bay. In addition, LLI or its assignee has the option to buy back the properties up to March 31, 2025 for ₱5.74 billion plus certain transactions costs.

Considering the option to buy back the properties, the transactions were collectively accounted for as a financing transaction. The modified liability is presented as "Financial liability from sale and leaseback with a repurchase option" in the consolidated statement of financial position as of December 31, 2024 and 2023 (see Note 12).

As part of the agreement, the maturity of the US dollar denominated loan was extended to March 31, 2025.

The option to buy back the properties expired on March 31, 2025 and as at April 30, 2025, the Group is working on a possible repurchase option.

The details of the short-term USD-denominated loan are as follows:

	December 31, 2024	December 31, 2023
Principal	**₱979,508,667**	₱937,598,667
Less unamortized debt issue costs	**(1,189,495)**	(6,026,773)
	978,319,172	931,571,894
Less current portion of long-term loan	**(978,319,172)**	–
Noncurrent portion of long-term loan	**₱–**	₱931,571,894

Amortized debt issue costs pertaining to this loan of ₱4.8 million and ₱1.2 million in 2024 and 2023, respectively, were expensed as part of "Interest expense" in the consolidated statements of comprehensive income.

Interest charges incurred on this loan, excluding amortization of debt issue costs, amounted to ₱48.9 million and ₱43.4 million in 2024 and 2023, respectively. The loan of LLI has a corporate guaranty from Udenna Corporation and certain stockholders through a Continuing Surety Agreement with Chinabank (see Note 7).

b. Other USD-Denominated Short-term Loan

In August 2024, LLI obtained a US$1.5 million short-term loan for working capital requirements. Outstanding loan balance of US$1.47 million as at December 31, 2024 is payable in two installments: (i) US$498,200 on July 3, 2025; and (ii) US$1.06 million on May 7, 2025. Udenna, as the ultimate parent company of LLI provided a letter of financial support to ensure repayment of this loan.

c. Landbank (formerly UCPB) Loan

On September 3, 2018, UCPB granted DHPC a ₱975.0 million term loan with a term of 10 years. DHPC used the proceeds to refinance the acquisition of the Donatela Hotel.

The details of the loan are as follows:

	2024	2023
Principal at amortized cost	**₱975,000,000**	₱975,000,000
Less unamortized debt issue costs	**(2,834,864)**	(3,607,240)
	972,165,136	971,392,760
Less current portion	**(972,165,136)**	(971,392,760)
Noncurrent portion	**₱–**	₱–

Outstanding loan balance as of December 31, 2024 and 2023 amounted to ₱975.0 million. The loan bears an annual interest rate based on the one-year PH Bloomberg Valuation Rate (PH BVAL) at the time of availment or resetting, as the case may be, plus a spread of 3.0% per annum. In no case, however, shall the interest be lower than 6.0% per annum. Interest shall be subject to resetting on the anniversary date of the availment and every year thereafter. Interest expense incurred on this loan amounted to ₱158.7 million, ₱90.5 million and ₱58.2 million in 2024, 2023 and 2022, respectively. Amortized debt issue costs of ₱0.8 million in 2024 and 2023, and ₱0.4 million in 2022, were expensed and presented as part of "Interest expense" in the consolidated statements of comprehensive income.

In February 2022, UCPB further deferred all the amounts due on March 3, 2022 to June 3, 2022.

On March 1, 2022, the merger between UCPB and state-run Landbank took effect, with Landbank being the surviving entity. On June 1, 2022, Landbank further approved that interest and principal payments due beginning June 2022 to December 2023 are to be paid equally over the remaining life of the loan starting March 3, 2024 until the loan's maturity on September 1, 2028.

DHPC must comply with certain financial covenants for the term of the loan, including maintaining a debt service coverage ratio of at least 1.25x and a debt-to-equity ratio of not exceeding 2.33x. As at December 31, 2024 and 2023, DHPC's ratios exceeded the requirement in the financial covenants. The Group continues to present the Landbank loan as a current liability to address the ratio requirements.

In connection with a Memorandum of Agreement signed between AppleOne and DHPC (see Note 1) on December 16, 2024, negotiations are ongoing with Landbank on a proposed loan repayment schedule between DHPC and AppleOne. The consolidated statements of financial position will continue to reflect a principal and interest balance of ₱1.40 billion under current liabilities until the Investment Agreement is signed by the relevant parties. Udenna, as the ultimate parent company of DHPC and PHTLC, reconfirmed its letter of support to PH Resorts Group that it will cover DHPC's loan with Landbank (₱975 million principal plus interest) and shall ensure that the same can be paid by DHPC and/or PH Travel.

The loan is secured by a real estate mortgage over the financed properties and the pledge of all the shares of stock issued by DHPC (see Note 9). The carrying value of the pledged properties and shares of stock amounted to ₱1.50 billion and ₱1.47 billion as at December 31, 2024 and 2023, respectively.

The performance of the obligations of DHPC due to Landbank at any time under the loan agreement and the payment of the availments therein shall be the joint and several liability of PH Travel and DHPC (see Note 9).

12. **Financial Liability from Sale and Leaseback with a Repurchase Option and Other Current and Noncurrent Liabilities**

As discussed in Note 9, in October 2023, the Group assigned certain parcels of land and the improvements in Emerald Bay to Chinabank in connection with the full settlement and discharge of the Peso bridge loans totaling ₱5.2 billion and accrued interest amounting to ₱543.1 million. The Group also entered a lease agreement with Chinabank to lease back the properties to allow the Group continued possession and use over the properties in order to finish the construction and development of Emerald Bay. In addition, LLI or its assignee has the option to buy back the properties up to March 31, 2025 for ₱5.74 billion plus certain transactions costs.

In August 2024, Chinabank amended the terms of the sale and leaseback to increase the buyback cost by approximately ₱1.5 billion. This resulted in the recognition of a "Loss on modification of financial liability" amounting to ₱1.46 billion presented under non-operating expense in the consolidated statement of comprehensive in 2024.

Considering the option to buy back the properties, the transactions were collectively accounted for as a financing transaction. The modified loans payable is presented as "Financial liability from sale and leaseback with a repurchase option" in the consolidated statements of financial position as at December 31, 2024 and 2023.

The option to buy back the properties expired on March 31, 2025. As at April 30, 2025, the Group is currently working on a possible repurchase option (see Note 1).

<u>Other Current and Noncurrent Liabilities</u>
As a result of the sale and leaseback, certain transaction costs were incurred to be paid to Chinabank once the buyback option is exercised. As at December 31, 2024 and 2023, outstanding payable related to these transaction costs amounted to ₱750.3 million (presented as part of "Trade and other payables") and ₱691.2 million (presented as "Other noncurrent liability"), respectively. In October 2023, the Group recognized "Day 1" difference amounting to ₱88.8 million. Accretion of the "Day 1" difference in 2024 amounting to ₱59.2 million is presented as part of "Interest expense" in the consolidated statement of comprehensive income.

13. **Right-of-Use Assets and Lease Liabilities**

The Group entered into leases of office space which are accounted under PFRS 16. The related lease liabilities are initially measured at the present value of the lease payments, discounted using the incremental borrowing rate of 7.43% for 5 years and 9.49% for 3 years.

The rollforward analysis of right-of-use assets follows:

	2024	2023
Cost		
Balance at beginning and end of year	**₱54,899,073**	₱54,899,073
Termination	**(54,899,073)**	–
Balance at end of year	–	54,899,073
Accumulated Amortization		
Balance at beginning of year	**41,140,832**	40,321,433
Termination (see Note 18)	**(41,140,832)**	–
Amortization	–	819,399
Balance at end of year	–	41,140,832
Net Book Value	**₱–**	₱13,758,241

The rollforward analysis of lease liabilities follows:

	2024	2023
Balance at beginning of year	**₱17,868,171**	₱18,824,746
Termination	**(17,868,171)**	(1,073,492)
Interest expense	–	116,917
Balance at end of year	**₱–**	₱17,868,171

On June 30, 2024, the lease agreement for office space has been terminated.

Gross lease liabilities and present value of minimum lease payments under the Group's lease agreements are as follows:

	2024	2023
Within one year	**₱–**	₱19,966,978
More than one year but not more than five years	–	–
Total gross lease liabilities	–	19,966,978
Less unamortized interest expense	–	2,098,807
Present value of future minimum lease payments	–	17,868,171
Less current portion	–	17,868,171
Noncurrent portion	**₱–**	₱–

14. **Trade and Other Payables**

	2024	2023
Payable to contractors (Note 9)	**₱799,785,052**	₱781,951,102
Transaction costs related to sale and leaseback (Note 12)	**750,320,289**	–
Interest payable (Notes 7 and 11)	**638,562,711**	457,721,008
Lease payable in relation to the sale and leaseback (Note 12)	**292,067,135**	–
Statutory payables	**65,306,549**	81,729,000
Management fees payable (Note 7)	**7,564,797**	7,564,797
Trade payables	**2,008,472**	4,953,781
Others	**2,599,274**	30,411,807
	₱2,558,214,279	₱1,364,331,495

Below are the terms and conditions of the liabilities:
- Payable to contractors are noninterest-bearing and normally settled within three months.
- Sale and leaseback payable pertain to the transaction costs from the sale and leaseback, which are to be paid to Chinabank once the buyback option is exercised. As at December 31, 2024 and 2023, outstanding payable related to these transaction costs amounted to ₱750.3 million (presented as part of "Trade and other payables") and ₱691.2 million (presented as "Other noncurrent liability"), respectively
- Interest payables, statutory payables, including withholding taxes, payables to SSS, Pag-IBIG and Philhealth, and accrued documentary stamp taxes, and management fees payable are noninterest-bearing and are normally settled within the following month.
- Trade payables from nonrelated parties are non-interest bearing and are normally settled within the following month.

15. **Deposit and Advances for Future Stock Subscription**

Udenna Corporation

In December 2021 and July 2022, PH Resorts received deposits for future stock subscription from Udenna Corporation amounting to ₱47.5 million and ₱562.4 million, respectively.

On December 29, 2022, PH Resorts and Udenna Corporation executed a Memorandum of Agreement for the subscription of shares for ₱609.92 million common shares with a subscription price of ₱1.00 per share. This is presented as "Deposit for future stock subscription" under Equity in the consolidated statement of financial position as of December 31, 2022.

In March 2023, PH Resorts received deposits for future stock subscription from Udenna Corporation amounting to ₱329.58 million. On March 30, 2023, PH Resorts and Udenna Corporation executed a Memorandum of Agreement for the subscription of shares for 329.6 million common shares with a subscription price of ₱1.00 per share. The ₱108.06 million is presented as "Deposit for future stock subscription" under Equity in the consolidated statements of financial position while the ₱221.52 million is presented as part of "Advances for future stock subscription" under Liabilities in the consolidated statements of financial position.

From April to November 2023, PH Resorts received advances for future stock subscription from Udenna Corporation totaling ₱3,146.6 million. These are presented as "Advances for future stock subscription" under Liabilities in the consolidated statements of financial position.

In October 2024, PH Resorts received advances for future stock subscription from Udenna Corporation of ₱699.0 million, which was used to significantly reduce the balance of the Deposit payable to BRC. Total advances for future stock subscription received by PH Resorts from Udenna Corporation in 2024 amounted to ₱759.7 million.

In March 2025, an additional deposit for future stock subscription was received by PH Resorts from Udenna Corporation amounting to ₱75.0 million, which was utilized to further reduce the Deposit payable to ₱226.0 million as at April 30, 2025. As at December 31, 2024 and 2023, Deposits and advances for future stock subscription from Udenna totaled ₱4.849 million and ₱4.386 million, respectively.

As at April 30, 2025, the Group is in the process of completing the application requirements for SEC approval on the increase in authorized capital stock. As such the deposits received for future stock subscription in excess of the authorized capital stock is presented as part of liabilities in the consolidated statements of financial position.

Tiger Resort Leisure & Entertainment, Inc (TRLEI)
On December 8, 2023, PH Travel, the immediate parent company of LLI and LLC, executed a term sheet with TRLEI to acquire a significant majority ownership of LLI and LLC as operators of the Emerald Bay project, subject to various conditions, allowing them to take over the development of Emerald Bay. The conditions included, among others, the execution of definitive agreements, and the approval from the relevant governmental authorities, if any. The final terms were subject to shareholders' approval, once determined. Pursuant to the provisions of the term sheet, LLI received partial nonrefundable payments from TRLEI totaling ₱300.1 million and were presented as part of "Advances for future stock subscription" under Liabilities in the consolidated statement of financial position as of December 31, 2023.

On July 1, 2024, PH Travel and TRLEI terminated the Term Sheet dated December 8, 2023. Despite termination, this development gave the Group an opportunity to engage with other parties which have already expressed their keen interest in the Emerald Bay Project, but have been unable to formalize due to the restrictions under the TRLEI deal. These strategic investor discussions are ongoing with several parties. Due diligence is ongoing and in various stages of completion, as detailed below. Following the termination of the Term Sheet, the nonrefundable amounts received by LLI from TRLEI totaling ₱327.6 million were reclassified from "Advances for future stock subscription" under Liabilities in the consolidated statement of financial position to "Other income (expenses) - net" in the consolidated statement of comprehensive income for the year ended December 31, 2024.

Bloomberry Resorts Corporation (BRC)
On May 6, 2022, PH Travel signed a term sheet with BRC. The term sheet covered the proposed investment of BRC into LLI and CGLC. The term sheet included several conditions to closing such as: (a) execution of mutually acceptable definitive agreements; (b) approval of regulators; (c) approval of creditors; (d) completion of audited financial statements; (e) corporate approvals; and (f) cooperation on due diligence, among others. On March 22, 2023, the Group received a letter from BRC terminating the term sheet dated May 6, 2022. Following this development, the Group reentered into discussions with other parties that were previously put on hold due to the contemplated investment by BRC. The Group received a ₱1.0 billion deposit from BRC presented as "Deposits payable" in the statement of financial position as at December 31, 2023. The ₱1.0 billion deposit payable was partially paid in October 2024 by ₱699.0 million, significantly reducing the balance to ₱301.0 million as at December 31, 2024. This was further reduced to ₱226.0 million as at March 31, 2025 which was paid using additional deposit for future stock subscription from Udenna (into PHR).

EEI Corporation (EEI)
On December 6, 2024, Udenna executed a Memorandum of Understanding (MOU) with EEI Corporation (EEI) with regard to Emerald Bay in Punta Engano, Mactan Island, Cebu. In particular, the MOU provides an avenue for a potential partnership between EEI and the Group, upon the execution of the definitive agreements and subject to the fulfillment of conditions precedent and regulatory approvals, if any. The MOU also paves the way for EEI to execute an agreement with the Parent Company and/or its subsidiaries, LLI and LLC, to finance, construct, and complete Emerald Bay.

Advances of ₱300.0 million was received by LLI from EEI in January 2025. These advances from a related party were used to partially fund the lease and interest payments to China Banking Corporation ("Chinabank").

As of April 30, 2025, the Group and EEI have ongoing discussions to determine and finalize the terms of the agreements. As of the same date, the Group is also working on a possible repurchase option following its expiration on March 31, 2025.

16. **Equity**

Capital Stock
The Parent Company's common shares (at ₱1.00 par value per share) consist of the following:

	Number of shares	Amount
Authorized	8,000,000,000	₱8,000,000,000
Subscribed		
Balance at beginning and end of the year	7,282,017,027	₱7,282,017,027

Track Record of Registration of Securities
Authorized capital stock

Date	Activity	Par Value	No. of Common Shares	Balance
January 30, 2009	Authorized	1.00	–	200,000,000
December 2015	Increased	1.00	300,000,000	500,000,000
December 10, 2018	Increased	1.00	7,500,000,000	8,000,000,000

Issued and outstanding

Date	Activity	No. of Common Shares	Balance
January 30, 2009	Issued and outstanding	162,161,000	162,161,000
December 2015	Stock dividend; issued during offer	81,080,504	243,241,504
December 21, 2018	Issued	406,376,691	649,618,195
December 26, 2018	Issued	4,143,648,309	4,793,266,504
November 5, 2020	Issued	450,000,000	5,243,266,504
December 4, 2020	Issued	1,686,309,523	6,929,576,027
August 18, 2021	Issued	352,441,000	7,282,017,027

On June 25, 2018, the BOD and the stockholders approved the increase in authorized capital stock from 500,000,000, consisting of 500,000,000 common shares with a par value of ₱1.00 per share to 8,000,000,000 consisting of 8,000,000,000 common shares with a par value of ₱1.00 per share (see Note 1).

As discussed in Notes 1 and 2, Udenna Corporation and PH Resorts executed a deed of assignment on June 27, 2018 wherein Udenna assigned, transferred and conveyed 100% of its equity interest in PH Travel consisting of 500,000,000 issued and outstanding common shares with a par value of ₱1.00 per share in exchange for (a) 4,143,648,309 shares with a par value of ₱1.00 per share to be issued by PH Resorts to Udenna out of the PH Resorts' increase in authorized capital stock, and (b) cash of ₱406.38 million.

On December 10, 2018, the SEC approved the application for increase in authorized capital stock. The issuance of 4,143,648,309 shares of PH Resorts occurred on December 26, 2018 and on the same date, the assignment of shares and equity share swap transaction became effective. On the same date, PH Travel became a legal subsidiary of PH Resorts (see Note 1).

Incremental costs of ₱69.2 million directly attributable to the issuance of shares were deducted from the additional paid-in capital of ₱58.1 million. The balance of ₱11.1 million increased the deficit to ₱110.7 million as of December 31, 2018.

On December 21, 2018, a group of investors subscribed to 406,376,691 shares with a par value of ₱1.00 per share. The subscription receivables amounting to ₱406.4 million were fully collected as at December 31, 2019.

On November 5, 2020, PH Resorts conducted a follow-on equity offering of 450.0 million primary common shares (inclusive of the overallotment offer). According to the Lead Underwriter and Issue Manager, Unicapital, Inc., and Co-Lead Underwriter Abacus Capital and Investment Corporation, the issue was more than 2.5x oversubscribed. The offer was priced at ₱1.68 and the shares were listed on the PSE on November 5, 2020. The Parent Company received ₱756.0 million in gross proceeds from the offer.

On December 4, 2020, PH Resorts and Udenna Corporation executed a share subscription agreement for 1.69 billion common shares with a subscription price of ₱1.68 per share. The issuance of common shares resulted to a reclassification of the ₱2.58 billion deposit for future stock subscription from Udenna Corporation to common stock (see Note 15). The difference between the subscription price and the par value was recognized as additional paid-in capital.

In 2020, incremental costs directly attributable to the issuance of shares from the Group's follow-on equity offering and share subscription agreement of ₱45.8 million were deducted from the additional paid-in capital.

In August 2021, PH Resorts successfully conducted a top-up placement from a selected group of Qualified Institutional Buyers (QIB) investors as defined under the Securities Regulation Code. The transaction consisted of 352,441,000 shares sold by the Parent Company's parent Udenna Corporation at ₱1.70 per share. With the proceeds, Udenna Corporation subscribed to the same number of shares issued by PH Resorts at the same price, thereby injecting the funds into the latter. The proceeds will be used for the continued construction of Emerald Bay. The top-up placement was successfully consummated despite the re-imposition of the ECQ restriction in the NCR and certain adjacent provinces as well as steadily rising COVID-19 cases nationwide at that time. The Parent Company received ₱599.1 million in gross proceeds from this transaction. The difference between the subscription price and the par value amounting to ₱246.7 million was recognized as additional paid-in capital. Incremental costs directly attributable to the issuance of the shares amounting to ₱24.2 million were deducted from the additional paid-in capital.

Equity Reserve

The amount of equity reserve consists of the net difference between the cost of PH Resorts to acquire PH Travel Group and the legal capital of the latter (i.e., common stock and additional paid-in capital) at the date of reverse acquisition of PH Resorts as of December 26, 2018, the date of effectivity of the share swap transaction.

The equity reserve as a result of the reverse acquisition in 2018 is accounted for as follows:

Retroactive adjustment of legal capital of PH Resorts	₱–
Issuance of additional shares of PH Resorts	4,143,648,309
Cash consideration	406,351,691
Total consideration transferred by PH Resorts	4,550,000,000
Elimination of PH Travel Group's legal capital	(500,000,000)
Equity reserve	₱4,050,000,000

On October 14, 2019, LLI acquired the shares of stock of LLC for a total consideration of ₱1.6 billion. The acquisition is accounted as an asset acquisition since the transaction did not meet the definition of a business under PFRS 3. As a result, additional equity reserve was recognized amounting to ₱76.9 million.

As of December 31, 2024 and 2023, equity reserve amounted to ₱4,126.9 million.

17. **Inventories Consumed, Other Direct Costs and Expenses**

Inventories consumed amounting to ₱5.6 million, ₱4.1 million, and ₱0.1 million in 2024, 2023 and 2022, respectively, consist of food and beverages used in hotel operations.

Other direct costs and expenses are as follows:

	2024	2023	2022
Commissions	**₱2,323,779**	₱2,087,384	₱41,510
Departmental expenses	**1,173,999**	1,472,286	32,729
Miscellaneous	**218,595**	403,757	–
	₱3,716,373	₱3,963,427	₱74,239

18. **Operating Expenses, Interest Expense and Other Income (Expenses)**

a) Operating expenses consist of the following:

	2024	2023	2022
Salaries and wages (Note 7)	**₱52,741,323**	₱61,370,830	₱73,144,684
Transportation and travel	**11,334,116**	7,615,661	8,424,944
Depreciation and amortization (Notes 9 and 13)	**10,134,849**	24,042,842	30,651,164

(Forward)

	2024	2023	2022
Professional fees (Note 7)	**₱6,370,425**	₱20,957,931	₱13,212,049
Utilities and communications	**5,883,708**	5,199,437	2,272,361
Taxes and licenses (Note 7)	**3,832,662**	139,486,160	4,332,539
Repairs and maintenance	**2,921,090**	1,770,419	973,666
Management fees (Note 7)	**1,684,082**	1,580,059	–
Insurance	**1,436,319**	1,329,568	852,992
Dues and subscription	**1,015,805**	843,223	792,290
Outside services	**639,229**	323,726	115,081
Sales marketing and advertising	**415,863**	290,890	512,696
Representation and entertainment	**506,535**	231,507	332,520
Rentals	**217,475**	282,424	2,219,816
Office supplies	**115,319**	182,441	246,397
Miscellaneous	**64,939,419**	30,407,741	22,055,230
	₱164,188,219	₱295,914,859	₱160,138,429

Depreciation and amortization include amortization expense of the computer software amounting to ₱0.8 million, ₱1.0 million, and ₱1.1 million in 2024, 2023 and 2022, respectively. The computer software is presented as part of "Other noncurrent assets" in the consolidated financial position.

Miscellaneous expense includes PAGCOR charges.

b) Interest expense:

	2024	2023	2022
Financial liability from sale and leaseback with a repurchase option (Note 12)	**₱596,778,283**	₱134,148,855	₱–
Loans from third party			
Chinabank (Note 11)	**113,317,552**	359,606,857	355,276,943
Landbank (Note 11)	**159,471,263**	90,375,857	58,172,085
Other borrowings (Note 9)	**5,923,722**	–	–
Advances from related parties (Note 7)	**(4,690,316)**	753,891,857	115,453,155
Loss on early settlement of intercompany advance (Note 7)	–	1,047,576,112	216,660,121
Lease liability (Note 13)	–	116,917	1,846,734
Other noncurrent liability (Note 12)	–	14,033,416	–
	₱870,800,504	₱2,399,749,871	₱747,409,038

c) Other income (expenses) - net consist of the following:

	2024	2023	2022
Income from nonrefundable transaction payments (Note 15)	**₱327,608,696**	₱–	₱–
Rental income	**7,940,404**	5,108,195	2,035,982
Bank charges	**(883,685)**	(641,202)	(232,664)
Insurance claim	–	4,222,522	–
Other transaction cost (Note 12)	–	(689,173,333)	–
Others	–	(6,902,526)	195,043
	₱334,665,415	(₱687,386,344)	₱1,998,361

19. **Income Taxes**

a. The current provision for income tax pertains to final withholding taxes on interest income and MCIT.

b. The reconciliation between the benefit from income tax computed at statutory income tax rate and the provision for income tax shown in the consolidated statements of comprehensive income is as follows:

	2024	2023	2022
Benefit from income tax computed at statutory income tax rate of 25%	**(₱541,675,317)**	(₱835,592,827)	(₱285,053,707)
Tax effects of:			
Movement in unrecognized deferred tax asset	**160,786,855**	1,156,184,782	125,888,633
Nondeductible expenses	**17,053,593**	551,886,880	162,051,988
Income subjected to lower tax rates	**(210,404)**	(736,961)	(371,822)
Non-taxable income	**(969)**	(924,590)	(2,165,340)
Others	–	–	(1,369,665)
	(₱364,046,242)	(₱870,817,284)	(₱1,019,913)

c. The components of the Group's net deferred income tax liabilities are as follows:

	2024	2023
Deferred tax liabilities:		
Difference in the tax basis as a result of the sale and leaseback	**₱830,618,036**	₱1,202,010,233
Revaluation surplus (see Note 9)	**1,075,760,774**	988,400,461
Financial liability from sale and leaseback with repurchase option	**40,808,394**	168,370,667
Other noncurrent liability	**3,895,497**	18,686,992
Debt issuance costs	**1,002,742**	901,810
Unrealized foreign exchange gain (loss)	–	115,990
	1,952,085,443	2,378,486,153
Deferred tax asset on NOLCO	**(44,703,891)**	(187,057,659)
Deferred tax liabilities – net	**₱1,907,381,552**	₱2,191,428,494

The deferred tax liabilities were measured using the appropriate corporate income tax rate on the year these are expected to be reversed or settled.

The movements in deferred tax liability for the years then ended December 31 are as follows:

	2024	2023
Beginning of year	**₱2,191,428,494**	₱914,995,679
Charged (credited) to profit or loss	**(371,405,236)**	867,624,868
Charged to other comprehensive income	**87,358,294**	408,807,947
End of year	**₱1,907,381,552**	₱2,191,428,494

The Group did not recognize the following deferred tax assets. Upon the opening of Emerald Bay, management will reconsider this position.

	2024	2023
NOLCO*	**₱8,117,428,848**	₱7,127,596,550
MCIT	**10,213,771**	4,407,400
Unrealized foreign exchange loss	**7,646,817**	–
	₱8,135,289,436	₱7,132,003,950

**The Group recognized deferred tax assets on NOLCO amounting to₱178.8 million and ₱748.2 million in 2024 and 2023, respectively.*

Pursuant to the "Bayanihan to Recover as One Act" and Revenue Regulation No. 25-2020 issued by the Bureau of Internal Revenue (BIR) on September 30, 2020, NOLCO incurred by the Group in taxable year 2020 and 2021 can be carried over and claimed as deduction from the regular taxable income (RCIT) for the next five (5) consecutive taxable years. While NOLCO incurred after taxable year 2022 can be carried over and claimed as deduction from the RCIT for the next three (3) consecutive taxable years.

As of December 31, 2024, NOLCO of the Group can be applied against future taxable income within the periods shown below:

Period of Recognition	Availment Until	Beginning Balances	Addition	Expired	Ending Balances
2020	2025	₱424,785,417	₱–	₱–	₱424,785,417
2021	2026	350,375,184	–	–	350,375,184
2022	2025	498,110,383	–	–	498,110,383
2023	2026	6,602,556,202	–	–	6,602,556,202
2024	2027	–	420,417,226	–	420,417,226
		₱7,875,827,186	₱420,417,226	₱–	₱8,296,244,412

Following are the details of the Group's MCIT as of December 31:

Period of Recognition	Availment Until	Beginning Balances	Addition	Expired	Ending Balances
2021	2024	₱1,353,699	₱–	(₱1,353,699)	₱–
2022	2025	1,361,035	–	–	1,361,035
2023	2026	1,692,666	–	–	1,692,666
2024	2027	–	7,160,010	–	7,160,010
		₱4,407,400	₱7,160,010	(₱1,353,699)	₱10,213,711

d. On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

Consequently, the Group recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

20. Financial Risks Management Objectives and Policies

The Group's principal financial instruments are cash which finance the Group's operations. The other financial assets and liabilities arising from its operations are trade and other receivables, security deposits, advances from and to related parties, cash in escrow, trade and other liabilities, loans payable, lease liabilities, retention payables and other payables.

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

Credit Risk. Credit risk is the risk that the Group will incur a loss because its customers or counterparties failed to discharge their contractual obligations. The Group manages and controls credit risk by dealing only with recognized and creditworthy financial institutions and 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 table below shows the maximum exposure to credit risk for the Group's financial assets, without taking account of any collateral and other credit enhancements:

	2024	2023
Cash*	**₱18,738,356**	₱164,943,201
Trade receivable	**5,325,584**	4,199,775
Other receivables***	**10,000,055**	10,000,055
Advances to related parties	**874,522**	2,606,747
Security deposit**	**15,298,950**	15,298,950
Cash in escrow	**304,711,709**	290,668,593
Total credit risk exposure	**₱354,949,176**	₱487,717,321

**Excluding cash on hand*
***Presented under "Prepaid and other current assets" and "Other noncurrent assets" accounts in the consolidated statements of financial position.*
****Pertains to receivable from sale of a subsidiary and accrued interest receivable.*

The financial assets of the Group are neither past due nor impaired and have high probability of collection as of December 31, 2024 and 2023.

The following tables below summarize the staging considerations (other than trade receivables subject to provision matrix) of the Group's financial assets as at December 31.

	Financial Assets at Amortized Cost			
2024	**Stage 1 (12-month ECL)**	**Stage 2 (Lifetime ECL)**	**Stage 3 (Credit impaired)**	**Total**
Cash	**₱18,738,356**	**₱–**	**₱–**	**₱18,738,356**
Other receivables	**10,000,055**	**–**	**–**	**10,000,055**
Advances to related parties	**874,522**	**–**	**–**	**874,522**
Security deposits	**15,298,950**	**–**	**–**	**15,298,950**
Cash in escrow	**304,711,709**	**–**	**–**	**304,711,709**
Total	**₱349,623,592**	**₱–**	**₱–**	**₱349,623,592**

2023	Financial Assets at Amortized Cost Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Credit impaired)	Total
Cash	₱164,943,201	₱–	₱–	₱164,943,201
Other receivables	10,000,055	–	–	10,000,055
Advances to related parties	2,606,747	–	–	2,606,747
Security deposits	15,298,950	–	–	15,298,950
Cash in escrow	290,668,593	–	–	290,668,593
Total	₱483,517,546	₱–	₱–	₱483,517,546

Set out below is the information about the credit risk exposure on trade receivables using a provision matrix as of December 31:

	2024			
	Days Past Due			
	Current	**1-90 Days**	**> 90 Days**	**Total**
Expected credit loss rate	**0%**	**0%**	**0%**	
Estimated total gross carrying amount at default	**₱3,345,693**	**₱–**	**₱1,979,891**	**₱5,325,584**
Expected credit loss	**₱–**	**₱–**	**₱–**	**₱–**

	2023			
	Days Past Due			
	Current	1-90 Days	> 90 Days	Total
Expected credit loss rate	0%	0%	0%	
Estimated total gross carrying amount at default	₱1,002,954	₱1,216,930	₱1,979,891	₱4,199,775
Expected credit loss	₱–	₱–	₱–	₱–

Liquidity Risk. Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet or settle its obligations within a reasonable period of time.

The Group maintains a financial strategy to raise adequate capital, obtain long-term financing and when applicable, generate enough cash from its business operations to satisfy debt service requirements.

The table below summarizes the maturity profile of the Group's financial liabilities (principal and interest) as of December 31, 2024 and 2023, based on contractual undiscounted payments. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments and liquidity.

	2024			
	Due and Demandable	**Less Than One Year**	**More than One Year**	**Total**
Cash*	**₱18,738,356**	**₱–**	**₱–**	**₱18,738,356**
Trade and other receivables	**10,000,000**	**5,325,639**	**–**	**15,325,639**
Advances to related parties	**874,522**	**–**	**–**	**874,522**
Security deposits**	**–**	**199,158**	**15,099,792**	**15,298,950**
Cash in escrow	**–**	**–**	**304,711,709**	**304,711,709**
	29,612,878	**5,524,797**	**319,811,501**	**354,949,176**
Financial liability from sale and leaseback with a repurchase option	**–**	**8,024,451,998**	**–**	**8,024,451,998**
Loans payable****	**–**	**2,468,877,528**	**–**	**2,468,877,528**
Trade and other liabilities***	**–**	**824,881,487**	**–**	**824,881,487**
Retention payable	**–**	**–**	**25,002,727**	**25,002,727**
Advances from related parties	**1,026,538,279**	**–**	**–**	**1,026,538,279**
	1,026,538,279	**11,318,211,013**	**25,002,727**	**12,369,752,019**
Liquidity gap	**(₱996,925,401)**	**(₱11,312,686,216)**	**₱294,808,774**	**(₱12,724,701,195)**

**Excluding cash on hand*
***Presented under "Prepaid and other current assets" and "Other noncurrent assets" accounts in the consolidated statements of financial position.*
****Excluding statutory payables.*
*****Including contractual interest and excluding unamortized debt issue costs.*

	2023			
	Due and Demandable	Less Than One Year	More than One Year	Total
Cash*	₱164,943,201	₱–	₱–	₱164,943,201
Trade and other receivables	10,000,000	4,199,830	–	14,199,830
Advances to related parties	2,606,747	–	–	2,606,747
Security deposits**	–	199,158	15,099,792	15,298,950
Cash in escrow	–	–	290,699,231	290,699,231
	177,549,948	4,398,988	305,799,023	487,747,959
Financial liability from sale and leaseback with a repurchase option	–	242,920,495	6,086,120,230	6,329,040,725
Loans payable****	–	345,241,097	2,066,884,839	2,412,125,936
Trade and other liabilities***	–	824,881,487	–	824,881,487
Retention payable	–	–	25,002,727	25,002,727
Lease liability	–	19,966,978	–	19,966,978
Advances from related parties	925,350,348	–	–	925,350,348
	925,350,348	1,433,010,057	8,178,007,796	10,536,368,201
Liquidity gap	(₱747,800,400)	(₱1,428,611,069)	(₱7,872,208,773)	(₱10,048,620,242)

**Excluding cash on hand*
***Presented under "Prepaid and other current assets" and "Other noncurrent assets" accounts in the consolidated statements of financial position.*
****Excluding statutory payables.*
*****Including contractual interest and excluding unamortized debt issue costs.*

The Group expects to meet its operating assets and liabilities, capital expenditure and investment requirements for the next 12 months primarily from financial support from parent ultimate parent company and capital raising options. It may also from time to time seek other sources of funding, which may include debt or equity financing, depending on its financing needs and market conditions.

Foreign Currency Risk. Foreign currency risk is the risk that the fair value of future cash flows from the Group's foreign currency-denominated assets and liabilities may fluctuate due to changes in foreign exchange rates. The Group continuously evaluates the movements of foreign exchange rates with the possible risk given its financial position.

The Group's objective is to keep transactional currencies at an acceptable level to its operations to minimize foreign exchange exposures. To mitigate the Group's exposure to foreign currency risk, cash flows denominated in foreign currencies are monitored and future hedging arrangements are being considered.

Information on the Group's foreign currency-denominated monetary financial assets and financial liabilities and their Peso equivalents are as follows:

	2024		2023	
	US$ Value	**Peso Equivalent**	US$ Value	Peso Equivalent
Assets				
Cash	**$13,211**	**₱764,179**	$9,466	₱524,132
Cash in escrow	**5,267,728**	**304,711,709**	5,245,153	290,424,122
	5,280,939	**305,475,888**	5,254,619	290,948,254
Liabilities				
Loans payable	**18,403,333**	**1,064,540,817**	16,933,333	937,598,648
Advances from related parties	**36,581**	**2,116,039**	–	–
	18,439,914	**1,066,656,856**	16,933,333	937,598,648
Total		**(₱761,180,968)**		(₱646,650,394)

As of December 31, 2024 and 2023, the closing exchange rate was ₱57.845 and ₱55.37 for each US$, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rates, with all other variables held constant, of the Group's loss before tax (due to revaluation of monetary assets and liabilities). The change in foreign currency exchange rate is based on the change between the current year and prior year foreign exchange rates. There is no impact on equity other than those already affecting pretax loss.

	Changes in Foreign Exchange Rates	Impact on Loss Before Income Tax
December 31, 2024	**Decreased by 4.47%**	**(₱35,015,501)**
	Increase by 4.47%	**35,015,501**
December 31, 2023	Decrease by 0.69%	₱33,367,161
	Increase by 0.69%	(33,367,161)

Interest Rate Risk. The Group's exposure to changes in market interest rate risk primarily relates to the Group's debt with floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rate, with all other variables held constant, of the Group's loss before tax. There is no impact on equity other than those already affecting pretax loss.

	Changes in Basis Points	Impact on Loss Before Income Tax
December 31, 2024	**+100**	**(₱20,229,863)**
	-100	**20,229,863**
December 31, 2023	+100	(₱11,507,687)
	-100	11,507,687

Capital Management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, so that it can provide returns to stockholders and benefits to other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in light of funding needs and changes in economic conditions. The Group's debt-to-capitalization ratios are as follows:

	2024	2023
Total debt	**₱9,834,370,305**	₱8,232,005,379
Total capitalization	**15,891,525,350**	15,200,675,029
	0.62:1	0.54:1

Total debt is defined by the Group as its bank loans from financial institutions while total capitalization as used in the table above is defined as debt, capital stock, deposit and advances for future stock subscription and APIC. The Group's goal in capital management is to maintain an optimum capital structure of a debt to capitalization ratio of not higher than 70%. This will be maintained with the Group's ongoing negotiations for financing and capital raising transactions with potential creditor and investors.

As discussed in Note 11, LLC and LLI are required to maintain on a combined basis a debt-to-equity ratio of not more than 2.33 to 1.0 under its loan agreements. LLC is in compliance with this requirement as at December 31, 2024 and 2023. LLI's debt-to-equity ratio exceeded the requirement in the financial covenant as at December 31, 2024 while it is compliant as at December 31, 2023. DPHC is also required to maintain a debt-to-equity ratio of not exceeding 2.33. As at December 31, 2024 and 2023, DHPC's debt-to-equity ratio exceeded the requirement in the financial covenant. To comply with the debt-equity requirements, management has outlined several plans a) payment of remaining leases to CBC, b) obtaining cash contribution from EEI and Udenna to be reflected as deposit for future stock subscription (DFFS) or capital and c) converting the advances from Udenna to equity. In addition, the eventual payoff of the financial liability related to the sale and leaseback will resolve the debt-to-equity breached.

In October 2023, DHPC requested for a deferment of the testing period for the debt-to-equity ratio and debt service coverage ratio from December 31, 2023 to December 31, 2024 in addition to a revised loan repayment scenario. Pending review and approval from the bank, the Group classifies the loan as current in the consolidated statement of financial position as of December 31, 2024 and 2023.

21. Fair Value Information

Fair value is defined as the price that would be received to sell and asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

Financial Instruments Whose Carrying Amounts Approximate Fair Value. Management has determined that the carrying amounts of cash, trade and other receivables, advances to and from related parties, loans payable, trade and other current liabilities, and retention payable, based on their notional amounts, reasonably approximates their fair values because these are mostly short-term in nature or are repriced frequently. Cash in escrow earns interest at the prevailing market interest rate, thus, the carrying value approximates the fair value. Security deposits are presented at nominal values because the timing of the refund or settlement of the deposits could not be reasonably estimated.

Advances from related parties. As of December 31, 2024, the fair value of the advances from related parties of ₱333 million is determined by discounting the expected cash flows using the prevailing interest for similar instrument of 5%. Fair value measurement is categorized under Level 3 with significant observable inputs.

Long-term loan payable. The fair value of long-term loan payable amounting to nil and ₱1,294.5 million is determined by discounting the expected cash flows using the discount rate nil and 5.93% as of December 31, 2024 and 2023, respectively. Fair value measurement is categorized under Level 3.

Financial liability from sales and leaseback with a repurchase option. The fair value of the financial liability amounting to ₱7,688 million is determined by discounting the expected cash flows using the discount rate 5.89% as of December 31, 2024. Fair value measurement is categorized under Level 3.

Lease Liability. The fair value of the lease liability amounting to ₱6.7 million is determined by discounting the expected cash flows using the prevailing interest for similar instrument of 5.5% in 2023.

Land at fair value. As of December 31, 2024 and 2023, the fair value of land amounting to ₱9,389.7 million and ₱9,040.2 million, respectively, is determined by external, independent property appraisers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being appraised (see Note 9). The appraised value was determined using the sales comparison approach wherein the market prices for comparable property listings are adjusted to account for the marketability, nature, bargaining allowance, location and size of the specific properties (Level 3). Significant increases (decreases) in the estimated price per square meter in isolation would result in a significantly higher (lower) fair value.

During the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 measurements.

22. **Commitments and Contingencies**

License Agreement with PAGCOR

a) As discussed in Note 1, on May 3, 2017, PAGCOR issued a Provisional License (License) authorizing LLI to develop an integrated resort and casino in LapuLapu City, Mactan Island, Cebu Province and to establish and operate casinos and engage in gaming activities. The term of LLI's License shall be for a period of 15 years or until May 3, 2032. On August 27, 2020, PAGCOR's BOD extended the term of the License to be co-terminus with PAGCOR's current franchise or until July 11, 2033. The License may be renewed subject to certain terms and conditions.

i. Debt-Equity Ratio Requirement

The License provides, among others, that LLI's License may be revoked or suspended upon failure of LLI to comply with the 70% Debt - 30% Equity ratio requirement of PAGCOR. Testing date as stated in the License is to be performed every June and December.

To ensure compliance with the debt-equity requirement, LLI applied for an increase in its authorized capital stock from ₱500.0 million to ₱1.5 billion, which was approved by the SEC on February 19, 2018. In addition, on April 17, 2018, LLI and ULI submitted a request to PAGCOR to:

a. Amend the Provisional License to remove ULI as a co-licensee and replace it with its wholly-owned subsidiary, LLC.
b. Use the pro-forma consolidated financial statements of the co-licensees in the calculation of the 70% Debt - 30% Equity ratio.

On April 23, 2018, PH Travel fully subscribed to the remaining 1.0 billion authorized capital stock of LLI which served to improve the debt-equity ratio.

On July 19, 2018, PAGCOR approved the amendments of the Provisional License to remove ULI as a co-licensee and replace it with its wholly-owned subsidiary, LLC, and use the financial statements of the co-licensees in the calculation of the 70% Debt - 30% Equity ratio.

As at December 31, 2024 and 2023, LLC is in compliance with the debt-equity ratio requirement. LLI's debt-to-equity ratio exceeded the requirement in the agreement as of December 31, 2024 while it is compliant as at December 31, 2023.

Below is the report submitted to PAGCOR.

	2024	2023
LLI	**73%-27%**	64%-36%
LLC	**61%-39%**	52%-48%

To comply with the debt-equity requirements, management has outlined several plans a) payment of remaining leases to CBC, b) obtaining cash contribution from EEI and Udenna to be reflected as deposit for future stock subscription (DFFS) or capital and c) converting the advances from Udenna to equity. In addition, the eventual payoff of the financial liability related to the sale and leaseback will resolve the debt-to-equity breached.

ii. *Investment Commitments*

As required by the License, LLI is required to complete its US$300.0 million investment commitment in phases. The cost of the Project includes land acquisition costs, costs related to securing development rights, construction, equipment acquisition, development costs, financing costs and all other expenses directly related to the completion of the Project. As at December 31, 2024 and 2023, capitalized costs related to the Project amounted to ₱8,011.2 million and ₱8,001.6 million, respectively (see Note 9).

As a requirement in developing the aforementioned Project, LLI is required to maintain a $15 million escrow account into which all funds for development of The Emerald Bay must be deposited. LLI has cash in escrow amounting to ₱304.5 million and ₱290.4 million as at December 31, 2024 and 2023, respectively (see Note 5).

iii. *Requirement to Establish a Foundation*

LLI, with the approval of PAGCOR, is required to incorporate and register a foundation for the restoration of cultural heritage (Foundation) not later than 60 days from the signing of the License Agreement. The Foundation shall be funded by LLI by setting-aside, on a monthly basis, a certain percentage of total gross gaming revenues generated from non-junket tables. The funds set aside for such purpose shall be remitted to the Foundation on or before the 10th day of the succeeding month.

On August 16, 2017, LapuLapu Cultural Heritage Foundation, Inc. was incorporated. However, no fund has been set aside by LLI as no gaming revenue has been recognized since its incorporation.

b) As discussed in Note 1, on August 6, 2018, PAGCOR issued a Provisional License to CGLC for the development of an integrated tourism resort and to establish and operate a casino within Clark Freeport Zone. The term of Clark's License shall be for a period of 15 years from issuance date or until July 11, 2033. On October 5, 2021, CGLC received approval from PAGCOR of its request to voluntarily suspend the Clark Provisional License. CGLC sought for the voluntary suspension of its license on the back of the Group's strategic plan to prioritize its current resources towards the completion of Emerald Bay. The voluntary suspension shall be effective until further notice. On August 30, 2022, upon the request of CGLC due to ongoing strategic investor negotiations, PAGCOR's BOD approved the lifting of the voluntary suspension of Clark Provisional License. In 2024, PAGCOR informed CGLC of the approval by the PAGCOR Board of the revocation of its Provisional License. Revocation will be finalized once CGLC surrenders the original copy of the Provisional License granted by PAGCOR. Under the Clark Provisional License, CGLC shall, among others, comply with the following:

i. *Investment Commitments*

As required by the License Agreement, CGLC is required to invest a minimum of US$200 million in the approved development (the Clark Investment Commitment), provided that 40% of the Clark Investment Commitment is spent within two years after the issuance of the Clark Provisional License, subject to an extension that PAGCOR may grant at its discretion.

As a requirement in developing the aforementioned Project, CGLC is required to maintain a $10 million escrow account into which all funds for development of Clark must be deposited.

ii. *Debt-Equity Ratio Requirement*

The License Agreement provides, among others, that CGLC's License may be revoked or suspended upon failure of CGLC to comply with the 70% Debt - 30% Equity ratio requirement of PAGCOR. There should be a certification from the Comptroller together with the certification from its independent external auditor that CGLC complies with the 70% Debt – 30% Equity ratio requirement of PAGCOR within sixty (60) calendar days after the end of each semi-annual period of each year. Furthermore, CGLC shall submit its semi-annual unaudited financial statements sixty (60) calendar days after the end of the applicable semi-annual period and an annual audited financial statements, within one hundred twenty (120) days after CGLC's year end.

For purposes of measuring its debt-equity ratio in relation to PAGCOR's requirement, management considers its interest-bearing liabilities as debt in the absence of any specification or definition in the License Agreement.

As of December 31, 2023, CGLC's debt-equity ratios are 22%-78%, which was in compliance with the ratio requirement.

iii. *Requirement to Establish a Foundation*

CGLC is required, on a monthly basis, to remit 2% of casino revenues generated from non-junket tables to a foundation devoted to the restoration of Philippine cultural heritage, as selected by CGLC and approved by PAGCOR.

On November 29, 2018, CGLC Cultural Heritage Foundation, Inc. was incorporated. However, no fund has been set aside by CGLC as no gaming revenue has been recognized since its incorporation.

c) Compliance with Provisional License

As discussed in Note 1, in 2017 and 2018, PAGCOR issued a Provisional License (License) authorizing LLI and CGLC to develop an integrated resort and casino and to establish and operate casinos and engage in gaming activities. The term of License shall be for a period of 15 years and the License may be renewed subject to certain terms and conditions. Under the License, LLI and CGLC shall, among others, comply with (i) investment commitments; (ii) escrow account with maintaining balance of $15.0 million for LLI and $10.0 million for CGLC; (iii) debt-to-equity ratio of 70:30; and (iv) establish a Foundation. Under the Provisional License, PAGCOR has enumerated grounds for revocation or suspension of the License subject to notice and due process. In 2024, PAGCOR informed CGLC of the approval by the PAGCOR Board of the revocation of its Provisional License. Revocation will be finalized once CGLC surrenders the original copy of the Provisional License granted by PAGCOR. As of April 30, 2025, CGLC has yet to surrender the original copy of the Provisional License. This is in line with the Group's ongoing reprioritization of projects.

PAGCOR allows the Group to utilize the escrow account subject to certain conditions such as (i) drawdowns must be used exclusively for the development of the project; (ii) the Group must furnish PAGCOR with a monthly report of drawdowns and bank's statement of the escrow account; and, (iii) replenishment of maintaining balance not later than 15 calendar days from the date escrow account fell below the maintaining balance.

There are certain charges from PAGCOR related to the escrow maintaining balance. These are reflected in trade and other payables and operating expenses accounts.

As at December 31, 2024 and 2023, the Group's cash in escrow amounted to ₱304.7 million and ₱290.7 million, respectively. The Group partially utilized the cash in escrow for the development of the project.

23. Loss Per Share

Basic Loss Per Share amounts are calculated by dividing the net loss for the period attributable to common shareholders by the weighted average number of common shares outstanding during the period. The following table presents information necessary to calculate Loss Per Share:

	2024	2023	2022
Net loss attributable to the equity holders of the Parent Company	**(₱1,802,703,335)**	(₱4,213,188,590)	(₱1,139,194,916)
Divided by weighted average number of common shares of Parent Company	**7,282,017,027**	7,282,017,027	7,282,017,027
	(₱0.2475)	(₱0.5786)	(₱0.1564)

The Parent Company has no dilutive potential common shares outstanding, therefore basic loss per share is the same as diluted loss per share.

24. Segment Information

Segment information is prepared on the following bases:

Business Segments
The business segments pertain mainly to hotel and restaurant activities. Assets and processes related to other business activities such as gaming are still not operational as of reporting period. For management purposes, the Group is organized into two business activities - Hotel and restaurant and Gaming. This segmentation is the basis upon which the Group reports its primary segment information.

Business Segment Data
Hotel and restaurant segment comprise revenues from hotel and restaurant activities and other incidental services related thereto. The following table presents the revenue and expense information and certain assets and liabilities information regarding business segments:

	2024			
	Hotels and Restaurant	**Gaming**	**Eliminations**	**Total**
Revenue	**₱38,250,434**	**₱–**	**(₱–)**	**₱38,250,434**
Results				
Direct costs and expenses	**(15,561,531)**	**–**	**–**	**(15,561,531)**
Operating expenses	**(20,294,867)**	**(133,758,503)**	**–**	**(154,053,370)**

Foreign exchange loss - net	**–**	**(30,195,234)**	**–**	**(30,195,234)**
Depreciation	**(5,211,962)**	**(4,922,887)**	**–**	**(10,134,849)**
Interest expense	**(159,471,263)**	**(711,329,270)**	**(1)**	**(870,800,534)**
Interest income	**2,495**	**1,638,184**	**–**	**1,640,679**
Income tax expense	**(608,335)**	**(6,750,659)**	**–**	**(7,358,994)**
Benefit from deferred tax	**(193,094)**	**296,593,914**	**74,907,794**	**371,405,925**
Other non-operating expense - net	**7,134,150**	**(833,349,836)**	**(299,631,176)**	**(1,125,846,862)**
Net loss	**(155,857,355)**	**(1,422,074,290)**	**(224,723,383)**	**1,802,703,335)**
Assets and liabilities				
Operating assets	**1,680,046,532**	**40,246,671,135**	**(22,459,355,238)**	**19,467,362,429**
Operating liabilities	**814,022,354**	**5,075,364,619**	**(2,062,082,760)**	**3,827,304,213**
Loans payable	**972,165,136**	**1,063,351,322**	**–**	**2,035,516,458**
Financial liability from sale and leaseback with a repurchase option	**–**	**7,798,853,847**	**–**	**7,798,853,847**
Advances for future stock subscription	**18,000,000**	**10,684,378,435**	**(6,574,494,747)**	**4,127,883,688**
Deferred tax liability	**98,428,837**	**1,809,001,026**	**–**	**1,907,429,863**
Total liabilities	**₱1,902,616,327**	**₱26,430,949,249**	**(₱8,636,577,507)**	**₱19,696,988,069**

	2023			
	Hotels and Restaurant	Gaming	Eliminations	Total
Revenue	₱27,595,598	₱99,514,170	(₱99,514,170)	₱27,595,598
Results				
Direct costs and expenses	(12,726,885)	–	–	(12,726,885)
Operating expenses	(15,240,228)	(256,631,789)	–	(271,872,017)
Foreign exchange loss - net	–	(6,431,177)	–	(6,431,177)
Depreciation	(6,873,031)	(17,169,811)	–	(24,042,842)
Interest expense	(93,339,608)	(2,306,410,264)	–	(2,399,749,872)
Interest income	1,375	10,406,760	–	10,408,135
Income tax expense	(303,786)	(2,888,630)	–	(3,192,416)
Benefit from deferred tax	192,943	(867,817,811)	–	(867,624,868)
Other non-operating expense - net	9,339,393	(674,891,639)	–	(665,552,246)
Net loss	(91,354,229)	(4,022,320,191)	(99,514,170)	(4,213,188,590)
Assets and liabilities				
Operating assets	1,634,766,074	39,663,685,041	(22,043,878,114)	19,254,573,001
Total assets	1,634,766,074	39,663,685,041	(22,043,878,114)	19,254,573,001
Operating liabilities	869,970,358	17,157,046,891	(7,846,100,383)	10,180,916,866
Loans payable	766,901,374	1,136,063,280	–	1,902,964,654
Deferred tax liabilities	90,123,119	2,101,305,375	–	2,191,428,494
Advances for future stock subscription	–	3,668,260,170	–	3,668,260,170
Total liabilities	₱1,726,994,851	₱24,062,675,716	(₱7,846,100,383)	₱17,943,570,184

	2022			
	Hotels and Restaurant	Gaming	Eliminations	Total
Revenue	₱1,052,148	₱132,685,272	(₱132,685,272)	₱1,052,148
Results				
Direct costs and expenses	(373,772)	–	–	(373,772)
Operating expenses	(6,914,709)	(122,572,556)	–	(129,487,265)
Foreign exchange loss - net	–	(239,066,973)	–	(239,066,973)
Depreciation	(7,653,411)	(22,997,753)	–	(30,651,164)
Interest expense	(60,456,530)	(965,107,796)	278,155,289	(747,409,037)
Interest income	477	3,722,397	–	3,722,874
Income tax expense	(27,751)	(1,892,181)	–	(1,919,932)
Benefit from deferred tax	599,796	2,340,049	–	2,939,845
Other non-operating expense - net	1,847,946	150,414	–	1,998,360
Net loss	(71,925,806)	(1,212,739,127)	145,470,017	(1,139,194,916)
Assets and liabilities				
Operating assets	1,594,507,973	39,852,260,759	(22,812,073,893)	18,634,694,839
Total assets	1,594,507,973	39,852,260,759	(22,812,073,893)	18,634,694,839
Operating liabilities	568,323,895	13,495,537,739	(8,878,038,721)	5,185,822,913
Loans payable	970,620,988	6,036,325,000	–	7,006,945,988
Deferred tax liabilities	81,865,562	833,130,117	–	914,995,679
Total liabilities	₱1,620,810,445	₱20,364,992,856	(₱8,878,038,721)	₱13,107,764,580

25. Notes to Consolidated Statements of Cash Flows

The following are the noncash investing activities of the Group:

	2024	2023	2022
Noncash investing activities:			
Capitalization of interest on advances and loans to CIP (Notes 7 and 11)	**₱–**	₱–	₱408,866,339
Capitalization of debt issuance costs to CIP (Note 11)	–	–	21,612,140
Lease modification (Note 12)	**(17,868,171)**	–	–
Acquisition of property and equipment			
Advances to contractors	–	(19,152,174)	(19,800,000)
Other noncurrent assets	–	(7,382,209)	(48,481,007)
Non-cash additions - retention payable	–	–	(51,638,791)
Sale and leaseback with a repurchase option			
Input VAT	–	(366,422,177)	
Reclassification of deposit for future stock subscription to equity	–	–	47,500,000

Changes in liabilities and equity arising from financing activities:

	January 1, 2024	**Cash Flows**	**Noncash Changes**	**December 31, 2024**	December 31, 2023
Loans payable	**₱1,902,964,654**	**₱85,166,600**	**₱47,385,205**	**₱2,035,516,458**	₱1,902,964,654
Finance liability	**6,329,040,725**	**(292,067,135)**	**1,761,880,257**	**7,798,853,847**	6,329,040,725
Lease liabilities	**17,868,171**	–	**(17,868,171)**	–	17,868,171
Interest payable	**457,721,008**	**(38,346,835)**	**192,040,611**	**611,414,784**	457,721,008
Advances from related parties	**753,519,440**	**189,615,765**	–	**943,135,205**	753,519,440
Deposits payable	**1,000,000,000**	**(699,048,000)**	–	**300,952,000**	1,000,000,000
Other noncurrent liability	**691,154,308**	–	**(691,154,308)**	–	691,154,308
Advances for future stock subscription	**3,668,260,170**	**759,746,973**	**(300,123,455)**	**4,127,883,688**	3,668,260,170
Total liabilities and equity from financing activities	**₱14,820,528,476**	**₱5,067,368**	**₱992,160,139**	**₱15,817,755,982**	₱20,323,043,625

In 2024, 2023 and 2022, noncash changes pertain to foreign exchange translation, lease modification, capitalization of borrowing costs and amortization of debt issuance cost.

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**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES**

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Bonifacio Global City
Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of PH Resorts Group Holdings, Inc. and its subsidiaries (the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 30, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Erwin A. Paigma

Erwin A. Paigma
Partner
CPA Certificate No. 0118576
Tax Identification No. 944-093-568
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-155-2024, October 2, 2024, valid until October 1, 2027
PTR No. 10465359, January 2, 2025, Makati City

April 30, 2025

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

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Fax: (632) 8819 0872
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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
PH Resorts Group Holdings, Inc.
20th Floor, Udenna Tower
Rizal Drive corner 4th Avenue
Bonifacio Global City
Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of PH Resorts Group Holdings, Inc. and its subsidiaries (the Group) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 30, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

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Partner
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April 30, 2025

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES
As of December 31, 2024
Schedule A. Financial Assets
(In Philippine peso)

Name of Issuing Entity and Association of each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Cash and cash equivalents:				
China Banking Corporation	N/A	887,620	887,620	391,920
Chinatrust Philippines Commercial Bank Corp	N/A	3,186,008	3,186,008	872
Landbank of the Philippines	N/A	-	-	1,205
Rizal Commercial Banking Corporation	N/A	0	0	-
BDO Unibank Inc.	N/A	9,398,320	9,398,320	24,579
Bank of the Philippine Islands	N/A	-	-	456
Asia United Bank	N/A	5,266,408	5,266,408	-
Cash on hand	N/A	24,990	24,990	-
		18,763,346	18,763,346	419,032
Accounts receivable, net:				
Various customers	N/A	5,325,584	5,325,584	-
Interest receivable				
Philippine National Bank	N/A	55	55	-
		55	55	-
Advances to officers and employees				
Various employees	N/A	2,500,480	2,500,480	-
Other receivables				
Various	N/A	-	-	-
Restricted fund				
China Banking Corporation	N/A	-	-	
Security deposits				
Various entities	N/A	15,298,950	15,298,950	-
Cash in escrow				
China Banking Corporation	N/A	304,456,337	304,456,337	1,221,647
Philippine National Bank	N/A	255,372	255,372	-
		304,711,709	304,711,709	1,221,647
Amount due from affiliates				
Various affiliates	N/A	874,522	874,522	-
Amount due from a related party for sale of a subsidiary				
Udenna Management & Resources Corp.	N/A	10,000,000	10,000,000	-
		357,474,646	**357,474,646**	**1,640,679**

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES
As of December 31, 2024
Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
(In Philippine peso)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions			Current	Non Current	Balance at End of Period
			Amount Collected	Amount Reclassified	Amount Written-Off			
Amount due from affiliates under common control								
Various affiliates	2,606,747	-	-	(1,732,225)	-	874,522		874,522
Amount due from a related party for sale of a subsidiary								
Udenna Management & Resources Corp.	10,000,000	-	-	-	-	10,000,000	-	10,000,000
Advances to officers and employees*	2,423,305	77,175	-	-	-	2,500,480	-	2,500,480
	15,030,052	**77,175**	**-**	**(1,732,225)**	**-**	**13,375,002**	**-**	**13,375,002**

**This consists of various small amounts of receivable per employee.*

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES
As of December 31, 2024
Schedule C. Accounts Receivable from Related Parties which are eliminated during the consolidation of financial statements
(In Philippine peso)

Receivable of PH Resorts Group Holdings, Inc. from subsidiaries

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amount Collected	Deductions: Amount Written-Off	Current	Non Current	Balance at End of Period
PH Travel and Leisure Holdings Corp.	45,387,843	304,854	-	-	45,692,697	-	45,692,697
Donatela Hotel Panglao Corp.	194,675,360	2,463,029	(8,732,561)	-	188,405,828	-	188,405,828
Davao PH Resort Corp.	26,376,964	926,331	-	-	27,303,295	-	27,303,296
Clark Grand Leisure Corp.	9,524,790	5,720,240	(950,000)	-	14,295,030	-	14,295,030
Donatela Resorts and Development Corp.	491,359	240,680	-	-	732,039	-	732,039
CD Treasures Holdings Corp.	546,531	240,500		-	787,031	-	787,031
Lapulapu Leisure Inc.	178,341,893	928,490	(5,571,267)	-	173,699,116	-	173,699,116
	455,344,740	**10,824,124**	**(15,253,828)**	**-**	**450,915,036**	**-**	**450,915,036**

Receivable of PH Travel and Leisure Holdings Corp. from subsidiaries

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amount Collected	Deductions: Amount Written-Off	Current	Non Current	Balance at End of Period
Donatela Hotel Panglao Corp.	142,799,111	-	-	-	142,799,111	-	142,799,111
Davao PH Resort Corp.	41,287,649	-	-	-	41,287,649	-	41,287,649
Donatela Resorts and Development Corp.	18,079		(18,079)	-	-	-	-
	184,104,839	**-**	**(18,079)**	**-**	**184,086,760**	**-**	**184,086,760**

Receivable of Lapulapu Leisure Inc. from various related parties

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amount Collected	Deductions: Amount Written-Off	Current	Non Current	Balance at End of Period
PH Travel and Leisure Holdings Corp.	142,820,697	-	-	-	142,820,697	-	142,820,697
PH Resorts Group Holdings, Inc.	455,352,898	-	-	-	455,352,898	-	455,352,898
	598,173,595	**-**	**-**	**-**	**598,173,595**	**-**	**598,173,595**

Receivable of Lapulapu Land Corp. from Lapulapu Leisure Inc.

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amount Collected	Deductions: Amount Written-Off	Current	Non Current	Balance at End of Period
Lapulapu Leisure Inc.	149,466,627		(3,271,055)	-	146,195,573	-	146,195,573
	149,466,627	**-**	**(3,271,055)**	**-**	**146,195,573**	**-**	**146,195,573**

Receivable of Donatela Resorts and Development Corp. from PH Travel and Leisure Holdings Corp.

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amount Collected	Deductions: Amount Written-Off	Current	Non Current	Balance at End of Period
PH Travel and Leisure Holdings Corp.	28,489,986	-	(23,078)	-	28,466,908	-	28,466,908
	28,489,986	**-**	**(23,078)**	**-**	**28,466,908**	**-**	**28,466,908**

Receivable of CD Treasures Holdings Corp. from related parties

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amount Collected	Deductions: Amount Written-Off	Current	Non Current	Balance at End of Period
PH Travel and Leisure Holdings Corp.	25,914,127	-	-	-	25,914,127	-	25,914,127
	25,914,127	**-**	**-**	**-**	**25,914,127**	**-**	**25,914,127**

Receivable of Davao PH Resort Corp. from Clark Grand Leisure Corp.

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amount Collected	Deductions: Amount Written-Off	Current	Non Current	Balance at End of Period
Clark Grand Leisure Corp.	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**

Receivable of Clark Grand Leisure Corp. from PH Travel and Leisure Holdings Corp.

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amount Collected	Deductions: Amount Written-Off	Current	Non Current	Balance at End of Period
PH Travel and Leisure Holdings Corp.	253,098,519	-	-	-	253,098,519	-	253,098,519
	253,098,519	**-**	**-**	**-**	**253,098,519**	**-**	**253,098,519**

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES
As of December 31, 2024
Schedule D. Intangible Assets - Other Assets
(In Philippine peso)

Description	Beginning Balance	Additions At Cost	Deductions: Charged to Costs and Expenses	Deductions: Charged to Other Accounts	Other Changes- Additions (Deductions)	Ending Balance
Computer Software	₱ 10,360,810	₱ 228,072	₱ (781,479)	₱ -	₱ -	₱ 9,807,403
	₱ 10,360,810	**₱ 228,072**	**₱ (781,479)**	**₱ -**	**₱ -**	**₱ 9,807,403**

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES
As of December 31, 2024
Schedule E. Long-Term Debt
(In Philippine peso)

Title of Issue and Type of Obligation	**Amount Authorized by Indenture**	**Amount shown under Caption "Current Portion of Long-Term Debt" in related Balance Sheet** (a)	**Amount shown under Caption "Long-Term Debt" in related Balance Sheet** (a)
9.00% Long-term loan due 2028	₱ 975,000,000	972,165,136	-
5.00% Long-term loan due 2025	979,508,666	978,319,171	-
	₱ 1,954,508,666	**₱ 1,950,484,307**	**₱ -**

(a) Balance represents principal amount net against unamortized debt finance costs
See note 11 on consolidated financial statements for details of interest rates, amounts and maturity dates and other related information.

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES
As of December 31, 2024
Schedule F. Indebtedness to Related Parties (Long-Term Loans from Related Companies)
(In Philippine peso)

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
N/A		

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES
As of December 31, 2024
Schedule G. Guarantees of Securities of Other Issuers
(In Philippine peso)

Name of Issuing Entity of Securities Guaranteed by the Company for which Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by the Company for which Statement is Filed	Nature of Guarantee
	N/A			
		₱ -	₱ -	

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES
As of December 31, 2024
Schedule H. Capital Stock
(In Philippine peso)

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
Ordinary shares	8,000,000,000	7,282,017,027	-	5,215,346,462	7,519,302	2,059,151,263

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES
RECONCILIATION OF RETAINED EARNINGS
As of December 31, 2024
(In Philippine peso)

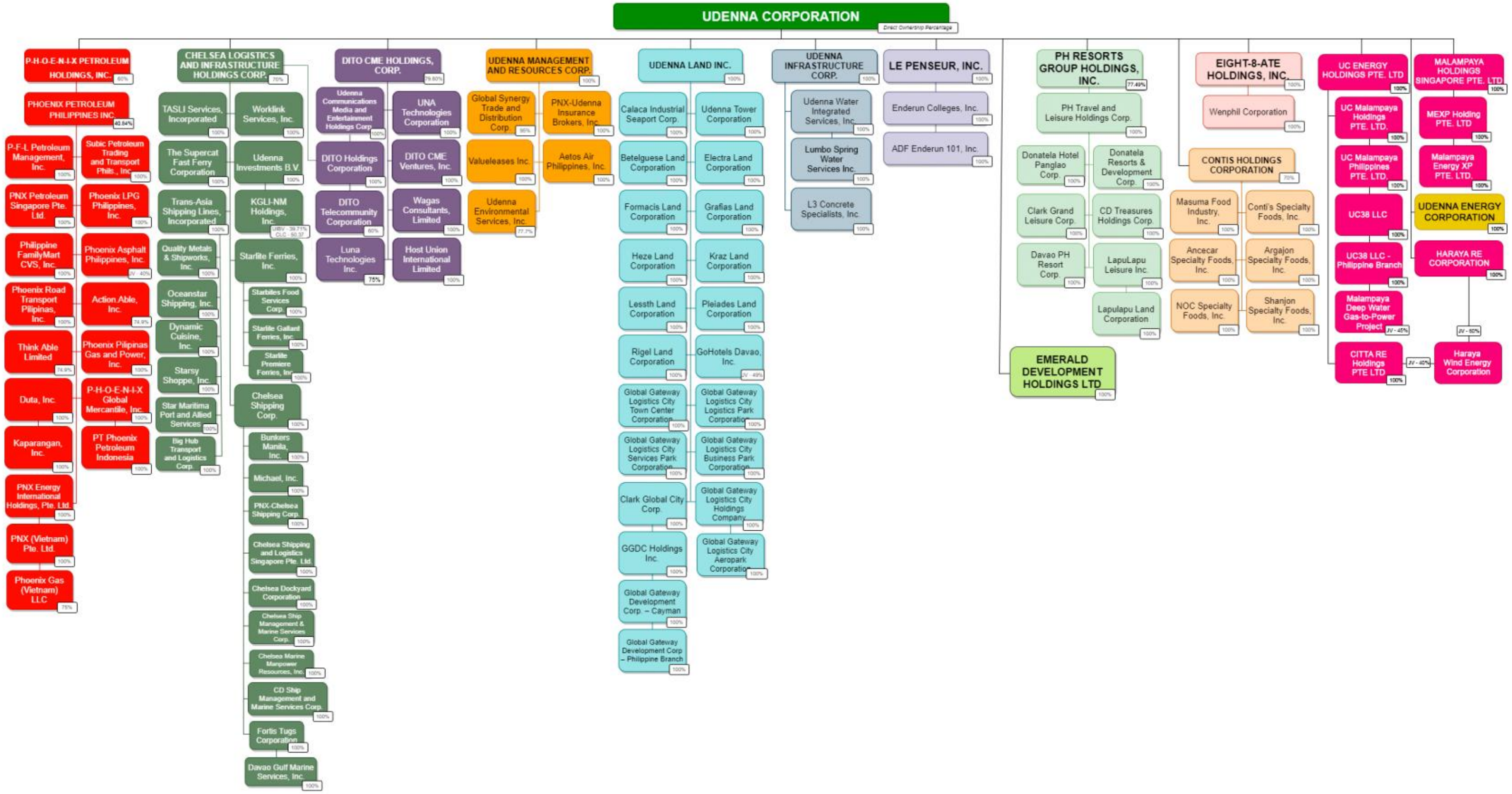
Unappropriated Retained Earnings, beginning of reporting period	(2,951,812,868)
Net income (loss) during the year closed to retained earnings	1,047,104
Total Retained Earnings, end of the reporting period available for dividend	(2,950,765,764)

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES
Key Performance Indicators
For the Years Ended December 31, 2024 and 2023

		December 31, 2024	December 31, 2023
PROFITABILITY RATIOS			
Basic loss per share	Net income over weighted average number of common shares outstanding	(0.2475)	(0.5786)
Return on Total Assets	Net income (loss) over total assets	-9.26%	-21.88%
Return on Equity	Annual net income/loss over shareholder's equity	785.21%	-274.92%
FINANCIAL LEVERAGE RATIOS			
Liabilities-to-asset ratio	Total liabilities over total assets	1.0118	0.9204
Debt-to-capitalization ratio	Total debt over total capitalization	0.1289	0.1252
Liabilities-to-equity ratio	Total liabilities over shareholder's equity	(85.7965)	11.5640
Asset-to-equity ratio	Total assets over shareholder's equity	(84.7965)	12.5640
MARKET VALUATION RATIO			
Price-to-book ratio	Market value/share over book value/share	(17.1284)	4.1339
LIQUIDITY RATIO			
Current ratio	Current assets over current liabilities	0.0036	0.0452
INTEREST RATE COVERAGE RATIO			
Interest coverage ratio	Earnings before interest and taxes over interest expense	(1.4882)	(0.3928)

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES
Map of Relationships of the Companies within the Group
As of December 31, 2024

UDENNA CORPORATION
Group Structure



Annex 'A"

PH RESORTS GROUP HOLDINGS, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE RELATED INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024

in PHP Millions	2024	2023	2022
Total Audit Fees	₱ 2.90	₱ 2.72	₱ 2.60
			-
Non-audit services fees:			
Other assurance services			
Tax servcies			-
All other services	0.25	0.25	0.25
Total Non-Audit Fees			
Total Audit and Non-Audit Fees	**₱ 3.15**	**₱ 2.97**	**₱ 2.85**

Audit and Non-Audit Fees of Other Related Entities

	2024	2023	2022
Audit Fees	-	-	-
Non-audit services fees:			
Other assurance services	-	-	-
Tax servcies	-	-	-
All other services	-	-	-
Total Audit and Non-Audit Fees of Other Related Entities	**₱ -**	**₱ -**	**₱ -**

Fee Dependency: *Not Applicable*

ANNEX: SUSTAINABILITY REPORT

Contextual Information

Company Details	
Name of Organization	PH Resorts Group Holdings Inc. (PSE: PHR)
Location of Headquarters	20th Floor Udenna Tower, Rizal Drive corner 4th Avenue, Bonifacio Global City, Taguig, Philippines 1634
Location of Operations	a) Bonifacio Global City, Taguig (Head Office) b) Mactan, Cebu (LLLI and LLC) c) Panglao, Bohol (DHPC)
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	PHR as a holding company and its subsidiaries, namely, LapuLapu Leisure Inc. and Donatela Hotel Panglao Corp.
Business Model, including Primary Activities, Brands, Products, and Services	Hospitality and gaming
Reporting Period	FY 2024
Highest Ranking Person responsible for this report	Raymundo Martin M. Escalona (President)

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.
PH Resorts Group Holdings, Inc. (“PH Resorts”, “PHR” or the “Group”) is the parent company of eight (8) entities, namely: PH Travel and Leisure Holdings, Corp. (“PH Travel”), Donatela Hotel Panglao, Corp. (“DHPC”), Donatela Resorts and Development Corp. (“DRDC”), LapuLapu Leisure, Inc. (“LLLI”), LapuLapu Land Corp. (“LLC”), Clark Grand Leisure, Inc. (“CGLC”), CD Treasures Holdings Corp. (“CD Treasures”), and Davao PH Resort, Corp. (“Davao PH”). Of these entities, only DHPC is currently in operation and servicing hotel guests for the Donatela Hotel located in Panglao, Bohol. Meanwhile, construction, pre-work, and groundwork for identifying critical hires for recruitment and procurement planning are currently being undertaken by LLLI in preparation for the target opening and beginning of operations of the Emerald Bay Resort and Casino located in Lapu-Lapu City, Mactan, Cebu. As such, this report will focus mainly on the impact of PH Resorts as a holding company in relation to the operations of DHPC and the preparations for the opening of Emerald Bay Resort and Casino. The data for this report will cover the period of January-December 2024, taking into account the effects of the COVID-19 pandemic. Information on some topics are presented per subsidiary and for the group as a whole for clarity. Since the sustainability reporting efforts of the PH Resorts Group is only in its infancy, formal processes and systems to monitor some of the covered topics and statistics are still being finalized. For this reason, only limited statistics are presented in this Report on some topics. Rest assured that the PH Resorts Group is working toward good sustainability and process improvements.

ECONOMIC

ECONOMIC PERFORMANCE

Direct Economic Value Generated and Distributed

THE GROUP

Disclosure	Amount	Units
Direct economic value generated (revenue)	38.2 Million	PHP
Direct economic value distributed:		
a. Operating costs	51.9 Million	PHP
b. Employee wages and benefits	55.9 Million	PHP
c. Payments to suppliers, other operating costs	4.0 Million	PHP
d. Dividends given to stockholders and interest payments to loan providers	333.3 Million	PHP
e. Taxes given to government	31.8 Million	PHP
f. Investments to community (e.g. donations, CSR)	-	PHP

PHR ONLY

Disclosure	Amount	Units
Direct economic value generated (revenue)	-	PHP
Direct economic value distributed:		
a. Operating costs	3.0 Million	PHP
b. Employee wages and benefits	-	PHP
c. Payments to suppliers, other operating costs	-	PHP
d. Dividends given to stockholders and interest payments to loan providers	-	PHP
e. Taxes given to government	0.5 Million	PHP
f. Investments to community (e.g. donations, CSR)	-	PHP

LLLI ONLY

Disclosure	Amount	Units
Direct economic value generated (revenue)	-	PHP
Direct economic value distributed:		

a. Operating costs	9.0 Million	PHP
b. Employee wages and benefits	43.8 Million	PHP
c. Payments to suppliers, other operating costs	4.0 Million	PHP
d. Dividends given to stockholders and interest payments to loan providers	330.8 Million	PHP
e. Taxes given to government	31.4 Million	PHP
f. Investments to community (e.g. donations, CSR)	-	PHP

DHPC ONLY

Disclosure	Amount	Units
Direct economic value generated (revenue)	38.25 Million	PHP
Direct economic value distributed:		PHP
a. Operating costs	40.0 Million	PHP
b. Employee wages and benefits	12.1 Million	PHP
c. Payments to suppliers, other operating costs	-	PHP
d. Dividends given to stockholders and interest payments to loan providers	2.5 Million	PHP
e. Taxes given to government	0.4 Million	PHP
f. Investments to community (e.g. donations, CSR)	-	PHP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Group's direct economic value, generated from its business operations, has contributed positive economic impact to the areas where it operates. Beyond gaining profit, the Group has managed to continually provide quality service and accommodation to the public.	Customers	The Group aims to grow by optimizing capital, financing, and operational expenditures to boost business expansion activities with focus on regions outside Metro Manila. The Group is committed to provide world-class service and experience to customers.
The Group has distributed direct economic value from its business operations and pre-operating activities through providing fair compensation and benefits to all its employees.	Employees	The Group is committed to ensure all employees are fairly compensated and given adequate benefits. In addition, the Group is ensuring that it complies with all labor-related obligations required by law and government regulations.
The Group has distributed direct economic value from its business operations, pre-operating activities,	Suppliers	The Group has a broad base of suppliers and is not dependent on any one or a limited number of suppliers.

and business expansion through payments to suppliers and service providers.		
The Group has distributed direct economic value through interest payment to loan providers.	Lenders	The Group has strategic plans and processes to ensure its operations meet its financial objectives and stockholder's expectations. The Group ensures that all obligations to loan providers are settled and conditions are complied. In addition, the Group ensures that external financial audits are conducted.
The Group has distributed direct economic value from its business operations, pre-operating activities, and business expansion through tax payments to the government.	Government	The Group is committed to ensure compliance of all tax obligations required by law and government regulations.
The Group has distributed direct economic value to the community through its corporate social responsibility programs.	Community	The Group has plans and activities as initiatives for the betterment of the communities.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The Group will face competition in the Philippines and elsewhere in Asia.	Customers, Employees, Suppliers, Stockholders, and Government	The Group expects to compete domestically with the numerous PAGCOR-operated gaming facilities across the Philippines, as well as other private casino and gambling operations. The Group believes its gaming competitors may, to the extent they have not already, partner with international gaming companies. Although these companies and their partners may have substantial experience and/or resources in constructing and operating resorts and gaming establishments and may be supported by conglomerates with access to more capital, the Group believes they will be able to compete effectively with these entrants by offering a differentiated product that will appeal to the preferences of all segments of the Philippine gaming market, which is expected to grow significantly over the next few years.
The Group's operations can be affected by any changes in the laws, and rules and regulations of the government, as well as changes to jurisprudence.	Customers, Employees, Suppliers, Stockholders, and Government	The Group's industry is highly regulated, and it ensures that compliance of all laws and regulations are regularly monitored and observed.
The Group's operations can be	Customers, Employees,	The Group has established contingency

affected by any force majeure events such as natural disasters, terrorist acts, crime, warfare, outbreaks of infectious diseases, and other uncontrollable events.	Suppliers, Stockholders, and Government	and crisis management plans to mitigate the impact of any possible events to its business operations.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Capitalize on growing opportunities in gaming and tourism development.	Customers, Employees, Suppliers, Stockholders, Government, and Community	The Group is well-positioned to capitalize on the rapid growth of the tourism and gaming industries, the favorable macroeconomic fundamentals, and the competitive cost in the Philippines.

<u>LLLI ONLY</u>

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
LLLI's direct economic value generated from its business operations has contributed positive economic impact to the areas where it operates. Beyond gaining profit, the Group has managed to continually provide quality service and accommodation to the public.	Customers	LLLI aims to grow by optimizing capital, financing, and operational expenditures to boost business expansion activities with focus on regions outside Metro Manila. The Company is committed to provide world-class service and experience to customers.
LLLI has distributed direct economic value from its business operations and pre-operating activities through providing fair compensation and benefits to all its employees.	Employees	The Group is committed to ensure all employees are fairly compensated and given adequate benefits. In addition, the Group is ensuring that it complies with all labor-related obligations required by law and government regulations.
LLLI has distributed direct economic value from its business operations, pre-operating activities and business expansion through payments to suppliers and service providers.	Suppliers	LLLI has a broad base of suppliers and is not dependent on any one or a limited number of suppliers.
LLLI has distributed direct economic value through dividends given to stockholders and interest payment to loan providers.	Stockholders and lenders	LLLI has strategic plans and processes to ensure its operations meet its financial objectives and stockholder's expectations. The Company ensures that all obligations to loan providers are settled and conditions are complied. In addition, the Company ensures that external financial audits are conducted.
LLLI has distributed direct economic value from its business operations, pre-operating activities, and business expansion through tax payments to the government.	Government	The Company is committed to ensure compliance of all tax obligations required by law and government regulations.

LLLI has distributed direct economic value to the community through its corporate social responsibility programs.	Community	LLLI has plans and activities as initiatives for the betterment of the communities.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
LLLI will face competition in the Philippines and elsewhere in Asia.	Customers, Employees, Suppliers, Stockholders, and Government	LLLI expects to compete domestically with the numerous PAGCOR-operated gaming facilities across the Philippines, as well as other private casino and gambling operations. The Company believes its gaming competitors may, to the extent they have not already, partner with international gaming companies. Although these companies and their partners may have substantial experience and/or resources in constructing and operating resorts and gaming establishments and may be supported by conglomerates with access to more capital, the Company believes they will be able to compete effectively with these entrants by offering a differentiated product that will appeal to the preferences of all segments of the Philippine gaming market, which is expected to grow significantly over the next few years.
LLLI's operations can be affected by any changes in the laws, and rules and regulations of the government, as well as changes to jurisprudence.	Customers, Employees, Suppliers, Stockholders, and Government	LLLI's industry is highly regulated, and it ensures that compliance of all laws and regulations are regularly monitored and observed.
LLLI's operations can be affected by any force majeure events such as natural disasters, terrorist acts, crime, warfare, outbreaks of infectious diseases, and other uncontrollable events.	Customers, Employees, Suppliers, Stockholders, and Government	LLLI has established contingency and crisis management plans to mitigate the impact of any possible events to its business operations.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Capitalize on growing opportunities in gaming and tourism development.	Customers, Employees, Suppliers, Stockholders, Government, and Community	LLLI is well-positioned to capitalize on the rapid growth of the tourism and gaming industries, the favorable macroeconomic fundamentals, and the competitive cost in the Philippines.

Climate-Related Risks and Opportunities

The Group has focused its efforts on the construction and completion of its current projects. It acknowledges the impact that these projects have on the climate and the need to identify and manage climate-related risks. Currently, construction of the Group's projects are handled by a third party contractor outside the Group. The Group is in agreement and in coordination with the contractor to ensure that project development takes into account the Group's climate related impact. The Group endeavors to come up with a more solidified climate-related risk management policy in preparation for operation.

THE GROUP

Governance	Strategy	Risk Management	Metrics and Targets
Established Environmental Unit led by Managing Head and Pollution Control Officer, both accredited by the Department of Environment and Natural Resources. Such Unit ensures organized recycling, zero carbon emissions, and participation in several CSR activities, such as coastal clean-up.	Able to contribute to the environment especially in times of pandemic by ensuring that the Group observes all the safety and sanitary protocols, and help reduce the pollution in our coastal areas that destroy our corals and sea life.	Ensure close coordination with the Department of Environment and Natural Resources (DENR) and local government unit/s. Timely submission of environmental reports to relevant agencies for strict monitoring and risk assessment.	Improving air quality, flood prevention, coastal preservation, and sanitized community.

PROCUREMENT PRACTICES

Proportion of Spending on Local Suppliers

THE GROUP

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100%	%

PHR ONLY

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	Not applicable	%

LLLI ONLY

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100%	%

DHPC ONLY

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100%	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
As of this time, operational purchases are very limited to office supplies only. Major purchases are done by the Projects Team for LLLI.	Vendors and suppliers	For operational purchases, we are sourcing 100% of our requirements from local vendors. We are finalizing the Policies and Procedures that will be used as our Guidelines in procurement. In the future, once we are fully operational, we will take even further steps towards the Sustainability Program to reduce our environmental impact.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Since we are starting at low-volume purchases, the challenge is creating business partnerships.	Vendors and suppliers	We are trying to reach out to vendors and introduce our company to as many as we can. This is in preparation for our big purchases once we finalize the operational requirements.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
When meeting with vendors, we are also able to introduce Emerald Bay and Donatela. This creates excitement and paves the way for potential partnerships down the line.	Vendors and suppliers	We will use this opportunity to build new business relationships with vendors that will result in bigger cost savings in the future once we open the Integrated Resort.

ANTI-CORRUPTION

Training on Anti-corruption Policies and Procedures

The Group ensures compliance with the principles laid out in its Annual Corporate Governance Report through practice and development of company culture. The Group procedure and policy on anti-corruption is currently being prepared as part of the groundwork for the operation of its projects. Additional information will be provided once the Group ramps up its operation.

THE GROUP

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	Not Applicable	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	Not Applicable	%
Percentage of directors and management that have received anti-corruption training	Not Applicable	%
Percentage of employees that have received anti-corruption training	Not Applicable	%

PHR ONLY

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	Not Applicable	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	Not Applicable	%
Percentage of directors and management that have received anti-corruption training	Not Applicable	%
Percentage of employees that have received anti-corruption training	Not Applicable	%

LLLI ONLY

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	Not Applicable	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	Not Applicable	%
Percentage of directors and management that have received anti-corruption training	Not Applicable	%
Percentage of employees that have received anti-corruption training	Not Applicable	%

DHPC ONLY

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	Not Applicable	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	Not Applicable	%
Percentage of directors and management that have received anti-corruption training	Not Applicable	%
Percentage of employees that have received anti-corruption training	Not Applicable	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
None	Not Applicable	Not Applicable
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
None	Not Applicable	Not Applicable
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
None	Not Applicable	Not Applicable

Incidents of Corruption

THE GROUP

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	None	#
Number of incidents in which employees were dismissed or disciplined for corruption	None	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	None	#

PHR ONLY

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	None	#
Number of incidents in which employees were dismissed or disciplined for corruption	None	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	None	#

LLLI ONLY

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	None	#
Number of incidents in which employees were dismissed or disciplined for corruption	None	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	None	#

DHPC ONLY

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	None	#

Number of incidents in which employees were dismissed or disciplined for corruption	None	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
None at the moment	Entire Organization	Management ensures that an anti-corruption culture is cultivated within the Group. Current audit policies also ensure that incidents of corruption do not occur within the Group.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
None at the moment	Entire Organization	Not Applicable
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Establishing a group-wide anti-corruption policy would ensure better corporate governance, more streamlined procedures, and better stakeholder relationships for the entire Group	Entire Organization	At this time, no formal framework has yet been laid down considering the current operations of the Company. Nonetheless, the Board will endeavor to implement policies for the next compliance period, and develop strategies to fight corruption and bribery within all business aspects.

ENVIRONMENT

RESOURCE MANAGEMENT[1]

THE GROUP

Energy consumption within the organization

Disclosure	Quantity	Units
Energy consumption (renewable sources)	N/A	GJ
Energy consumption (gasoline)	69.04	liters
Energy consumption (LPG)	4,000.00	kg
Energy consumption (diesel)	60,087.89	liters
Energy consumption (electricity)	999,239.74	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	N/A	GJ
Energy reduction (LPG)	N/A	GJ
Energy reduction (diesel)	N/A	GJ
Energy reduction (electricity)	45,060	kWh
Energy reduction (gasoline)	N/A	GJ

PHR ONLY

Energy consumption within the organization

Disclosure	Quantity	Units
Energy consumption (renewable sources)	N/A	GJ
Energy consumption (gasoline)	N/A	GJ
Energy consumption (LPG)	N/A	GJ
Energy consumption (diesel)	N/A	GJ
Energy consumption (electricity)	37,325.04	Kwh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	N/A	GJ
Energy reduction (LPG)	N/A	GJ
Energy reduction (diesel)	N/A	GJ
Energy reduction (electricity)	45,060	kWh
Energy reduction (gasoline)	N/A	GJ

[1] Due to insufficient data and resources, the data regarding PHR and LLLI are benchmarked to 2022, which are reasonable approximations since the overall operations of PHR were similar to 2022 while LLLI was markedly less.

LLLI ONLY

Energy consumption within the organization

Disclosure	Quantity	Units
Energy consumption (renewable sources)	N/A	GJ
Energy consumption (gasoline)	N/A	GJ
Energy consumption (LPG)	N/A	GJ
Energy consumption (diesel)	55,760.54	liters
Energy consumption (electricity)	721,579.7	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	N/A	GJ
Energy reduction (LPG)	N/A	GJ
Energy reduction (diesel)	N/A	GJ
Energy reduction (electricity)	N/A	kWh
Energy reduction (gasoline)	N/A	GJ

DHPC ONLY

Energy consumption within the organization

Disclosure	Quantity	Units
Energy consumption (renewable sources)	N/A	GJ
Energy consumption (gasoline)	5,970.70	liters
Energy consumption (LPG)	3,000	kg
Energy consumption (diesel)	534.876	liters
Energy consumption (electricity)	325,585	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	N/A	GJ
Energy reduction (LPG)	N/A	GJ
Energy reduction (diesel)	N/A	GJ
Energy reduction (electricity)	N/A	kWh
Energy reduction (gasoline)	N/A	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
PHR is in constant communication and coordination with the management team and the construction and resort site's	Operations, employees, utility suppliers.	Consistent and close monitoring of energy consumption in terms of unit cost, efficiency, quality, and usage on a daily basis.

respective teams to ensure efficient monitoring of the utility data.		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Power interruption/failure	Employees, utility suppliers	Ensure that the standby generator is in good running condition and that there is adequate fuel supply.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Constant coordination with the service utility provider for scheduled power interruptions to ensure ample time for preparation for these kinds of instances and early information dissemination regarding these instances. Enhancement of the ATS control system is also being done.	Employees, contractors, utility providers	Regular coordination with the utility provider and contractors, and information dissemination to the affected employees.

Water consumption within the organization[2]

THE GROUP

Disclosure	Quantity	Units
Water withdrawal	No data available yet	Cubic meters
Water consumption	27,588	Cubic meters
Water recycled and reused	2,000	Cubic meters

PHR ONLY

Disclosure	Quantity	Units
Water withdrawal	N/A	Cubic meters
Water consumption	109	Cubic meters
Water recycled and reused	N/A	Cubic meters

LLLI ONLY

Disclosure	Quantity	Units
Water withdrawal	N/A	Cubic meters
Water consumption	14,857	Cubic meters
Water recycled and reused	N/A	Cubic meters

[2] Due to insufficient data and resources, the data regarding PHR and LLLI are benchmarked to 2022, which are reasonable approximations since the overall operations of PHR were similar to 2022 while LLLI was markedly less.

DHPC ONLY

Disclosure	Quantity	Units
Water withdrawal	N/A	Cubic meters
Water consumption	21,839	Cubic meters
Water recycled and reused	2,000	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
DHPC's water supplies are sourced from a direct water connection from a local water provider	Operations, employees, guests	Daily monitoring of water consumption and inspection of areas within the resorts for possible water leaks and rectify them (if there's any).
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Possible water leaks and contamination	Operations, employees, guests	Daily inspection of pipes and areas within the resorts for possible water leaks and contamination and rectify them immediately (if there's any).
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
To increase and maintain water safety and efficiency of use	Operation, employees, guests	Regular assessment and monitoring of water supply and usage to enable a data-driven approach to increasing and maintaining safety and efficiency of use

Materials used by the organization[3]

THE GROUP

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	584.07	kg/liters
• non-renewable	100	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	65%	%

PHR ONLY

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	N/A	kg/liters
• non-renewable	N/A	kg/liters

[3] Due to insufficient data and resources, the data regarding LLLI are benchmarked to 2023, which are reasonable approximations since its operations for 2024 were markedly less intensive than 2023.

Percentage of recycled input materials used to manufacture the organization’s primary products and services	N/A	%

LLLI ONLY

Disclosure	Quantity	Units
Materials used by weight or volume		
● renewable	84.07	kg/liters
● non-renewable	N/A	kg/liters
Percentage of recycled input materials used to manufacture the organization’s primary products and services	80	%

DHPC ONLY

Disclosure	Quantity	Units
Materials used by weight or volume		
● renewable	500	kg/liters
● non-renewable	100	kg/liters
Percentage of recycled input materials used to manufacture the organization’s primary products and services	50	%

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Which stakeholders are affected?	Management Approach
The Group is in constant communication and coordination with the project management team at the site to ensure that materials and resources are closely monitored and carefully reviewed in order to be aligned with the deliverables.	Operations	Materials control and inventory management are being implemented by the resort’s management.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The unavailability of some materials and supplies on the island.	Operation	Market list or inventory of fast consuming items or supplies had been closely monitored in order to prevent shortage of supplies.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Energy efficient materials/supplies	Operations	Energy efficient products or environment-friendly materials have always been considered as a major criteria in the Group’s procurement process.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

<u>THE GROUP</u>

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable	
Habitats protected or restored	Not applicable	ha
IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	

<u>PHR ONLY</u>

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable	
Habitats protected or restored	Not applicable	ha
IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	

<u>LLLI ONLY</u>

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable	
Habitats protected or restored	Not applicable	ha
IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	

<u>DHPC ONLY</u>

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable	
Habitats protected or restored	Not applicable	ha
IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Additional information and action will be provided once the Group ramps up its operations, because it is currently non-operational, for the most part.	Not applicable	Not applicable

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Additional information and action will be provided once the Group ramps up its operations, because it is currently non-operational, for the most part.	Not applicable	Not applicable
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Additional information and action will be provided once the Group ramps up its operations because it is currently non-operational, for the most part.	Not applicable	Not applicable

ENVIRONMENTAL IMPACT MANAGEMENT

Air Emissions[4]

GHG

THE GROUP

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	No data available yet	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	151.63	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	No data available yet	Tonnes

PHR ONLY

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	No data available yet	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	No data available yet	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	No data available yet	Tonnes

LLLI ONLY

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	No data available yet	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	100.58	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	No data available yet	Tonnes

[4] Due to insufficient data and resources, the data regarding LLLI are benchmarked to 2023, which are reasonable approximations since its operations for 2024 were markedly less intensive than 2023.

DHPC ONLY

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	No data available yet	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	51.05	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	No data available yet	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Considering the early stages of the Group's projects, there are currently little to no impacts yet.	Entire organization	The Group ensures regular monitoring of its utilities consumption as it is the main driver of GHG emissions.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
None	None	None
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
To continue the Group-wide use of energy efficient and environment-friendly products.	Operations and guests	Choosing energy efficient products and environment-friendly materials have always served as a major criteria in the purchase selection process.

Air Pollutants[5]

THE GROUP

Disclosure	Quantity	Units
NOx	60	mg/ncm
SOx	N/A	kg
Persistent organic pollutants (POPs)	1.2	kg
Volatile organic compounds (VOCs)	N/A	kg
Hazardous air pollutants (HAPs)	N/A	kg
Particulate matter (PM)	N/A	kg

PHR ONLY

Disclosure	Quantity	Units
NOx	N/A	kg
SOx	N/A	kg
Persistent organic pollutants (POPs)	1.2	kg
Volatile organic compounds (VOCs)	N/A	kg
Hazardous air pollutants (HAPs)	N/A	kg

[5] Due to insufficient data and resources, the data regarding PHR and LLLI are benchmarked to 2022, which are reasonable approximations since the overall operations of PHR were similar to 2022 while LLLI was markedly less.

Particulate matter (PM)	N/A	kg

LLLI ONLY

Disclosure	Quantity	Units
NOx	60	mg/ncm
SOx	N/A	kg
Persistent organic pollutants (POPs)	N/A	kg
Volatile organic compounds (VOCs)	N/A	kg
Hazardous air pollutants (HAPs)	N/A	kg
Particulate matter (PM)	N/A	kg

DHPC ONLY

Disclosure	Quantity	Units
NOx	N/A	kg
SOx	N/A	kg
Persistent organic pollutants (POPs)	N/A	kg
Volatile organic compounds (VOCs)	N/A	kg
Hazardous air pollutants (HAPs)	N/A	kg
Particulate matter (PM)	N/A	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
For the Group's only operating entity, DHPC, there is currently no impact. DHPC's existing standby generator units are 90kVA and 110kVA respectively, which are not required for air/stack sampling or emission tests.	Operations	Secure the necessary permits to operate for air pollution installation.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	None	Secure the necessary permits and ensure full compliance therewith.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	None	Secure the necessary permits and ensure full compliance therewith.

<u>Solid and Hazardous Waste</u>

Solid Waste[6]

<u>THE GROUP</u>

Disclosure	Quantity	Units
Total solid waste generated	3,000	kg
Reusable	N/A	kg
Recyclable	N/A	kg
Composted	N/A	kg
Incinerated	N/A	kg
Residuals/Landfilled	2,000	kg

<u>PHR ONLY</u>

Disclosure	Quantity	Units
Total solid waste generated	N/A	kg
Reusable	N/A	kg
Recyclable	N/A	kg
Composted	N/A	kg
Incinerated	N/A	kg
Residuals/Landfilled	N/A	kg

<u>LLLI ONLY</u>

Disclosure	Quantity	Units
Total solid waste generated	2000	kg
Reusable	N/A	kg
Recyclable	N/A	kg
Composted	N/A	kg
Incinerated	N/A	kg
Residuals/Landfilled	2000	kg

<u>DHPC ONLY</u>

Disclosure	Quantity	Units
Total solid waste generated	840	kg
Reusable	180	kg
Recyclable	60	kg
Composted	360	kg
Incinerated	N/A	kg
Residuals/Landfilled	240	kg

[6] Due to insufficient data and resources, the data regarding LLLI are benchmarked to 2023, which are reasonable approximations since its operations for 2024 were markedly less intensive than 2023.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Solid waste for the Group's operating entities is being collected by their respective City/ Municipal Solid Waste department based on a regular schedule in coordination with the operations team.	Operations, Local Government Unit (Municipal)	Handling of solid waste is being handled in accordance with the Group's waste management program/process.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	None	All garbage for disposal is pre-segregated from the origin and stored in its designated compartment.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
MRF Improvement	Operation	Strict implementation of waste management program and the improvement of MRF in the future development.

Hazardous Waste

THE GROUP

Disclosure	Quantity	Units
Total weight of hazardous waste generated	100	kg
Total weight of hazardous waste transported	0	kg

PHR ONLY

Disclosure	Quantity	Units
Total weight of hazardous waste generated	0	kg
Total weight of hazardous waste transported	0	kg

LLLI ONLY

Disclosure	Quantity	Units
Total weight of hazardous waste generated	0	kg
Total weight of hazardous waste transported	0	kg

DHPC ONLY

Disclosure	Quantity	Units
Total weight of hazardous waste generated	300	kg
Total weight of hazardous waste transported	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No impact since the majority of the Group's projects are not yet operational and are still under construction.	Not applicable	Consistent monitoring by the subsidiaries' respective on-site teams to ensure full compliance with the environmental permits.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	Not applicable	Monitor full compliance with environmental permits.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	Not applicable	Monitor full compliance with environmental permits.

Effluents

THE GROUP

Disclosure	Quantity	Units
Total volume of water discharges	0	Cubic meters
Percent of waste water recycled	90	%

PHR ONLY

Disclosure	Quantity	Units
Total volume of water discharges	0	Cubic meters
Percent of waste water recycled	0	%

LLLI ONLY

Disclosure	Quantity	Units
Total volume of water discharges	0	Cubic meters
Percent of waste water recycled	0	%

DHCP ONLY

Disclosure	Quantity	Units
Total volume of water discharges	0	Cubic meters
Percent of waste water recycled	50	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No Group-wide impact yet as the majority of the Group's projects are not yet operational and are still	Operations	For DHPC, the Company has been consistently monitoring the water quality by sending water samples to the

under construction, and considering that the Group employed a work-from-home arrangement for 9.5 months in 2020 until January 2023. There are no effluents discharged at the city's body of waters or drainage system for LLLI. Meanwhile, DHPC has its own water treatment plant facility that is being monitored on a daily basis. The said treated water is being used for irrigation purposes.		laboratory accredited by the DENR on a regular basis.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
None	Entire organization	Ensure full compliance and constant monitoring of obligations under environmental permits.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
None	Entire organization	Ensure full compliance and constant monitoring of obligations under environmental permits.

ENVIRONMENTAL COMPLIANCE

Non-compliance with Environmental Laws and Regulations

THE GROUP

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	#
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

PHR ONLY

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	#
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's	Which stakeholders are affected?	Management Approach

involvement in the impact?		
Not applicable since the Group did not receive any notice of violation from the relevant agencies.	Not applicable	Continue strict compliance and monitoring.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable since the Group did not receive any notice of violation from the relevant agencies.	Not applicable.	Continue strict compliance and monitoring.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable since the Group did not receive any notice of violation from the relevant agencies.	Not applicable.	Continue strict compliance and monitoring.

LLLI ONLY

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	#
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable – Compliant with the law	Not applicable – Compliant with the law	Continue strict compliance and monitoring.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable – Compliant with the law	Not applicable – Compliant with the law	Continue strict compliance and monitoring.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable – Compliant with the law	Not applicable – Compliant with the law	Continue strict compliance and monitoring.

DHPC ONLY

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	Not applicable – Compliant with the law
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	Not applicable – Compliant with the law
No. of cases resolved through dispute resolution mechanism	1	Expired STP discharge

		permit - still ongoing repair

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Not applicable – Compliant with the law	Not applicable – Compliant with the law	Continue strict compliance and monitoring.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable – Compliant with the law	Not applicable – Compliant with the law	Continue strict compliance and monitoring.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable – Compliant with the law	Not applicable – Compliant with the law	Continue strict compliance and monitoring.

SOCIAL

EMPLOYEE MANAGEMENT

Employee Hiring and Benefits

Employee data

THE GROUP

Disclosure	Quantity	Units
Total number of employees	51	#
a. Number of female employees	19	#
b. Number of male employees	32	#
Attrition rate	5.8%	rate
Ratio of lowest paid employee against minimum wage	0	ratio

PHR ONLY

Disclosure	Quantity	Units
Total number of employees	Not Applicable	#
a. Number of female employees	Not Applicable	#
b. Number of male employees	Not Applicable	#
Attrition rate	Not Applicable	rate
Ratio of lowest paid employee against minimum wage	Not Applicable	ratio

LLLI ONLY

Disclosure	Quantity	Units
Total number of employees	10	#
a. Number of female employees	5	#
b. Number of male employees	5	#
Attrition rate	10%	rate
Ratio of lowest paid employee against minimum wage	0	ratio

DHPC ONLY

Disclosure	Quantity	Units
Total number of employees	41	#
a. Number of female employees	14	#
b. Number of male employees	27	#
Attrition rate	4.8%	rate
Ratio of lowest paid employee against minimum wage	0	ratio

Employee benefits

THE GROUP

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	Please refer to table for each operating entity	Please refer to table for each operating entity
Philhealth	Y		
Pag-ibig	Y		
Parental leaves	Y		
Vacation leaves	Y		
Sick leaves	Y		
Medical benefits (aside from PhilHealth)	Y		
Housing assistance (aside from Pag-ibig)	N		
Retirement fund (aside from SSS)	Y		
Further education support	Y		
Company stock options	Y		
Telecommuting	Y		
Flexible-working Hours	Y		
(Others)	N		

PHR ONLY

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS		Not applicable as there are no employees under PHR based on official records.	Not applicable as there are no employees under PHR based on official records.
Philhealth			
Pag-ibig			
Parental leaves			
Vacation leaves			
Sick leaves			

Medical benefits (aside from PhilHealth)			
Housing assistance (aside from Pag-ibig)			
Retirement fund (aside from SSS)			
Further education support			
Company stock options			
Telecommuting			
Flexible-working Hours			
(Others)			

LLLI ONLY

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	40% (2 TMs)	40% (2 TMs)
Philhealth	Y	None	None
Pag-ibig	Y	20% (1 TMs)	40% (2 TMs)
Parental leaves	Y	None	None
Vacation leaves	Y	20% (1 TMs)	0% (0 TMs)
Sick leaves	Y	None	None
Medical benefits (aside from PhilHealth)	Y	50% (5 TMs)	50% (5 TMs)
Housing assistance (aside from Pag-ibig)	N	N/A	N/A
Retirement fund (aside from SSS)	Y	None	None
Further education support	Y	None	None
Company stock options	Y	None	None
Telecommuting	Y	None	None

Flexible-working Hours	Y	None	None
(Others)	N	None	None

DHPC ONLY

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	21% (3TM)	37% (10 TM)
Philhealth	Y	0%	0%
Pag-ibig	Y	14% (2 TM)	48% (13TM)
Parental leaves	Y	0%	0%
Vacation leaves	Y	100% (14 TM)	100% (25)
Sick leaves	Y	28% (4 TM)	33% (9 TM)
Medical benefits (aside from PhilHealth)	Y	100% (14)	100% (27)
Housing assistance (aside from Pag-ibig)	N	0%	0%
Retirement fund (aside from SSS)	N	0%	0%
Further education support	N	0%	0%
Company stock options	N	0%	0%
Telecommuting	N	Not applicable	Not applicable
Flexible-working Hours	Y	Not Applicable	Not applicable
(Others)			

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
The Group ensures equitable and fair benefit packages to its employees and stakeholders.	The Management observes the mandate of the Labor Code and provides additional benefits on top of government mandated benefits.

What are the Risk/s Identified?	Management Approach
No identified risk for this area.	Not applicable
What are the Opportunity/ies Identified?	**Management Approach**
No need to explore other benefits not currently provided in the list above.	Not applicable

Employee Training and Development

THE GROUP

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	95	hours
b. Male employees	99	hours
Average training hours provided to employees		
a. Female employees	19.5	hours/employee
b. Male employees	21.25	hours/employee

PHR ONLY

Disclosure	Quantity	Units
Total training hours provided to employees	None at the moment considering that there are no official employees on record for the holding company	
a. Female employees		hours
b. Male employees		hours
Average training hours provided to employees		
a. Female employees		hours/employee
b. Male employees		hours/employee

LLLI ONLY

Employee Training and Development - None yet. (Pre operational stage)

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	45	hours
b. Male employees	45	hours
Average training hours provided to employees		
a. Female employees	5	hours/employee
b. Male employees	5	hours/employee

DHPC ONLY

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	280	hours
b. Male employees	728	hours
Average training hours provided to employees		
a. Female employees	20	hours/employee
b. Male employees	26.96	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Group promotes continuous training and development in nurturing the professional & personal growth of its employees.	The Group provides technical skills building programs to improve competency on Operations, Sales, and Product Knowledge of its employees.
What are the Risk/s Identified?	**Management Approach**
None	Not Applicable
What are the Opportunity/ies Identified?	**Management Approach**
The Group recognizes the need to develop a more robust program to enhance skills and competencies of the employees.	On-the-Job Training to practice the learning on Sales and Product Knowledge is being utilized.

Labor-Management Relations

THE GROUP

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#

PHR ONLY

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#

LLLI ONLY

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning	0	#

employee-related policies		

DHPC ONLY

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Group recognizes the need to listen and understand the welfare of its employees.	Through the Group's Human Resources Team, constant communication is being done to understand employees' work requirements.
What are the Risk/s Identified?	**Management Approach**
None	None
What are the Opportunity/ies Identified?	**Management Approach**
To attain a mutually beneficial relationship among and between its stakeholders.	Open communication through the Group's technology platform is highly encouraged.

Diversity and Equal Opportunity

THE GROUP

Disclosure	Quantity	Units
% of female workers in the workforce	Please refer to the table for each operating entity.	%
% of male workers in the workforce		%
Number of employees from indigenous communities and/or vulnerable sector*		#

PHR ONLY

Disclosure	Quantity	Units
% of female workers in the workforce	0	%
% of male workers in the workforce	0	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

LLLI ONLY

Disclosure	Quantity	Units
% of female workers in the workforce	50%	%
% of male workers in the workforce	50%	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

DHPC ONLY

Disclosure	Quantity	Units
% of female workers in the workforce	34%	%
% of male workers in the workforce	66%	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

**Vulnerable sectors include, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Group advocates diverse, inclusive and equal employment opportunities among its stakeholders.	Hiring and board composition do not have any restrictions.
What are the Risk/s Identified?	***Management Approach***
None	None
What are the Opportunity/ies Identified?	**Management Approach**
Further promotion of a culture of diversity and inclusion.	The Group does not discriminate by reason of gender, age, disability, ethnicity, nationality or political, religious, or cultural backgrounds.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

THE GROUP

Disclosure	Quantity	Units
Safe Man-Hours	0	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	0	#

PHR ONLY

Disclosure	Quantity	Units
Safe Man-Hours	Not applicable	Man-hours
No. of work-related injuries		#
No. of work-related fatalities		#
No. of work related ill-health		#

No. of safety drills		#

LLLI ONLY

Disclosure	**Quantity**	**Units**
Safe Man-Hours	0	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	0	#

DHPC ONLY

Disclosure	**Quantity**	**Units**
Safe Man-Hours	0	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Understanding the importance of working safety is paramount. The Group ensures that each project site has a dedicated occupational health and safety consultant / personnel to monitor the workers and conduct safety orientation on site.	All personnel assigned at the project site are required to undergo or attend the safety orientation training.
What are the Risk/s Identified?	**Management Approach**
Hazard at the workplace for on-site employees for the Group's Cebu project.	All safety personnel conduct daily inspections at the site to ensure that all possible scenarios are immediately addressed and brought up to the concerned contractor/s.
What are the Opportunity/ies Identified?	**Management Approach**
Monitoring of site premises for the Group's Cebu project.	The management has installed a turnstile with biometrics to properly account for all the workers coming in and out of the site.

Labor Laws and Human Rights

THE GROUP

Disclosure	**Quantity**	**Units**
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	
Child labor	N	
Human Rights	N	

PHR ONLY

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	
Child labor	N	
Human Rights	N	

LLLI ONLY

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	
Child labor	N	
Human Rights	N	

DHPC ONLY

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	
Child labor	N	
Human Rights	N	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Group is DOLE compliant.	The Management ensures adherence to labor laws and protects its human resources at all times.
What are the Risk/s Identified?	**Management Approach**
None	The company Code of Conduct is strictly enforced.
What are the Opportunity/ies Identified?	**Management Approach**
Information dissemination and awareness campaign will be in place.	Regular trainings and workshops are to be conducted.

SUPPLY CHAIN MANAGEMENT

THE GROUP

Do you have a supplier accreditation policy?

Considering that most of the Group's projects are still in its pre-operational stages because of the delay caused by the COVID 19 pandemic, the supplier accreditation policy for the Group is still being drafted. For now, all of the Group's suppliers are being endorsed to a third party service provider (Dun & Broadstreet) for accreditation.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the company policy
Environmental performance	N	These topics are highly considered in the policy being drafted. The Group shall also discuss with Dun & Broadstreet the possibility of including these in the accreditation process.
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	N	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
None at the moment.	None at the moment.
What are the Risk/s Identified?	**Management Approach**

Supplier/ vendor accreditation	Management has procured the services of a third party service provider to handle the supplier/ vendor acquisition needs of the Group.
What are the Opportunity/ies Identified?	**Management Approach**
Implementation of a standard supplier accreditation and procurement process and policy for the entire Group.	The policy on supplier accreditation and procurement is currently being drafted.

RELATIONSHIP WITH COMMUNITY

Significant Impacts on Local Communities

THE GROUP

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Please refer to the individual table for each operating entity.					

PHR ONLY

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
PHR is a holding company by nature and, by itself, has no business operations that would impact local communities.	Taguig City, Metro Manila, Philippines	None	N	None	None due to the nature of PHR as a holding company

LLLI ONLY

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Construction and development of the Emerald Bay Resort and Casino	Lapu-lapu City, Cebu, Philippines	None	N	None	Construction has been stopped at the moment, but compliance with applicable laws and regulations, and cooperation and coordination with the local government and communities are consistent and ongoing.

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____________

Certificates	Quantity	Units
FPIC process is still undergoing	0	Not applicable
CP secured	0	Not applicable

DHPC ONLY

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Operation of the resort	Panglao, Bohol, Philippines	None	N	None	Compliance with applicable laws and regulations, and cooperation and coordination with the local government and communities are consistent and ongoing.

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____________

Certificates	Quantity	Units
FPIC process is still undergoing	0	Not applicable
CP secured	0	Not applicable

What are the Risk/s Identified?	Management Approach
Not applicable.	Not applicable. There are no IPs covered within the project site/ location.
What are the Opportunity/ies Identified?	**Management Approach**
Not applicable.	Not applicable. There are no IPs covered within the project site/ location.

Customer Management

Information for this sustainability topic will only include data from DHPC, the Group's only fully operational entity at the moment.

Customer Satisfaction

Disclosure	Score (1-5, with 5 being the highest)	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	4.5	Y

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
For DHPC, the Group's only operating entity at the moment, guest review platforms generate the data for customer satisfaction	DHPC receives the reviews via an online monitoring system. These reviews are then replied to directly by the management to address all customer-related concerns.
What are the Risk/s Identified?	**Management Approach**
There is the possibility of unsatisfactory reviews being published and seen by prospective guests.	Address all concerns properly and use suggestions as points for improvement.
What are the Opportunity/ies Identified?	**Management Approach**
Capitalize on reviews and positive feedback.	Continue working on providing excellent guest experiences as there is a multiplier effect in this type of system whereby every positive customer review generates new customers.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Entire organization, guests, community	Safety procedures, emergency procedures, planned maintenance system, training manual, job description, job safety analysis, and garbage management are given utmost importance to ensure delivery of the best service to DHPC's guests.
What are the Risk/s Identified?	**Management Approach**
Possible customer dissatisfaction	The Group, through DHPC, aims to provide a secure environment for all its employees, contractors, and guests; thus, policies are being developed whereby all employees are expected to comply with the security

	measures and legal requirements. They shall take all necessary precautions to protect themselves, their colleagues, guests, and the environment from all criminal or malicious acts.
What are the Opportunity/ies Identified?	**Management Approach**
Opportunity to improve guest experience and safety	Regular employee trainings and programs.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
None	Not applicable
What are the Risk/s Identified?	**Management Approach**
None	Not applicable
What are the Opportunity/ies Identified?	**Management Approach**
None	Not applicable

Customer Privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Guests' safety and privacy	The current layout of the DHPC resort allows complete privacy for its guests as each villa is spaced far from each other. Employees also ensure that there is a balance between guests' privacy and that their needs

	are diligently attended to.
What are the Risk/s Identified?	**Management Approach**
Some processes are still done manually which are susceptible to human error	Departments conduct monthly inventories to keep track of their performance and find ways to improve.
What are the Opportunity/ies Identified?	**Management Approach**
Improvement of current practices	Constant improvement through guest feedback and comments is an important value to management in order to constantly improve guest experience.

Data Security

Disclosure	**Quantity**	**Units**
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Guest records	Management ensures that guest records and information are kept confidential.
What are the Risk/s Identified?	**Management Approach**
Possible data breach and property theft.	Security protocols are in place to ensure guests' safety at all times.
What are the Opportunity/ies Identified?	**Management Approach**
Improvement of current protocols	Constant improvement through guest feedback and comments is an important value to management.

UN SUSTAINABLE DEVELOPMENT GOALS

PRODUCT OR SERVICE CONTRIBUTION TO UN SDGS

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Hotel and restaurant in Panglao, Bohol by DHPC	By employing members of the local community in the different departments of the hotel and restaurant, DHPC is able to help the locals earn a sufficient living. (UN SDG 1: No Poverty; UN SDG 8: Decent Work and Economic Growth)	Although employment opportunities are given to members of the local community, this may still not be enough to meet the needs of their families.	Management also intends to direct its CSR projects to the communities surrounding the hotel and restaurant to ensure that more people benefit from DHPC's profits.
Integrated Resort in Lapulapu City, Mactan, Cebu by LLLI	By employing members of the local community and engaging local service providers, LLLI is able to help them earn a sufficient living. (UN SDG 1: No Poverty; UN SDG 8: Decent Work and Economic Growth)	Although employment opportunities are given to members of the local community, this may still not be enough to meet the needs of their families.	Upon completion, Management also intends to direct its CSR projects to the communities surrounding the Integrated Resort to ensure that more people benefit from LLLI's profits.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*