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Company Information

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Industry Classification: J66940
Company Type: Stock Corporation

Document Information

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C O V E R   S H E E T

SEC Registration Number

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C O M P A N Y   N A M E

PH RESORTS GROUP HOLDINGS, INC. (FORMERLY PHILIPPINE H2O VENTURES CORP.)

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
AAFS	CRMD	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
phr_legal@phresorts.com		

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
28	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
Leandro E. Abarquez	leandro.abarquez@udenna.ph		

CONTACT PERSON's ADDRESS

19th 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.*

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

Report on the Audit of the Financial Statements

Opinion

We have audited the parent company financial statements of PH Resorts Group Holdings, Inc. (the Company), which comprise the parent company statements of financial position as at December 31, 2025 and 2024, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended 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 Parent Company Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to the audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in the Philippines. We have also 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 parent company financial statements which indicates that for the year ended December 31, 2025, the Company reported net loss of ₱6,199.7 million and has a deficit of ₱9,150.4 million and ₱2,950.8 million as of December 31, 2025 and 2024, respectively. The Company's current liabilities exceeded its current assets by ₱752.2 million and ₱737.3 million as at December 31, 2025 and 2024, respectively, and the Company has negative operating cash flows of ₱4.1 million in 2025. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with PFRS Accounting Standards, 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 parent company financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company 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 e auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 17 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of PH Resorts Group Holdings, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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, August 24, 2026, valid until August 23, 2029
SEC Partner Accreditation No. 118576-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-155-2024, October 2, 2024, valid until October 1, 2027
PTR No. 10765105, January 2, 2026, Makati City

September 4, 2026

PH RESORTS GROUP HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash in banks (Note 5)	**₱392,232**	₱9,188,291
Other current assets	**119,582**	12,936
Total Current Assets	**511,814**	9,201,227
Noncurrent Assets		
Investments in subsidiaries (Note 7)	**–**	4,550,000,000
Deposit for future stock acquisition (Note 6)	**5,193,589,797**	6,533,938,234
Advances to related parties (Note 6)	**505,680,920**	451,507,639
Property and equipment - net (Note 8)	**84,602**	184,046
Other noncurrent assets	**7,446,299**	8,272,798
Total Noncurrent Assets	**5,706,801,618**	11,543,902,717
TOTAL ASSETS	**₱5,707,313,432**	₱11,553,103,944
LIABILITIES AND EQUITY		
Current Liabilities		
Advances from related parties (Note 6)	**₱655,502,605**	₱652,597,679
Accounts payable and other current liabilities (Note 9)	**97,177,808**	93,937,374
Total Current Liabilities	**752,680,413**	746,535,053
Noncurrent Liabilities		
Deferred tax liability (Note 12)	**108**	762
Advances for future stock subscription (Notes 6 and 10)	**4,475,606,824**	4,127,883,688
Total Noncurrent Liabilities	**4,475,606,932**	4,127,884,450
Total Liabilities	**5,228,287,345**	4,874,419,503
Equity		
Capital stock (Notes 1 and 11)	**7,282,017,027**	7,282,017,027
Additional paid-in capital	**1,629,450,205**	1,629,450,205
Deposit for future stock subscription (Notes 6 and 10)	**717,982,973**	717,982,973
Deficit	**(9,150,424,118)**	(2,950,765,764)
Total Equity	**479,026,087**	6,678,684,441
TOTAL LIABILITIES AND EQUITY	**₱5,707,313,432**	₱11,553,103,944

See accompanying Notes to Parent Company Financial Statements.

PH RESORTS GROUP HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2025	2024
OPERATING EXPENSES		
Professional fees	**₱4,594,859**	₱1,111,632
Transportation and travel	**1,518,170**	86,340
Depreciation and amortization (Note 8)	**1,113,216**	811,165
Listing and filing fees	**552,704**	752,232
Taxes and licenses	**269,158**	185,006
Others	**284,302**	75,201
	8,332,409	3,021,576
OTHER INCOME (EXPENSES)		
Impairment loss on investments in subsidiaries and deposit for future stock acquisition (Notes 6 and 7)	**(6,191,300,438)**	–
Bank charges	**(14,562)**	(42,790)
Loss on sale of property and equipment	**(14,328)**	–
Interest income (Note 5)	**3,214**	2,811
Foreign exchange loss - net	**137**	(541)
Gain on lease termination	–	3,995,049
	(6,191,325,977)	3,954,529
INCOME (LOSS) BEFORE INCOME TAX	**(6,199,658,386)**	932,953
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 12)		
Current	**622**	549
Deferred	**(654)**	(114,700)
	(32)	(114,151)
NET INCOME (LOSS)	**(6,199,658,354)**	1,047,104
OTHER COMPREHENSIVE INCOME	–	–
TOTAL COMPREHENSIVE INCOME (LOSS)	**(₱6,199,658,354)**	**₱1,047,104**
INCOME (LOSS) PER SHARE (Note 16)	**(₱0.85137)**	₱0.00014

See accompanying Notes to Parent Company Financial Statements.

PH RESORTS GROUP HOLDINGS, INC.

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Capital Stock (Notes 1, 7 and 11)	Additional Paid-in Capital (Notes 1, 7 and 11)	Deposit for Future Stock Subscription (Notes 6 and 10)	Retained Earnings (Deficit) (Note 11)	Total
Balance as at January 1, 2025	**₱7,282,017,027**	**₱1,629,450,205**	**₱717,982,973**	**(₱2,950,765,764)**	**₱6,678,684,441**
Total comprehensive loss	–	–	–	**(6,199,658,354)**	**(6,199,658,354)**
Balance at December 31, 2025	**₱7,282,017,027**	**₱1,629,450,205**	**₱717,982,973**	**(₱9,150,424,118)**	**₱479,026,087**
Balance as at January 1, 2024	₱7,282,017,027	₱1,629,450,205	₱717,982,973	(₱2,951,812,868)	₱6,677,637,337
Total comprehensive income	–	–	–	1,047,104	1,047,104
Balance at December 31, 2024	₱7,282,017,027	₱1,629,450,205	₱717,982,973	(₱2,950,765,764)	₱6,678,684,441

See accompanying Notes to Parent Company Financial Statements.

PH RESORTS GROUP HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	**(₱6,199,658,386)**	₱932,953
Adjustments for:		
Impairment loss on investment in subsidiaries and deposit for future stock acquisition (Notes 6 and 7)	**6,191,300,438**	–
Depreciation and amortization (Notes 6, 8 and 9)	**1,113,216**	811,165
Loss on sale of property and equipment	**14,328**	–
Interest income (Note 5)	**(3,214)**	(2,811)
Unrealized foreign exchange gain	**(432)**	(3,048)
Gain on lease termination	**–**	(3,995,049)
Input VAT	**–**	(114,880)
Loss before working capital changes	**(7,234,050)**	(2,371,670)
Decrease (increase) in other current assets	**(106,646)**	96,160
Increase in accounts payable and other current liabilities	**3,240,430**	3,263,721
Net cash provided by (used in) operations	**(4,100,266)**	988,211
Income taxes paid (Note 12)	**(622)**	(549)
Net cash provided by (used in) operating activities	**(4,100,888)**	987,662
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional deposit for future stock acquisition (Note 6)	**(300,952,000)**	(757,604,513)
Decrease (increase) in advances to related parties (Note 6)	**(54,159,409)**	4,290,749
Increase in other noncurrent assets	**(215,470)**	(243,839)
Interest received (Note 5)	**3,214**	2,811
Additions to property and equipment	**–**	(213,732)
Net cash from (used in) investing activities	**(355,323,665)**	(753,768,524)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposit for future stock subscription (Note 6)	**347,723,136**	759,746,973
Advances from related parties (Note 6)	**2,904,926**	(500)
Net cash generated from financing activities	**350,628,062**	759,746,473
NET INCREASE (DECREASE) IN CASH IN BANKS	**(8,796,491)**	6,965,611
EFFECT OF EXCHANGE RATE CHANGES ON CASH IN BANKS	**432**	3,048
CASH IN BANKS AT BEGINNING OF YEAR	**9,188,291**	2,219,632
CASH IN BANKS AT END OF YEAR (Note 5)	**₱392,232**	₱9,188,291

See accompanying Notes to Parent Company Financial Statements.

1. **General Information**

Corporate Information

PH Resorts Group Holdings, Inc. ("PH Resorts" 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 registered office address of the Company is at 20th Floor, Udenna Tower, Rizal Drive corner 4th Avenue, Bonifacio Global City, Taguig City.

The parent company financial statements as of December 31, 2025 and 2024 and for the years then ended were authorized for issue by the Board of Directors (BOD) on September 4, 2026.

Changes in Ownership of PH Resorts

PH Resorts Group Holdings, Inc. in its current form was renamed from Philippine H2O Ventures Corp. (H20) after the change in ownership in 2018 through its acquisition by Udenna Corporation. Consequently, PH Resorts became a holding company for the gaming and tourism-related businesses of Udenna Corporation (Udenna; ultimate parent company). The Company and its subsidiaries are referred herein as the "Group".

Status of Operations

For the year ended December 31, 2025, Company reported net loss of ₱6,199.7 million and has a deficit of ₱9,150.4 million and ₱2,950.8 million as of December 31, 2025 and 2024, respectively. The Company's current liabilities exceeded its current assets by ₱752.2 million and ₱737.3 million as at December 31, 2025 and 2024, respectively. Moreover, the Company has negative operating cash flows of ₱4.1 million in 2025. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

In response to these conditions, management, together with the Company's ultimate parent company, Udenna, has developed and is implementing a comprehensive financial and corporate restructuring plan designed to improve the Company and its subsidiaries' (the Group) financial position, simplify its corporate structure, and enhance its long-term sustainability.

A significant component of the restructuring plan involves the proposed separation of PH Travel and Leisure Holdings Corp (PH Travel) and its subsidiaries from PH Resorts. Under the proposed restructuring, Udenna intends to acquire PH Resorts' ownership interest in PH Travel through the settlement of outstanding advances payable by PH Resorts to Udenna. The transaction is intended to simplify the Group's structure, substantially reduce outstanding related party advances, and reposition PH Resorts as a streamlined listed holding company with significantly reduced legacy obligations.

In connection with the proposed restructuring, Udenna has committed to continue providing financial support to the Group and intends to facilitate the settlement and/or assumption of significant obligations associated with the PH Travel subgroup, including certain trade payables and related-party obligations, through debt assumption, assignment of liabilities, direct settlement arrangements, funding support, or such other commercially appropriate mechanisms as may be determined following legal, tax, accounting and regulatory review.

Management has likewise initiated the rationalization of outstanding intercompany balances within the Udenna Group through the offset and settlement of reciprocal receivables and payables. These initiatives are expected to simplify the Group's capital structure, reduce related-party exposures, improve the PH Resorts' financial position, and enhance its ability to pursue future capital raising initiatives, strategic partnerships, and other corporate transactions.

In addition, the Group's liquidity plans include the following:

- Udenna has confirmed its continuing financial support to the Group and has committed, along with its other subsidiaries, not to demand payment of outstanding advances from the Group within the next twelve (12) months from September 4, 2026, and to provide financial assistance, as necessary, to enable the Group to meet its obligations as they fall due.
- Udenna commits, is willing and has the ability to provide continuing support to the Group with respect to the following liabilities: (a) US Dollar loan to 8H Capital Growth Asia Fund, (b) third party obligations, (c) related party payable and (c) other pre-operating expenses in 2026. Udenna also committed that it will not collect its outstanding receivables from the Group in the next 12 months from September 4, 2026.
- Udenna continues to fund the Group's necessary operating expenditures, asset preservation costs, and other essential cash requirements while the restructuring initiatives are being implemented.
- Management continues to evaluate opportunities to restructure existing obligations, optimize the Group's capital structure, and pursue other value-enhancing transactions to improve liquidity and financial flexibility.

The successful implementation of the foregoing plans remains subject to the completion of the necessary corporate approvals, execution of definitive agreements, legal, tax and accounting assessments, regulatory requirements, and agreements among the relevant parties.

Based on management's assessment of the progress of the restructuring initiatives, the continuing financial support of Udenna, and management's expectation that the foregoing plans will be successfully implemented, management believes that the Group will have sufficient financial resources to meet its obligations as they fall due and continue its operations for the foreseeable future. Accordingly, the accompanying consolidated financial statements have been prepared on a going concern basis of accounting.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation
The parent company financial statements have been prepared under the historical cost basis and are presented in Philippine peso, its functional currency. All amounts are rounded to the nearest peso, unless otherwise indicated.

Statement of Compliance
The parent company financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. The term PFRS, in general, includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations issued by former Standing Interpretations Committee, the Philippine Interpretations Committee and the International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the Philippine Securities and Exchange Commission (SEC).

The accompanying parent company financial statements are the Company's separate financial statements prepared in compliance with PAS 27, *Separate Financial Statements*. These financial statements are prepared for submission to the Philippine SEC and Bureau of Internal Revenue (BIR).

The Company also prepares and issues consolidated financial statements for the same period as the separate financial statements in accordance with PFRS Accounting Standards. These are filed with and may be obtained from the Philippine SEC or the Company's registered business address.

3. Summary of Material Accounting Policy Information

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 2025. The Company 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 financial statements of the Company.

- Amendments to PAS 21*, Lack of Exchangeability* – The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

Pronouncements Issued but Not yet Effective
Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Company's financial statements, unless otherwise indicated:

Effective beginning on or after January 1, 2026
- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- 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 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements* - PFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure on newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to PAS 8, *Statement of Cash Flows*, which include changing the starting point in determining cash flows from operations under the indirect method, from "profit

or loss" to "operating profit or loss" and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. PFRS 18, and the amendments of other standards, is effective to reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. PFRS 18 will apply retrospectively. The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

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 Policy Information

Financial Instruments

Financial Assets

The Company has financial assets at amortized cost consisting of cash in banks and advances to related parties.

An exposure will migrate through the expected credit loss (ECL) stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL.

The Company considers that its high-grade cash in banks 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. The identified impairment loss was immaterial.

For advances to related parties, 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 Company 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%.

Financial Liabilities

The Company's financial liabilities at amortized cost consist of accounts payable and other current liabilities, advances from related parties and lease liability.

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 Company 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 EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the 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.

Investments in Subsidiaries

Investments in subsidiaries are accounted for and presented at cost less any impairment in value. Under the cost method, the Company recognizes dividend income from the investment only to the extent that the Company receives distributions, or right to receive the dividend has been established, from accumulated profits of the subsidiary arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction from the cost of investment.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation, amortization and any accumulated impairment.

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:

Leasehold improvements	1 year or lease term, whichever period is shorter
Office furniture and fixtures	2-10 years

Deposit for Future Stock Acquisition

Deposit for future stock acquisition represents payments made on subscription of shares which cannot be directly debited to 'Investment in subsidiaries' due to pending registration with the SEC for the proposed increase in authorized capital stock.

Deposits for Future Stock Subscription

The deposits for future stock subscription account represent funds received by the Company 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 the statement of changes in equity and as a separate item in the equity section of the 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 Company);
- 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.

4. **Significant Accounting Judgements, Estimates and Assumptions**

The preparation of the parent company financial statements in accordance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the amounts reported in the parent company financial statements. The judgments, estimates and assumptions used in the parent company 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 comparable financial statements. While the Company believes that the assumptions are reasonable and appropriate, differences in the actual experience or changes in the assumptions may materially affect the estimated amounts. The effects of any change in estimates are reflected in the parent company financial statements as they become reasonably determinable.

Judgement

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the parent company financial statements:

Assessment of going concern. As discussed in Note 1, for the year ended December 31, 2025, the Company reported net loss of ₱6,199.7 million and has a deficit of ₱9,150.4 million and ₱2,950.8 million as of December 31, 2025 and 2024, respectively. The Company's current liabilities exceeded its current assets by ₱752.2 million and ₱737.3 million as at December 31, 2025 and 2024, respectively, and the Company has negative operating cash flows of ₱4.1 million in 2025. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

Management believes that the financial support from Udenna provides additional assurance that the Company will have access to funding necessary to meet its obligations while the proposed restructuring plan is being evaluated and implemented. Accordingly, management considers the financial support, together with the proposed restructuring initiatives, as significant mitigating factors in its assessment of the Company's ability to continue as a going concern. As such, the accompanying parent company financial statements have been prepared on going concern basis of accounting.

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:

Estimation of probable losses on input VAT. The Company estimates the level of provision for probable losses on input VAT based on the probability that the input VAT may be used in the future, taking into consideration the prescription period within which the Company can apply for a tax refund or tax credit. The carrying value of the input VAT (included under "Other noncurrent assets") amounting to ₱3.4 million and ₱3.2 million as at December 31, 2025 and 2024 is assessed by management to be recoverable as the Company is expected to have an active participation in its subsidiaries' management.

Impairment of Investments in Subsidiaries and Deposits for Future Stock Acquisition (DFFA). The assessment of the recoverability of investments in subsidiaries and deposits for future stock subscription involves significant judgment and estimation. The assessment takes into consideration the Company's restructuring plans, the expected recoverability of the underlying investments, and other relevant information available as of the reporting date. Based on the assessment performed, the carrying amounts of certain investments in subsidiaries and DFFA were determined to be not fully recoverable, resulting in the recognition of impairment losses amounting to ₱6,191.3 million in 2025 (see Note 6 and 7).

The determination of the impairment losses requires the use of assumptions regarding the expected outcome of the restructuring initiatives and the recoverable amount of the related investments and DFFA. Changes in these assumptions, or differences between expected and actual outcomes, could result in material adjustments to the carrying amounts of these assets in future periods.

5. Cash in Banks

As of December 31, 2025 and 2024, the Company's cash in banks amounted to ₱0.4 million and ₱9.2 million, respectively. Cash in banks earn interest at the respective bank deposit rates.

Interest income earned on cash in banks amounted to ₱3,214 in 2025 and ₱2,811 in 2024.

6. 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 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 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 entity is exposed to credit risk. No other factors have been noted by the Company 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%. For the years ended December 31, 2025 and 2024, the Company has not recorded any impairment of receivables on amounts owed by the related parties.

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

Relationship	Name
Parent Company	Udenna Corporation
Subsidiaries	PH Travel and Leisure Holdings Corp. (PH Travel)
	Lapulapu Leisure, Inc. (L3)
	Donatela Hotel Panglao Corp.
	Donatela Resorts and Development Corp.
	Clark Grand Leisure Corp.
	Davao PH Resort Corp.
	CD Treasures Holdings Corp.
Affiliates under Common Control	CGLC Cultural Heritage Foundation, Inc.
	Lapulapu Cultural Heritage Foundation, Inc.
	Emerald Development Holdings Limited (EDHL)
	Udenna Tower Corporation (UTow)

The parent company statements of financial position include the following amounts with respect to the balances with related parties:

	Amount/Volume of Transaction		Outstanding Receivable (Payable)		
	2025	2024	**2025**	2024	Terms & Conditions
Parent Company					
Cash advances from a related party (a)	**₱10,500**	₱–	**(₱197,253,781)**	(₱197,243,281)	Unsecured; noninterest-bearing; due and demandable
Subsidiaries					
Cash advances to related parties (b)	**54,173,281**	–	**505,501,692**	451,328,411	Unsecured; noninterest-bearing; not impaired; due and demandable
Cash advances from related parties (c)	**–**	–	**(458,248,824)**	(455,354,398)	Unsecured; noninterest-bearing; due and demandable
Entities under Common Control					
Cash advances to related party (b)	**–**	–	**179,228**	179,228	Unsecured; noninterest-bearing; not impaired; due and demandable
Deposit for future stock acquisition (d) (i)					
Payments for future stock acquisition	**300,952,000**	757,604,513	**5,193,589,797**	6,533,938,234	Unsecured; noninterest-bearing; net of impairment loss of ₱1,641.3 million in 2025.
Advances for future stock subscription (e) (ii)	**347,723,136**	759,746,973	**(4,475,606,824)**	(4,127,883,688)	Non-refundable
Deposits for future stock subscription (e) (iii)	**–**	–	**(717,982,973)**	(717,982,973)	Non-refundable

i. Presented under "Deposit for future stock acquisition" under the Noncurrent Assets section of the parent company statements of financialposition as of December 31, 2025 and 2024.
ii. Presented under "Advances for future stock subscription" under Noncurrent Liabilities of the parent company statements of financial position.as of December 31, 2025 and 2024.
iii. Presented under "Deposit for future stock subscription" under Equity section of the parent company statements of financial position.as of December 31, 2025 and 2024.

a. Advances from parent company

The Company obtained advances from its related parties for working capital and investing purposes.

b. Advances to related parties

The Company granted advances to its related parties for working capital and financing purposes.

c. Advances from related parties

The Company obtained advances from its related parties for working capital and investing purposes.

d. Deposit for future stock acquisition (Asset)

The Company paid PH Travel for deposit for future acquisition of shares of stock. As of December 31, 2025 and 2024, deposit for future acquisition of stock amounted to ₱5,193.6 million and ₱6,533.9 million, respectively, which is presented under noncurrent assets section of the statements of financial position. The Company recognized an impairment loss amounting to ₱1,641.3 million in 2025.

e. Deposit for future stock subscription (Liability)

In 2025 and 2024, the Company received deposits for future stock subscription from Udenna totaling ₱347.7 million and ₱759.7 million, respectively, and is presented as part of "Advances for future stock subscription" under Liabilities in the statements of financial position.

As of December 31, 2025, the Company 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 statements of financial position.

As of December 31, 2025 and 2024, deposits and advances for future stock subscription from Udenna totaled ₱5.19 billion and ₱4.85 billion, respectively.

f. Compensation and other benefits of key management personnel

Management of the Company is being handled by LLI at no cost to the Company as of and for the years ended December 31, 2025 and 2024.

7. Investments in Subsidiaries

As at December 31, 2025 and 2024, the Company owned 100% of stockholdings of PH Travel. Details are as follow:

	Nature of Business	Dates of Incorporation	Percentage of Ownership
PH Travel	Holding company	January 3, 2017	100%
Lapu-Lapu Leisure, Inc.*	Hotels, casino and gaming	January 25, 2017	100%
Clark Grand Leisure Corp.*	Hotels, casino and gaming	April 3, 2018	100%
Donatela Hotel Panglao Corp.*	Hotel and recreation	November 7, 2017	100%
Donatela Resorts and Development Corp.*	Hotel and recreation	March 7, 2018	100%
Davao PH Resort Corp.*	Hotel and recreation	March 8, 2018	100%
CD Treasures Holdings Corp.*	Holding company	February 27, 2018	100%
LapuLapu Land Corp.**	Real estate	February 14, 2017	100%

**Entities are 100% owned by PH Travel, thus indirect subsidiaries of PH Resorts.*
***100% owned by LapuLapu Leisure, Inc., thus an indirect subsidiary of PH Resorts.*

The Company has recognized a full impairment loss on its investments in subsidiaries amounting to ₱4.55 billion in 2025.

8. Property and Equipment

The Company's property and equipment consist of the following:

	2025		
	Leasehold Improvements	**Office furniture and Fixtures**	**Total**
Cost			
Balance at beginning of year	**₱33,770,038**	**₱265,732**	**₱34,035,770**
Disposal	**–**	**(53,433)**	**(53,433)**
Balance at end of year	**33,770,038**	**212,299**	**33,982,337**
Accumulated Depreciation			
Balance at beginning of year	**33,770,038**	**81,686**	**33,851,724**
Depreciation	**–**	**71,243**	**71,243**
Disposal	**–**	**(25,232)**	**(25,232)**
Balance at end of year	**33,770,038**	**127,697**	**33,897,735**
Net Book Value	**₱–**	**₱84,602**	**₱84,602**

	2024		
	Leasehold Improvements	Office furniture and Fixtures	Total
Cost			
Balance at beginning of year	₱33,770,038	₱52,000	₱33,822,038
Additions	–	213,732	213,732
Balance at end of year	33,770,038	265,732	34,035,770
Accumulated Depreciation			
Balance at beginning of year	33,770,038	52,000	33,822,038
Depreciation	–	29,686	29,686
Balance at end of year	33,770,038	81,686	33,851,724
Net Book Value	₱–	₱184,046	₱184,046

9. Accounts Payable and Other Current Liabilities

	2025	2024
Nontrade payables	**₱96,093,811**	₱92,852,752
Accrued expenses	**1,072,222**	1,072,222
Statutory payables	**11,775**	12,400
	₱97,177,808	₱93,937,374

Nontrade payables are normally settled within 30 to 60 days.

Accrued expenses consist mainly of accrued interest and rentals which are normally settled within 30 to 60 days.

Statutory payables are payable within 30 days.

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

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

On December 29, 2022, PH Resorts and Udenna 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 as of December 31, 2025 and 2024 in the statements of financial position.

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 executed a Memorandum of Agreement for the subscription of 329.58 million common shares with a subscription price of ₱1.00 per share. Of this amount, ₱108.06 million is presented as “Deposit for future stock subscription” under Equity in the parent company statements of financial position as of December 31, 2025 and 2024 while the ₱221.52 million is presented as part of “Advances for future stock subscription” under Liabilities as of December 31, 2025 and 2024 in the statements of financial position.

From April to November 2023, PH Resorts received advances for future stock subscription from Udenna totaling ₱3.15 billion. These are presented as “Advances for future stock subscription” under Liabilities in the parent company statement of financial position as of December 31, 2025 and 2024.

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 Bloomberry Resorts Corporation (BRC). Total advances for future stock subscription received by PH Resorts from Udenna in 2024 amounted to ₱759.7 million.

In 2025, additional deposits for future stock subscription was received by PH Resorts from Udenna amounting to ₱347.7 million, which was utilized to further reduce the Deposit payable to BRC.

As of December 31, 2025, the Company 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 parent company statement of financial position.

As of December 31, 2025 and 2024, Deposits and advances for future stock subscription from Udenna totaled ₱5.19 billion and ₱4.85 billion, respectively.

11. **Capital Stock**

The Company's common shares (at ₱1 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 of the year	7,282,017,027	₱7,282,017,027
Issuance during the year	–	–
Issued and outstanding	7,282,017,027	₱7,282,017,027

12. **Income Taxes**

a. The current provision for income tax consists of final tax on interest income.

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

	2025	2024
Provision for (benefit from) income tax computed at statutory rate	**(₱1,549,914,597)**	₱233,238
Adjustments to income tax resulting from:		
Movement in unrecognized deferred tax assets	**2,080,861**	(240,094)
Nondeductible expenses	**1,547,834,648**	8,321
Interest income subjected to final tax	**(182)**	(154)
Adjustment on the balances of deferred tax liabilities	**(762)**	(115,462)
	(₱32)	₱114,151

c. The Company did not recognize deferred tax assets arising from NOLCO amounting to ₱26.37 million in 2025 and ₱82.10 million in 2024 since management believes that it is not probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized.

d. As at December 31, 2025, NOLCO of the Company for which deferred tax asset has not been recognized, can be applied against future taxable income within the periods shown below:

Year Incurred	Expiry Date	Amount	Expired	Unused
2020	December 31, 2025	₱128,884,874	₱128,884,874	₱–
2021	December 31, 2026	55,253,989	–	55,253,989
2022	December 31, 2025	102,341,260	102,341,260	–
2023	December 31, 2026	38,862,629	–	38,862,629
2024	December 31, 2027	3,034,671	–	3,034,671
2025	December 31, 2028	8,323,444	–	8,323,444
		₱336,700,867	₱231,226,134	₱105,474,733

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 Company 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 for taxable year 2022 and before taxable year 2020 can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years.

13. Financial Risks Management Objectives and Policies

The Company's principal financial instruments are cash in banks which finance the Company's operations. The other financial assets and liabilities arising from its operations are advances from and to related parties, accounts payable and accrued expenses and lease liability.

The main risks arising from the Company's financial instruments are credit risk and liquidity 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 Company will incur a loss because its customers or counterparties failed to discharge their contractual obligations. The Company manages and controls credit risk by trading only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The table below shows the maximum exposure to credit risk for the Company's financial assets, without taking account of any collateral and other credit enhancements:

	2025	2024
Cash in banks	**₱392,232**	₱9,188,291
Advances to related parties	**505,680,920**	451,507,639
Total credit risk exposure	**₱506,073,152**	₱460,695,930

The financial assets of the Company are neither past due nor impaired and have high probability of collection.

Credit Quality per Class of Financial Asset. The credit quality of financial asset is being managed by the Company using internal credit ratings. The table on the next page shows the maximum exposure to credit risk for the Company's financial instruments:

	2025				
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Purchased or credit-impaired**	**Total**
Cash in banks	**₱392,232**	**₱–**	**₱–**	**₱–**	**₱392,232**
Advances to related parties	**505,680,920**	**–**	**–**	**–**	**505,680,920**
Carrying amount	**₱506,073,152**	**₱–**	**₱–**	**₱–**	**₱506,073,152**

	2024				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased or credit-impaired	Total
Cash in banks	₱9,188,291	₱–	₱–	₱–	₱9,188,291
Advances to related parties	451,507,639	–	–	–	451,507,639
Carrying amount	₱460,695,930	₱–	₱–	₱–	₱460,695,930

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

The Company seeks to manage its liquidity profile to be able to finance its investment and pay its outstanding liabilities. To cover its financing requirements, the Company uses advances from affiliated companies. The Company's objectives to manage its liquidity profile are to ensure that adequate funding is available, at all times, to meet commitments as they arise without incurring unnecessary costs, and to be able to access funding when needed at the least possible cost.

Cash in banks, accounts payable and accrued expenses, and advances to and from related parties are all considered due and demandable.

The tables in the next page summarize the maturity profile of the Company's financial liabilities. The table also analyses the maturity profile of the Company's financial assets in order to provide a complete view of the Company's contractual commitments and liquidity.

	2025			
	Due and Demandable	**Less than 1 Year**	**Over 1 Year**	**Total**
Cash in banks	**₱392,232**	**₱–**	**₱–**	**₱392,232**
Advances to related parties	–	–	**505,680,920**	**505,680,920**
Total	**392,232**	–	**505,680,920**	**506,073,152**
Accounts payable and accrued expenses*	–	**97,166,033**	–	**97,166,033**
Advances from related parties	**655,502,605**	–	–	**655,502,605**
	655,502,605	**97,166,033**	–	**752,668,638**
Liquidity gap	**(₱655,110,373)**	**(₱97,166,033)**	**₱505,680,920**	**(₱246,595,486)**

**Excluding nonfinancial liabilities of ₱11,775.*

	2024			
	Due and Demandable	Less than 1 Year	Over 1 Year	Total
Cash in banks	₱9,188,291	₱–	₱–	₱9,188,291
Advances to related parties	–	–	451,507,639	451,507,639
Total	9,188,291	–	451,507,639	460,695,930
Accounts payable and accrued expenses*	–	93,924,974	–	93,924,974
Advances from related parties	652,597,679	–	–	652,597,679
	652,597,679	93,924,974	–	746,522,653
Liquidity gap	(₱643,409,388)	(₱93,924,974)	₱451,507,639	(₱285,826,723)

**Excluding nonfinancial liabilities of ₱12,400.*

Capital Management

The primary objective of the Company's capital management is to safeguard the Company'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 Company manages its capital structure and makes adjustments to it in light of funding needs and changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares or obtain additional funding from related companies as additional paid-in capital or debt.

The Company considers its equity amounting to ₱479.03 million and ₱6.68 billion as at December 31, 2025 and 2024, respectively, as its core capital.

14. 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 in banks, accounts payable and accrued expenses, and advances to and from related parties, based on their notional amounts, reasonably approximates their fair values because these are mostly short-term in nature or are repriced frequently.

During the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 measurements.

15. Loss Per Share

Basic loss per share amounts are calculated by dividing the net income 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:

	2025	2024
Net loss attributable to the equity holders of the Company	**(₱6,199,658,354)**	₱1,047,104
Divided by weighted average number of common shares	**7,282,017,027**	7,282,017,027
Loss per share	**₱0.85137**	₱0.00014

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

16. Segment Information

The Parent Company's identified reportable segments are consistent with the segment information presented in the Company's consolidated financial statements. 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 others. 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. As at December 31, 2025 and 2024, the Company is primarily engaged as a holding entity to purchase and hold investments in shares of stocks, bonds, debentures, notes, evidences of indebtedness or other securities and obligations.

The following table presents the revenue and expense information and certain assets and liabilities information regarding business segments:

	2025			
	Hotels and Restaurant	**Gaming**	**Eliminations**	**Total**
Revenue	**₱27,947,932**	**₱–**	**₱–**	**₱27,947,932**
Results				
Direct costs and expenses	**(14,338,294)**	**–**	**–**	**(14,338,294)**
Operating expenses	**(87,938,681)**	**(82,113,493)**	**–**	**(170,052,174)**
Foreign exchange loss - net	**–**	**(4,817,072)**	**–**	**(4,817,072)**
Depreciation expense	**(4,726,404)**	**(6,379,190)**	**–**	**(11,105,594)**
Interest expense	**(189,411,166)**	**(214,400,562)**	**–**	**(403,811,728)**
Interest income	**2,424**	**711,607**	**–**	**714,031**
Income tax expense	**(391,171)**	**(106,940)**	**–**	**(498,111)**
Benefit from deferred tax	**4,515,391**	**1,798,071,326**	**–**	**1,802,586,717**
Other non-operating expense - net	**4,430,707**	**(16,111,340,952)**	**9,237,152,069**	**(6,869,758,176)**
Net loss	**(259,909,262)**	**(14,620,375,276)**	**9,237,152,069**	**(5,643,132,469)**
Assets and liabilities				
Operating assets	**1,621,322,888**	**9,613,248,841**	**(8,452,803,902)**	**2,781,767,827**
Operating liabilities	**1,018,950,382**	**4,148,442,394**	**(2,167,321,290)**	**3,000,071,486**
Loans payable	**972,938,116**	**101,066,360**	**–**	**1,074,004,476**
Advances for future stock subscription	**18,000,000**	**6,157,463,774**	**(1,699,856,950)**	**4,475,606,824**
Deferred tax liability	**93,865,135**	**10,929,700**	**–**	**104,794,835**
Total liabilities	**₱2,103,753,633**	**₱10,417,902,228**	**(₱3,867,178,240)**	**₱8,654,477,621**

	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	(608,935)	(6,750,059)	–	(7,358,994)
Benefit from deferred tax	193,094	296,304,348	74,907,794	371,405,236
Other non-operating expense - net	7,134,146	(833,349,835)	(299,631,176)	(1,125,846,865)
Net loss	(155,568,389)	(1,422,363,256)	(224,723,383)	(1,802,655,028)
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
Deferred tax asset	–	–	–	–
Total assets	1,634,766,074	39,663,685,041	(22,043,878,114)	19,254,573,001
Operating liabilities	869,970,358	19,290,629,018	(7,846,100,383)	12,314,498,993
Loans payable	766,901,374	204,491,386	–	971,392,760
Deferred tax liabilities	90,123,119	899,295,142	–	989,418,261
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

17. Supplementary Tax Information under Revenue Regulations (RR) 15-2010

In compliance with RR 15-2010 issued by the BIR on November 25, 2010, mandating all taxpayers to include information on taxes, duties and license fees paid or accrued during the taxable year, presented below are the taxes paid and accrued by the Company in 2025:

a. VAT

The Company's sales are subject to output VAT while its purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

Output VAT
The Company's revenue only pertains to interest income from bank deposits and gain on lease termination which are not subject to VAT pursuant to Revenue Memorandum Circular No. 4-2003; hence, no output VAT is reported during the period.

Input VAT
The Company has beginning carryover input taxes on domestic purchases of services amounting to ₱3,404,259.

b. Taxes and Licenses

Registration and publication fees	₱244,164
Notarial fees	22,000
Permits, taxes and licenses	2,995
	₱269,159

c. Withholding Taxes

	Expanded Withholding Taxes
Beginning balance	₱12,400
Additions	53,700
Payments	(54,325)
	₱11,775

d. Documentary stamp tax (DST)

The Company has no importations, excise taxes and documentary stamp taxes for the year ended December 31, 2025.

e. Deficiency Tax Assessments and Tax Cases

The Company is not involved in any tax assessments and tax cases as at and for the year ended December 31, 2025.

PH
RESORTS GROUP
A Udenna Company

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **PH Resorts Group Holdings Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2025** and **December 31, 2024**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The Board of Directors reviews and approves the financial statements including the 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

ALEXIS CARLO G. MAGSUMBOL
OIC - Chief Financial Officer

Signed this SEP 0 4 2026 day of _____, 2026

RESORTS GROUP
A Udenna Company

SUBSCRIBED AND SWORN to before me this SEP 0 4 2026 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	
Alexis Carlo G. Magsumbol	

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

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Page No. 64;
Book No. IX;
Series of 2026.

ATTY. BRENDA C. GARCIA
Notary Public City of Taguig
Until 31 December 2026
IBP O.R. No. INV584820/1-3-2026/Makati City
PTR No. A-6736209 on Nov. 27, 2025 at Taguig City
Appointment No. 125(2025-2026)
MCLE Compliance No. VIII-0009332 APRIL 14, 2028
BGC, Taguig City
Roll No. 39443 **Notary Public**

BUREAU OF INTERNAL REVENUE
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