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L E T
LEISURE ENTERTAINMENT TASTE

LET GROUP HOLDINGS LIMITED

(於開曼群島註冊成立之有限公司)

(股份代號：1383)

海外監管公告： 由一間海外上市附屬公司及繼續停牌

本公告乃根據香港聯合交易所有限公司(「**聯交所**」)證券上市規則(「**上市規則**」)第13.10B條而作出。

LET Group Holdings Limited於菲律賓證券交易所(「**菲律賓證券交易所**」)上市的一間海外上市附屬公司Suntrust Resort Holdings, Inc.已於2025年5月21日在菲律賓證券交易所網站刊載其截至2025年3月31日止三個月之季度報告(「**第一季度報告**」)。有關詳情請參閱隨附的第一季度報告。

繼續停牌

本公司股份已自2024年1月11日上午九時正起在聯交所短暫停止買賣，而證券及期貨事務監察委員會已根據證券及期貨(在證券市場上市)規則(香港法例第571V章)第8(1)條指令聯交所自2024年2月14日上午九時正起暫停所有股份買賣，並將繼續暫停買賣，直至本公司(i)符合所有復牌指引(定義見本公司日期為2024年4月8日之公告並其後於本公司日期為2024年5月17日及2025年2月10日之公告中修訂)；(ii)對導致其暫停買賣之問題作出補救；及(iii)全面遵守上市規則以令聯交所信納。

承董事會命

LET Group Holdings Limited

主席

盧衍溢

香港，2025年5月21日

於本公告日期，執行董事為盧衍溢先生(主席)及Lam Hung Tuan先生以及獨立非執行董事為杜健存先生、盧衛東先生及陳雪顏女士。

COVER SHEET

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S.E.C. Registration Number

[illegible]

(Company's Full Name)

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(Business Address of the Company)

NELILEEN S. BAXA

Contact Person

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Company Telephone Number

1	2
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Month

3	1
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Day

Fiscal Year

SEC FORM 17-Q

Form Type

Last Tuesday of October

Regular Meeting

NONE

Secondary License type, if applicable

MSRD/CMD/ICTD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total amount of Borrowings

Total No. of Stockholders

Total No. of Stockholders

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

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File Number

LCU

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Cashier

Remarks = Pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **31 March 2025**

2. Commission Identification No. **10683**

3. BIR Tax Identification No. **000-141-166-000**

SUNTRUST RESORT HOLDINGS, INC.

4. Exact name of issuer as specified in its charter

Metro Manila, Philippines

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

6. Industry Classification Code: (SEC Use Only)

**26th Floor Alliance Global Tower, 36th Street corner 11th Avenue, Uptown Bonifacio, Taguig
City 1634**

7. Address of Issuer's principal office and postal code

02 8894 6300

8. Issuer's telephone number, including area code

Not Applicable

9. 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 Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	7,250,000,000

11. Are any or all of the securities listed on a stock exchange?

Yes [☒] No [☐]

If yes, state the name of such stock exchange and the class/es of securities listed therein:

The common shares of the Issuer are listed on the Philippine Stock Exchange.

12. Indicate by checkmark whether the registrant:

- a. Has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 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 the registrant was required to file such reports):

Yes [☒] No [☐]

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

Yes [☒] No [☐]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Attached hereto are the following:

- Interim Condensed Consolidated Statements of Financial Position (**Exhibit 1**)
- Interim Condensed Consolidated Statements of Income (**Exhibit 2**)
- Interim Condensed Consolidated Statements of Comprehensive Income (**Exhibit 3**)
- Interim Condensed Consolidated Statements of Changes in Equity (**Exhibit 4**)
- Interim Condensed Consolidated Statements of Cash Flows (**Exhibit 5**)
- Notes to Interim Condensed Consolidated Financial Statements (**Exhibit 6**)

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

Please see **Exhibit 7**

Item 3. Aging of Accounts Receivable

Please see **Exhibit 8**

Item 4. Schedule of Financial Soundness Indicators

Please see **Exhibit 9**

PART II – OTHER INFORMATION

The Issuer is not in possession of any information which may, at its option, be reported under this item and which would otherwise be required to be filed in a report on SEC Form 17-C.

[Signature page follows]

SIGNATURE

Pursuant to the requirements of the SRC, the Issuer has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

SUNTRUST RESORT HOLDINGS, INC.

By: 

NEOLI MAE L. KHO
Treasurer

Date: **20 May 2025**

SUNTRUST RESORT HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Fortune Noble Limited)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2025 AND DECEMBER 31, 2024
(Amounts in Philippine Pesos)

	Notes	Unaudited March 31, 2025	Audited December 31, 2024
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	5	P 1,428,056,419	P 3,420,876,839
Prepayments and other current assets	6	<u>2,612,060,864</u>	<u>2,964,297,689</u>
Total Current Assets		<u>4,040,117,283</u>	<u>6,385,174,528</u>
NON-CURRENT ASSETS			
Prepayments and deposits for property and equipment	6	1,967,570,889	1,703,019,407
Property and equipment - net	7	39,013,314,611	35,677,717,512
Right-of-use assets - net	8	<u>9,922,193,588</u>	<u>10,445,524,298</u>
Total Non-current Assets		<u>50,903,079,088</u>	<u>47,826,261,217</u>
TOTAL ASSETS		<u>P 54,943,196,371</u>	<u>P 54,211,435,745</u>
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Trade and other payables	9	P 2,221,134,459	P 1,799,497,123
Lease liabilities	8	<u>30,465,780</u>	<u>67,501,181</u>
Total Current Liabilities		<u>2,251,600,239</u>	<u>1,866,998,304</u>
NON-CURRENT LIABILITIES			
Bank borrowings	10	10,592,448,079	10,576,547,188
Convertible bonds payable	11, 14	18,258,498,028	17,867,739,622
Loans from related parties	14	4,901,682,018	4,955,241,979
Due to related parties	14	2,583,542,006	2,337,258,498
Lease liabilities	8	6,262,598,301	6,577,561,779
Retention payable	9	<u>1,641,653,289</u>	<u>1,472,127,097</u>
Total Non-current Liabilities		<u>44,240,421,721</u>	<u>43,786,476,163</u>
Total Liabilities		<u>46,492,021,960</u>	<u>45,653,474,467</u>
EQUITY			
Capital stock	16	7,250,000,000	7,250,000,000
Convertible bonds equity reserve	11	5,752,006,144	5,752,006,144
Exchange reserve		162,766,730	185,220,510
Deficit	16	(<u>4,713,598,463</u>)	(<u>4,629,265,376</u>)
Total Equity		<u>8,451,174,411</u>	<u>8,557,961,278</u>
TOTAL LIABILITIES AND EQUITY		<u>P 54,943,196,371</u>	<u>P 54,211,435,745</u>

See Notes to Interim Condensed Consolidated Financial Statements.

SUNTRUST RESORT HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Fortune Noble Limited)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Amounts in Philippine Pesos)

	<u>Notes</u>	Unaudited March 31, 2025	Unaudited March 31, 2024
REVENUES AND INCOME			
Foreign exchange gain - net	12	P 125,451,389	P -
Finance and other income	5	<u>2,971</u>	<u>3,226</u>
		<u>125,454,360</u>	<u>3,226</u>
COSTS AND EXPENSES			
Operating expenses	12	205,309,320	135,419,793
Tax expense	13	3,374,051	12,115,277
Finance costs	12	1,104,076	83,334
Foreign exchange loss - net	12	<u>-</u>	<u>108,487,140</u>
		<u>209,787,447</u>	<u>256,105,544</u>
NET LOSS		(P 84,333,087)	(P 256,102,318)
Loss Per Share -	15		
Basic and Diluted		(P 0.012)	(P 0.035)

See Notes to Interim Condensed Consolidated Financial Statements.

SUNTRUST RESORT HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Fortune Noble Limited)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Amounts in Philippine Pesos)

	Unaudited March 31, 2025	Unaudited March 31, 2024
NET LOSS	(P 84,333,087)	(P 256,102,318)
OTHER COMPREHENSIVE INCOME (LOSS)		
Item that will be reclassified subsequently to profit or loss		
Exchange difference on translating foreign operations	(22,453,780)	50,835,316
TOTAL COMPREHENSIVE LOSS	(P 106,786,867)	(P 205,267,002)

See Notes to Interim Condensed Consolidated Financial Statements.

SUNTRUST RESORT HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Fortune Noble Limited)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Amounts in Philippine Pesos)

	Capital Stock (see Note 16)	Convertible Bonds Equity Reserve (see Note 11)	Exchange Reserve	Deficit	Total Equity
Balance at January 1, 2025	P 7,250,000,000	P 5,752,006,144	P 185,220,510	(P 4,629,265,376)	P 8,557,961,278
Total comprehensive loss for the period	-	-	(22,453,780)	(84,333,087)	(106,786,867)
Balance at March 31, 2025 (Unaudited)	<u>P 7,250,000,000</u>	<u>P 5,752,006,144</u>	<u>P 162,766,730</u>	<u>(P 4,713,598,463)</u>	<u>P 8,451,174,411</u>
Balance at January 1, 2024	P 7,250,000,000	P 5,752,006,144	P 81,923,401	(P 3,542,619,192)	P 9,541,310,353
Total comprehensive loss for the period	-	-	50,835,316	(256,102,318)	(205,267,002)
Balance at March 31, 2024 (Unaudited)	<u>P 7,250,000,000</u>	<u>P 5,752,006,144</u>	<u>P 132,758,717</u>	<u>(P 3,798,721,510)</u>	<u>P 9,336,043,351</u>

See Notes to Interim Condensed Consolidated Financial Statements.

SUNTRUST RESORT HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Fortune Noble Limited)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Amounts in Philippine Pesos)

	Notes	Unaudited March 31, 2025	Unaudited March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(P 80,959,036)	(P 243,987,041)
Adjustments for:			
Unrealized foreign exchange (gain) loss - net	12	(125,166,920)	107,708,762
Depreciation and amortization	12	10,697,797	2,683,319
Interest expense	12	1,104,076	83,334
Finance and other income	5	(2,971)	(3,226)
Operating loss before working capital changes		(194,327,054)	(133,514,852)
Increase in other current assets		(88,927,370)	(82,636,096)
Increase (decrease) in trade and other payables		(255,110,746)	(465,463,117)
Increase in due to related parties		69,652,474	6,625,395
Cash used in operations		(468,712,696)	(674,988,670)
Interest received	7	12,948,663	70,804,242
Cash paid for taxes		(3,374,051)	(12,115,277)
Net Cash Used in Operating Activities		(459,138,084)	(616,299,705)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	7	(902,903,305)	(373,401,416)
Additions to prepayments and deposits for property and equipment	6	(362,093,476)	(137,711,429)
Net Cash Used in Investing Activities		(1,264,996,781)	(511,112,845)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of interest and financing costs	10, 14	(225,889,465)	(180,578,160)
Payments of lease liabilities	8	(7,852,396)	(708,750)
Net proceeds from loan from related parties	14	-	13,516,320
Net Cash Used in Financing Activities		(233,741,861)	(167,770,590)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,957,876,726)	(1,295,183,140)
EFFECTS ON FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(34,943,694)	65,199,234
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		3,420,876,839	6,021,360,034
CASH AND CASH EQUIVALENTS AT END OF PERIOD		P 1,428,056,419	P 4,791,376,128

Supplemental Information in Non-cash Operating, Financing and Investing Activities is disclosed in Note 23 to the Interim Condensed Consolidated Financial Statements.

See Notes to Interim Condensed Consolidated Financial Statements.

SUNTRUST RESORT HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Fortune Noble Limited)
NOTES TO INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(UNAUDITED)
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

1.1 Company Background

Suntrust Resort Holdings, Inc., (the Parent Company, the Company or Suntrust) was incorporated in the Philippines on January 18, 1956. The Parent Company is a publicly listed entity in the Philippines. On October 25, 2019 and December 17, 2019, respectively, the Board of Directors (BOD) and stockholders approved the amendment of the Parent Company's primary and secondary purposes, as presented in the Articles of Incorporation, to allow the Parent Company to focus on tourism-related businesses. This change was subsequently approved by the Philippine Securities and Exchange Commission (SEC) on June 17, 2020. Further amendments were made in 2019 to increase the authorized capital stock (see Note 1.3).

Megaworld Corporation (Megaworld), also a publicly listed company in the Philippines, used to be the Parent Company's major stockholder with 42% direct ownership interest in the Parent Company until the acquisition by Fortune Noble Limited (Fortune Noble) in 2019 of an aggregate of 1,147,500,000 shares of the Parent Company representing 51% interest over the latter. Accordingly, Fortune Noble became the parent company of Suntrust and its subsidiaries (the Group). Fortune Noble is incorporated in the British Virgin Islands (the "BVI") and is a subsidiary of LET Group Holdings Limited (the intermediate parent company or LET Group), a publicly listed company in Hong Kong. Major Success Group Limited (Major Success), a company incorporated in the BVI, is the parent company of LET Group.

The principal activity of Major Success is investment holding. LET Group and its subsidiaries are principally engaged in (i) through Suntrust and its subsidiaries, the development and operation of the Main Hotel Casino; (ii) through Summit Ascent Holdings Limited (SA Holdings) and its subsidiaries, the operation of the hotel and gaming business in the Integrated Entertainment Zone of the Primorye Region in the Russian Federation; and (iii) property development in Japan.

The Parent Company's principal office is at the 26th Floor, Alliance Global Tower, 36th Street corner 11th Avenue, Uptown Bonifacio, Taguig City.

The registered office and principal place of business of Fortune Noble is at 160 Main Street, 2nd Floor, Wattley Building, P.O. Box 3410, Road Town, Tortola VG1110, British Virgin Islands. LET Group's registered office is located at Citrus Grove, Ground Floor, 106 Goring Avenue, George Town, Grand Cayman, Cayman Islands and its principal place of business is at Unit 1705, 17/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. Major Success' registered office and principal place of business is located at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, VG1110, British Virgin Islands.

1.2 Subsidiaries

Suntrust holds ownership interests in the following subsidiaries:

	<u>Explanatory Notes</u>	<u>Percentage of Ownership</u>
Subsidiaries:		
SWC Project Management Limited (SWCPML)	(a)	100.00%
WC Project Management Limited (WCPML)	(b)	100.00%
Suntrust WC Hotel Inc. (WC Hotel)	(c)	100.00%

Explanatory Notes:

- (a) Incorporated in Hong Kong on January 20, 2020 to engage in provision of project management services.
- (b) Incorporated in Macau on February 17, 2020 to engage in provision of project management services.
- (c) Incorporated in the Philippines on January 4, 2021 to engage in the business of establishing, constructing, operating, managing, and/or maintaining hotels, health and wellness shops, cinema, car parks, entertainment centers, amusement centers and other tourism-related facilities and all its incidental and allied facilities and services, and to own (other than land), hold, lease or sublease any real and personal property, which may be necessary or convenient for the conduct of its businesses. On January 13, 2025, the Company received from the SEC the Certificate of Filing of Amended Articles of Incorporation dated November 26, 2024 on the approval of the change of the Company's name from "Suncity WC Hotel, Inc." to "Suntrust WC Hotel, Inc."

1.3 Amendments to the Parent Company's Articles of Incorporation and By-Laws

On September 25, 2023, and October 31, 2023, the BOD and Shareholders, respectively, approved the (a) increase of authorized capital stock from Php23,000,000,000 divided into 23,000,000,000 common shares at Php1.00 per share to Php28,000,000,000 divided into 28,000,000,000 common shares at Php1.00 per share and (b) amendment of the Company's secondary purposes to include retail activities. As at the date of issuance of interim condensed consolidated financial statements, the foregoing amendments are pending filing with and approval by the SEC.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that has been used in the preparation of these interim condensed consolidated financial statements are summarized below and in the succeeding pages. The policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of Preparation of Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements as at and for the three months ended March 31, 2025, and 2024 have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. They do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended December 31, 2024.

The preparation of interim condensed consolidated financial statements in accordance with Philippine Financial Reporting Standards (PFRS) requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

These interim condensed consolidated financial statements are presented in Philippine peso, the functional and presentation currency of the Group and all values represent absolute amounts except when otherwise indicated.

2.2 Adoption of New and Amended PFRS

A number of new or amended standards became applicable for the current reporting period. However, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

In preparing the interim condensed consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates, and assumptions made by management, and will seldom equal the estimated results.

The judgments, estimates, and assumptions applied in the interim condensed consolidated financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual consolidated financial statements as of and for the year ended December 31, 2024.

4. SEGMENT REPORTING

The Group's only business segment is tourism-related-business which is the development and operation of the Main Hotel Casino. This is also the basis of the Group in reporting to its BOD for its strategic decision-making activities.

5. CASH AND CASH EQUIVALENTS

The composition of this account is as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash on hand	P 250,000	P 100,000
Cash in bank	280,166,419	498,680,658
Short-term placements	1,147,640,000	2,922,096,181
	P 1,428,056,419	P 3,420,876,839

Cash pertains to cash in banks which generally, earn interest based on daily bank deposit rates.

As part of its obligations under the Omnibus Loan and Security Agreement with China Banking Corporation (China Bank), the Company maintains an interest-bearing, U.S. Dollar (US\$) Construction Reserve Account (CRA) amounting to US\$20.0 million intended to hold funds to cover cost overruns that may arise in relation to the construction of the Main Hotel Casino. CRA funds are classified as unrestricted cash and included as part of Cash and Cash Equivalents in the interim condensed consolidated statements of financial position. Additionally, any interest earned from funds deposited in the CRA is fully recorded within the CRA account.

As of March 31, 2025 and 2024, the Parent Company holds short-term placements which were made for varying periods from 5 to 92 days and earned effective interest of 2.25% in 2025 and 2.25% to 5.00% in 2024. Interest earned from cash in banks and short-term placements are netted against borrowing costs which were capitalized as part of Construction in progress (CIP) (see Notes 7 and 12.2).

Total realized foreign exchange gain and loss related to cash and cash equivalents for the periods ended March 31, 2025 and 2024 are presented as part of Foreign Exchange Gain - net and Foreign Exchange Loss - net in the interim condensed consolidated statements of income, respectively (see Note 12.2).

6. PREPAYMENTS AND OTHER ASSETS

The composition of this account is as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Current:		
Input value-added tax	P 2,381,659,290	P 2,216,013,251
Refundable deposits	19,219,187	537,189,131
Prepaid insurance and other costs	211,182,387	211,095,307
	<u>P 2,612,060,864</u>	<u>P 2,964,297,689</u>
Non-current:		
Deposits for property and equipment	P 1,956,062,058	P 1,691,510,576
Prepaid insurance and other costs	11,508,831	11,508,831
	<u>P 1,967,570,889</u>	<u>P 1,703,019,407</u>

Deposits for property and equipment pertain to advance payments to contractors and suppliers made by the Parent Company, which are subsequently amortized as the performance obligation is performed.

7. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation of property and equipment as at March 31, 2025 (Unaudited) and December 31, 2024 (Audited) are shown below.

	Office and Communications Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvement	Construction in Progress	Total
March 31, 2025						
Cost	P 525,532,983	P 5,766,071	P 11,342,496	P 10,827,516	P 38,477,652,101	P 39,031,121,167
Accumulated depreciation and amortization	(11,526,788)	(747,707)	(615,122)	(4,916,939)	-	(17,806,556)
Net carrying amount	<u>P 514,006,195</u>	<u>P 5,018,364</u>	<u>P 10,727,374</u>	<u>P 5,910,577</u>	<u>P 38,477,652,101</u>	<u>P 39,013,314,611</u>
December 31, 2024						
Cost	P 322,716,066	P 5,766,071	P 10,179,488	P 7,796,547	P 35,345,504,383	P 35,691,962,555
Accumulated depreciation and amortization	(8,914,557)	(459,404)	(408,095)	(4,462,987)	-	(14,245,043)
Net carrying amount	<u>P 313,801,509</u>	<u>P 5,306,667</u>	<u>P 9,771,393</u>	<u>P 3,333,560</u>	<u>P 35,345,504,383</u>	<u>P 35,677,717,512</u>
January 1, 2024						
Cost	P 13,118,765	P -	P 189,473	P 9,318,559	P 23,694,951,540	P 23,717,578,337
Accumulated depreciation and amortization	(2,409,365)	-	(29,460)	(2,517,165)	-	(4,955,990)
Net carrying amount	<u>P 10,709,400</u>	<u>P -</u>	<u>P 160,013</u>	<u>P 6,801,394</u>	<u>P 23,694,951,540</u>	<u>P 23,712,622,347</u>

Construction in progress (CIP) pertains to the accumulated costs incurred on properties under development in the Entertainment City, Manila in accordance with the Co-Development Agreement (CDA) with a related party under common ownership.

Total interest capitalized as CIP for the period ended March 31, 2025 and for the year ended December 31, 2024 amounted to P949.1 million (net of P12.9 million interest income) and P3,756.6 million (net of P244.9 million interest income), respectively (see Notes 5, 8, 10, 11, 12.2, and 14.2). Capitalization rates used in determining the amount of interest charges for capitalization of specific borrowings ranges from 6% to 14% for the period ended March 31, 2025 and for the year ended December 31, 2024.

The amount of depreciation and amortization is presented as part of Operating Expenses account in the consolidated statements of income (see Note 12.1).

8. LEASES

On February 21, 2020, and in relation to the CDA, the Parent Company entered into a lease agreement with a related party under common ownership, over portions of three parcels of land. The lease agreement provides for an original term of until August 19, 2039 (19 years) and is renewable automatically for another 25 years under the same terms and conditions. The parties have the option of further renewing for at most another 25 years, subject to applicable laws and upon agreement by both parties.

The related annual rental is set at US\$10.6 million which is payable starting from the latter of the first day of commencement of the operation of the Main Hotel Casino and the fulfilment of the conditions precedent or such other dates as may be mutually agreed upon by both parties.

In 2025, 2024 and 2023, management remeasured its lease liabilities and made a corresponding adjustment to its ROUA amounting to P339.1 million, P170.0 million and P115.4 million, respectively, to reflect the change in the timing of the estimated date of operations of the Main Hotel Casino, consistent with the original provisions of the lease agreement.

On January 4, 2023, the Parent Company entered into another lease agreement with a related party under common ownership for the lease an office space for a period of three years.

In 2024, the Parent Company pre-terminated its lease of its office space effective October 9, 2024 with remaining period of one year and three months as of termination date. The pretermination resulted in a gain amounting to P0.4 million recorded in the 2024 consolidated statement of income.

On February 22, 2024, the Parent Company also entered into lease agreements for employee dormitory and training rooms with a third party. The lease agreements provide for an original term from June 1, 2024, until May 31, 2027 (3 years) and April 1, 2024 until March 31, 2026 (2 years), respectively, and are renewable subject to mutually acceptable terms and conditions by both parties. The related monthly rental is set at P2.4 million and P0.5 million, respectively, and subject to annual escalation rates.

As of March 31, 2025 and December 31, 2024, the lease agreements are reflected in the interim condensed consolidated statements of financial position and consolidated statements of financial position, respectively, as ROUA and lease liabilities in accordance with PFRS 16.

8.1 *Right-of-use Asset*

The carrying amount of the Group's ROUA as at March 31, 2025 (Unaudited) and December 31, 2024 (Audited) and the movements for the period ended March 31, 2025 (Unaudited) and for the year ended December 31, 2024 (Audited) are shown below.

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cost:		
Balance at beginning of the period/year	P 13,401,781,869	P 13,496,663,177
Remeasurement	(339,078,854)	(170,014,136)
Termination	-	(7,567,275)
Additions	-	82,700,103
Balance at end of the period/year	<u>13,062,703,015</u>	<u>13,401,781,869</u>
Accumulated amortization:		
Balance at beginning of the period/year	2,956,257,571	2,227,980,966
Amortization	184,251,856	732,627,592
Termination	-	(4,350,987)
Balance at end of the period/year	<u>3,140,509,427</u>	<u>2,956,257,571</u>
	<u>P 9,922,193,588</u>	<u>P 10,445,524,298</u>

The Group capitalized the amortization of ROUA that is directly attributable to the completion of the Main Hotel Casino amounting to P176.9 million and P714.6 million for the period ended March 31, 2025 and for the year ended December 31, 2024, respectively, as part of CIP under Property and Equipment account in the interim condensed consolidated statements of financial position and consolidated statements of financial position (see Note 7).

8.2 Lease Liabilities

Lease liabilities are presented in the interim condensed consolidated statements of financial position as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Current	P 30,465,780	P 67,501,181
Non-current	6,262,598,301	6,577,561,779
	P 6,293,064,081	P 6,645,062,960

The carrying amounts of the Group's lease liabilities as at March 31, 2025 (Unaudited) and December 31, 2024 (Audited) are presented below.

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of the period/year		P 6,645,062,960	P 6,228,925,411
Remeasurement		(339,078,854)	(170,014,136)
Exchange difference		(72,302,444)	270,027,968
Interest expense	12.2	67,234,815	264,575,324
Payment		(7,852,396)	(27,575,241)
Addition		-	82,700,103
Termination		-	(3,576,469)
Balance at the end of the period/year		P 6,293,064,081	P 6,645,062,960

The undiscounted maturity analysis of lease liability at March 31 and December 31 are as follows :

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	10 to 19 years	Total
March 31, 2025 (Unaudited)								
Lease payments	P 30,465,780	P 635,301,139	P 608,249,200	P 608,249,200	P 608,249,200	P 3,041,246,000	P 2,889,183,700	P 8,420,944,219
Finance charges	(258,092,632)	(247,864,974)	(232,125,743)	(216,750,813)	(200,747,397)	(739,830,329)	(232,468,250)	(2,127,880,138)
Net present value	(P 227,626,852)	P 387,436,165	P 376,123,457	P 391,498,387	P 407,501,803	P 2,301,415,671	P 2,656,715,450	P 6,293,064,081
December 31, 2024 (Audited)								
Lease payments	P 339,226,361	P 641,737,713	P 621,777,041	P 614,948,400	P 614,948,400	P 3,074,742,000	P 3,074,742,000	P 8,982,121,915
Finance charges	(271,725,180)	(260,741,953)	(244,768,090)	(229,589,301)	(213,836,843)	(809,416,017)	(306,981,571)	(2,337,058,955)
Net present value	P 67,501,181	P 380,995,760	P 377,008,951	P 385,359,099	P 401,111,557	P 2,265,325,983	P 2,767,760,429	P 6,645,062,960

8.3 Lease Payments Not Recognized as Liabilities

On February 22, 2024, the Parent Company entered into a short-term lease agreement for an office space with a third party. The lease agreement provides for an original term until December 31, 2024 (1 year) and is renewable subject to mutually acceptable terms and conditions by both parties.

The Group has elected not to recognize a lease liability for short-term leases. Payments made under such leases are expensed on a straight-line basis.

The expenses relating to short-term leases amounted to P12.3 million and P10.7 million for the periods ended March 31, 2025 and 2024, respectively, and is presented as Rentals under Operating Expenses in the March 31, 2025 and 2024 interim condensed consolidated statement of income (see Note 12.1).

8.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P7.8 million and P27.6 million for the three months ended March 31, 2025 and for the year ended December 31, 2024, respectively.

Certain interest expense incurred on lease amounting to P66.1 million as at March 31, 2025 and P261.4 million in as at December 31, 2024 are capitalized as part of CIP under Property and Equipment account in the statements of financial position [see Notes 7 and 12.2].

Total unrealized foreign exchange loss incurred in related to the lease as at March 31, 2025 and March 31, 2024 are presented as part of Foreign Exchange Gain - net and Foreign Exchange Loss - net, respectively, in the interim condensed consolidated statements of income (see Note 12.2).

9. TRADE AND OTHER PAYABLES

The details of this account are as follows:

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Current:			
Construction costs payable		P 1,950,457,334	P 1,266,075,828
Accrued interest payable	10	147,581,117	147,581,117
Government payables		70,679,230	307,242,695
Accrued expenses		28,417,614	16,966,563
Others		23,999,164	61,630,920
		<u>2,221,134,459</u>	<u>1,799,497,123</u>
Non-current –			
Retention payable		<u>1,641,653,289</u>	<u>1,472,127,097</u>
		<u>P 3,862,787,748</u>	<u>P 3,271,624,220</u>

Accrued expenses pertain to accrual for professional fees and employee benefits.

Retention payables are typically a percentage of the total contract value which are withheld from the contractors until the completion of a contract or specified defect liability period. These amounts are held as security to ensure satisfactory completion of projects and to address any potential defects or deficiencies. These retention amounts are released upon satisfactory completion of the contract subject to the verification of project deliverables and warranties.

10. BANK BORROWINGS

On June 8, 2023, the Parent Company entered into a 8-year non-syndicated Omnibus Loan and Security Agreement and subsequently amended on July 26, 2023, consisting of a Loan Facility Agreement, a Mortgage Agreement, a Security Agreement, a Suretyship Agreement, and a Project Accounts Agreement, with China Banking Corporation (China Bank), Fortune Noble and Summit Ascent Investments Limited (SA Investments) among others (the Omnibus Loan and Security Agreement). Under the Omnibus Loan and Security Agreement, an interest-bearing secured senior loan facility of up to P25.0 billion was made available to the Parent Company (the Loan Facility), subject to the satisfaction of certain conditions, the proceeds of which shall be used to partially finance the costs for the design, development, and construction of the Main Hotel Casino.

As of March 31, 2025, the Company had drawn P11.0 billion from the Loan Facility after completion of certain project milestones required by the Omnibus Loan and Security Agreement.

The Loan Facility is subject to interest based on a 5-year Bloomberg Evaluated Pricing Service (BVAL) reference rate plus an agreed interest premium factor subject to repricing after 5 years. The Company is required to maintain certain financial ratios including maintenance debt-to-equity ratio and maintenance debt service coverage ratio starting 2026 and project debt-to-equity ratio after the initial loan drawdown. As of March 31, 2025 and December 31, 2024, the Company is compliant with the project debt-to-equity ratio. All assets of the Company as of March 31, 2025 and December 31, 2024 and material contracts entered into by the Company in relation to the construction of the Main Hotel Casino are being held as security.

The outstanding loans as of March 31, 2025 and December 31, 2024, net of related discounts, are presented as Bank Borrowings in the interim condensed consolidated statement of financial position and consolidated statements of financial position, respectively.

The total accrued interest as of March 31, 2025 and December 31, 2024 (see Note 9) amounts to P147.6 million. Total interest capitalized for the period ended March 31, 2025 and for the year ended December 31, 2024 (see Note 12.2) amounts to P241.8 million and P860.8 million, respectively.

11. CONVERTIBLE BONDS PAYABLE

On May 29, 2020, the Parent Company entered into a subscription agreement with Fortune Noble for the issuance of a zero-coupon Convertible Bonds (CB) at a total subscription price of P7,300.0 million. The CB was issued on December 30, 2020 and is convertible into 6,636,363,636 shares at the conversion price of P1.10 per share, subject to antidilutive adjustments.

On June 1, 2020, the Parent Company also entered into a subscription agreement with SA Investments, a wholly-owned subsidiary of Summit Ascent Holdings Limited and a fellow subsidiary of the Parent Company, for the issuance of 6.0% CB at a total subscription price of P5,600.0 million. The CB was issued on December 30, 2020 and is convertible into 3,111,111,111 shares at the conversion price of P1.80 per share, subject to antidilutive adjustments.

At the time of the issuance of the bonds, both CBs are payable up to 2025, which may subject to agreement by Fortune Noble and SA Investments, upon request of the Parent Company, be extended up to 2030.

On July 26, 2023, the original Fortune Noble deed poll was supplemented to align its terms with the Omnibus Loan and Security Agreement, to wit:

- The conversion right in favor of Fortune Noble shall not be exercised for as long as the loans under the Loan Facility remain outstanding, except when the written consent of China Bank is secured or at least seventy-five percent (75%) of the outstanding loans under the Loan Facility have been repaid;
- Subordination of the payment of the loan under the Fortune Noble - P7.3B CB to the payment of the bank borrowings under the Omnibus Loan and Security Agreement;
- Undertaking not to dispose nor create any lien or encumbrance on the bonds until the loans under the Loan Facility are fully paid, except when expressly allowed under the Omnibus Loan and Security Agreement; and
- Undertaking on the part of Fortune Noble to extend the maturity of the Fortune Noble - P7.3B CB to 2030, as allowed thereunder.

On September 20, 2021, the Parent Company entered into another subscription agreement with SA Investments for the issuance of 6.0% CB at a total subscription price of P6,400.0 million. The CB were issued on June 10, 2022 and is convertible into 3,878,787,878 shares at the conversion price of P1.65 per share, subject to antidilutive adjustments. The CB is payable up to 2025, which maybe subject to agreement by SA Investments, upon request of the Parent Company, be extended up to 2028.

On July 26, 2023, the Parent Company and SA Investments entered into the Conditional Supplements to the Deed Polls dated December 30, 2020 and June 10, 2022 (the “2023 Subscription Agreement”). On September 13, 2023, the 2023 Subscription Agreement were approved by the independent shareholders of Summit Ascent Holdings Limited (SA Holdings) and amended the SA Investments - P5.6B CB and SA Investments - P6.4B CB (the “SA Investments Convertible Bonds”).

Below are the material changes to the SA Investments Convertible Bonds:

- i. The conversion right in favor of SA Investments shall not be exercised for as long as the loans under the Loan Facility remain outstanding, except when the written consent of China Banking Corporation is secured or at least seventy-five percent (75%) of the outstanding loans under the Loan Facility have been repaid; and
- ii. Subordination of the payment of the loans under the SA Investments Convertible Bonds to the payment of the loans under the Omnibus Loan and Security Agreement.

On July 26, 2023, the Parent Company and SA Investments entered into the 2023 Subscription Agreement pursuant to which the Company agreed to issue and SA Investments conditionally agreed to subscribe for the SA Investments Convertible Bonds in the aggregate subscription price equivalent to P13,511,100,000 (the CB Subscription Price). The CB Subscription Price of the SA Investments Convertible Bonds pertains to the aggregate of the outstanding amounts, inclusive of principal and accrued interest, of the SA Investments Convertible Bonds.

The SA Investments Convertible Bonds shall be issued upon the satisfaction or waiver of certain conditions precedent on or before April 30, 2024, such as obtaining regulatory approvals for the issuance of the SA Investments Convertible Bonds, securing shareholder approval, the set-off, and other transactions contemplated therein, and obtaining approval for the interest waiver, among others. If any of the conditions precedent is not satisfied or (as the case may be) not waived by SA Investments on or before the April 30, 2024, the 2023 Subscription Agreement shall be terminated and the parties to the same shall be released and discharged from their respective obligations therein. Otherwise, the 2023 Subscription Agreement and SA Investments Convertible Bond shall supersede subscription agreements entered into by the Company with SA Investments in 2021 and 2020 and the SA Investments Convertible Bonds. On April 30, 2024, the Parent Company and SA Investments entered into a supplemental agreement to the 2023 Subscription Agreement extending the deadline for the issuance of the P13.5 billion convertible bond from April 30, 2024 to April 30, 2025. Other terms and conditions of the 2023 Subscription Agreement remain unchanged.

Upon issuance of the SA Investments Convertible Bonds, the CB Subscription Price will be applied by the Parent Company to redeem the SA Investments Convertible Bonds by way of setting off the amount due by the Parent Company to SA Investments in full or in part. Any shortfall shall be paid by the Parent Company in cash to SA Investments. The Company and SA Investments will execute a set-off deed for that purpose.

As of March 31, 2025, the Parent Company has yet to receive SEC approval or confirmation of exempt transaction for the SA Investments Convertible Bonds.

The fair values at initial recognition and the carrying amounts of the financial liability components, calculated based on the fair value of the principal less any directly attributable transaction costs are presented below.

		Fortune Noble – P7.3B CB	SA Investments – P5.6B CB	SA Investments – P6.4B CB	Total
Balance at January 1, 2025	P	6,568,842,451	P 5,155,666,798	P 6,143,230,373	P 17,867,739,622
Amortized interest for the period ended March 31, 2025		<u>175,620,128</u>	<u>100,896,963</u>	<u>114,241,315</u>	<u>390,758,406</u>
Carrying amount of liability at March 31, 2025 (Unaudited)	P	<u>6,744,462,579</u>	<u>5,256,563,761</u>	<u>6,257,471,688</u>	<u>18,258,498,028</u>
Balance at January 1, 2024	P	5,910,916,595	P 4,769,744,639	P 5,727,260,266	P 16,407,921,500
Amortized interest for the year ended December 31, 2024		<u>657,925,856</u>	<u>385,922,159</u>	<u>415,970,107</u>	<u>1,459,818,122</u>
Carrying amount of liability at December 31, 2024 (Audited)	P	<u>6,568,842,451</u>	<u>5,155,666,798</u>	<u>6,143,230,373</u>	<u>17,867,739,622</u>

The financial liability components is carried at amortized cost using the effective interest method. The effective interest rates of the Fortune Noble P7.3B CB, SA Investments P5.6B CB, SA Investments P6.4B CB are 10.6%, 14.2%, and 13.1%, respectively.

On March 31, 2025 and December 31, 2024, the Group capitalized the interest expense as part of CIP under Property and Equipment account in the interim condensed consolidated statements of financial position (see Notes 7 and 12.2) and consolidated statements of financial position. Outstanding interest payables amounting to P2,169.3 million and P1,989.3 million as of March 31, 2025 and December 31, 2024 are recorded as part of Due to Related Parties accounts in the interim condensed consolidated statements of financial position and consolidated statements of financial position, respectively. (see Note 14).

Conversion options, which represents the residual amount after deducting the financial liability component from the fair value of the instruments amounted to P5,752.0 million as of March 31, 2025 and December 31, 2024, respectively, is presented as Convertible Bonds Equity Reserve under the Equity section of the interim condensed consolidated statements of financial position and consolidated statements of financial position.

The fair values of the CB as of December 31, 2024 were determined by a firm of independent professional valuers using the option price allocation method.

The inputs used for the calculations of fair values of CB were as follows:

	Fortune Noble - P7.3B CB	SA Investments - P5.6B CB	SA Investments - P6.4B CB
Enterprise value (in millions)	P 25,825.00	P 25,825.00	P 25,825.00
Conversion price	1.10	1.80	1.65
Expected option life	6 years	1 year	1 year
Risk-free rate	6.04%	5.98%	5.98%

12. COSTS AND EXPENSES

12.1 Operating Expenses

The details of operating expenses for the periods ended March 31 are shown below.

	Notes	2025 (Unaudited)	2024 (Unaudited)
Salaries and employee benefits	P	151,253,682	P 99,402,814
Rentals		12,258,675	10,708,039
Depreciation and amortization	7, 8	10,697,797	2,683,319
Professional fees		8,466,314	9,628,366
Outsourced services		5,252,932	1,114,237
Utilities and supplies		4,711,821	816,582
Transportation and travel		2,124,790	3,669,982
Representation and entertainment		1,360,553	-
Taxes, licenses, and other fees		689,209	5,134,734
Others		8,493,547	2,261,720
	P	205,309,320	P 135,419,793

Salaries and employee benefits directly related to the construction of the Main Hotel Casino amounting to P96.3 million and P36.6 million were capitalized as at March 31, 2025 and December 31, 2024 as part of CIP under Property and Equipment account in the interim condensed consolidated statements of financial position and consolidated statements of financial position, respectively. (see Note 7).

Others include association dues, freight and handling charges, insurance, and other miscellaneous expenses.

12.2 Finance Costs and Foreign Exchange Loss (Gain) – Net

The details of finance costs and foreign exchange loss (gain) – net for the periods ended March 31 are shown below.

	Notes	2025 (Unaudited)	2024 (Unaudited)
Interest on:			
Convertible bonds	11	P 390,758,405	P 345,570,194
Bank borrowings	10	241,790,357	190,069,497
Coupon CBs	11	180,000,000	180,000,000
Lease liabilities	8.2	67,234,815	63,519,561
Loan from related parties	14	70,444,512	25,783,188
		950,228,089	804,942,440
Less: Capitalized interest	7	(949,124,013)	(804,859,106)
		P 1,104,076	P 83,334
	Notes	2025 (Unaudited)	2024 (Unaudited)
Foreign exchange loss (gain) - net:			
Unrealized foreign			
exchange loss (gain) - net	8.4	(P 125,166,920)	P 107,708,762
Realized foreign exchange gain	5	(867,132)	(443,836)
Realized foreign exchange loss	5	582,663	1,222,214
		(P 125,451,389)	P 108,487,140

13. TAXES

Final tax expense is incurred from interest income earned on cash in banks and short-term placements (see Note 5). The Parent Company and WC Hotel did not report MCIT or RCIT as at March 31, 2025, and 2024 as they are in a gross loss position during the taxable periods.

14. RELATED PARTY TRANSACTIONS

The Group's transactions with related parties, which include stockholders, and related parties by common ownership, and the Group's key management are described below and in the succeeding pages.

Related Party Category	Notes	Amount of Transactions		Outstanding Payables	
		March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Stockholders:					
Interest on convertible bonds	12.2	P 175,620,128	P 158,030,269	P -	P -
Issuance of convertible bonds	11	-	-	(6,744,462,579)	(6,568,842,451)
Shareholder’s interest		-	-	(93,706,314)	(93,706,314)
Related Parties:					
Ultimate Parent					
Loan	14.2	-	-	(342,621,262)	(346,293,676)
Interest on Loan	12.2	4,894,714	4,755,089	(34,716,110)	(30,312,316)

Related Party Category	Notes	Amount of Transactions		Outstanding Payables	
		March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Intermediate Parent:					
Loan	14.2	-	13,516,320	(3,418,933,538)	(3,456,346,980)
Interest on Loan	12.2	48,257,832	3,896,382	(179,951,830)	(134,072,252)
Under Common Ownership:					
Issuance of convertible bonds	11	-	-	(11,514,035,449)	(11,298,897,171)
Interest on convertible bonds	12.2	395,138,277	367,539,925	(2,169,333,333)	(1,989,333,333)
Loan	14.2	-	-	(1,140,127,218)	(1,152,601,323)
Interest on Loan	12.2	17,291,966	17,131,717	(105,834,419)	(89,834,283)
Key Management Personnel - Compensation					
Compensation		21,138,914	14,129,913	-	-

Under the Omnibus Loan and Security Agreement, the Company's related parties, Fortune Noble, the intermediate parent of the Parent Company; and SA Investments, an entity under common ownership, act as Security Guarantors (see Note 10). For the period ended March 31, 2025, and for the year ended December 31, 2024, the Parent Company has no transactions, outstanding balances, or commitments with these related parties in relation to such guarantee.

14.1 Due to Related Parties

The movements in due to related parties during the period ended March 31 and for the year ended December 31 are as follows:

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of the year		P 2,337,258,498	P 1,464,126,519
Accrual of interest	11	246,283,508	940,331,979
Payment of interest		-	(67,200,000)
Balance at end of the year		P 2,583,542,006	P 2,337,258,498

In 2023, following the Omnibus Loan and Security Agreement of the Parent Company (see Note 10), the convertible bonds and loans from related parties became subordinated to the bank borrowing (see Note 10). Accordingly, the unpaid principal and related accrued interests are classified as non-current liabilities in the March 31, 2025 and December 31, 2024, interim condensed consolidated statements of financial position and consolidated statements of financial position, respectively.

The interest payment related to the subordinated loans from related party pertains to accrued interest accumulated prior to execution of the Omnibus Loan and Security Agreement.

14.2 Loans from Related Parties

On May 25, 2023, Major Success and the Parent Company entered into a Loan Agreement amounting US\$6.0 million to fund the design, development and construction of Main Hotel Casino to be erected and located at Entertainment City, Manila. The loan shall be subject to 5.50% per annum and payable within 5 years from drawdown, extendible by another 5 years.

On July 26, 2023, SA Investments entered into a loan agreement with the Parent Company, pursuant to which SA Investments conditionally agreed to extend a US\$20.0 million loan to the Company payable within 10 years from drawdown unless extended by SA Investments or is shortened due to the happening of an event of default. The loan shall be subject to interest at the rate of six percent (6.00%) per annum. The loan proceeds was used to fund the construction reserve account as required by the Omnibus Loan and Security Agreement.

On July 27, 2023, LET Group entered into a loan agreement with the Parent Company, pursuant to which the LET Group agreed to extend a US\$5.0 million loan to the Company payable within ten (10) years from initial drawdown unless extended by the LET Group or is shortened due to the happening of an event of default. The loan shall be subject to interest at the rate of 5.5% annual rate. The loan proceeds will be used to partially fund the costs for the design, development, and construction of the Main Hotel Casino.

On April 19, 2024 and June 19, 2024, LET Group and the Parent Company entered into interest-bearing Loan Agreements amounting to US\$38.0 million (P2,204.53 million) and US\$17.0 million (P986.24 million), respectively, to fund the design, development, and construction of the Main Hotel Casino to be erected and located at Entertainment City, Manila. The loans shall be subject to 5.50% interest per annum and payable in 10 years.

The above related party loans are considered to be subordinated to the bank borrowings under the Omnibus Loan and Security Agreement (see Note 10).

15. LOSS PER SHARE

The basic and diluted loss per share is computed as follows:

	Period ended March 31, 2025 (Unaudited)	Period ended March 31, 2024 (Unaudited)
Net loss	(P 84,333,087)	(P 256,102,318)
Divided by the weighted average number of outstanding shares	<u>7,250,000,000</u>	<u>7,250,000,000</u>
Basic and diluted loss per share	<u>(P 0.012)</u>	<u>(P 0.035)</u>

On December 30, 2020, the Parent Company issued convertible bonds to Fortune Noble and SA Investments, which are convertible to 6,636,363,636 and 3,111,111,111 shares, respectively. On June 10, 2022, the Parent Company issued additional convertible bonds to SA Investments, which are convertible to 3,878,787,878 shares (see Note 11). There is no conversion as of March 31, 2025.

The computation of diluted loss per share did not assume the conversion of the outstanding convertible bonds of the Parent Company since the conversion of the outstanding convertible bonds would result in decrease in diluted loss per share.

16. EQUITY

16.1 Capital Stock

The details of the Parent Company's capital stock as of March 31, 2025 (Unaudited) and December 31, 2024 (Audited) are as follows:

	<u>Shares</u>	<u>Amount</u>
Common shares – P1.00 par value		
Authorized	<u>23,000,000,000</u>	<u>P 23,000,000,000</u>
Subscribed	<u>7,250,000,000</u>	<u>P 7,250,000,000</u>

On September 23, 2014 and November 18, 2014, the Parent Company's BOD and stockholders, respectively, approved an increase in the authorized capital stock of the Parent Company from 3,000,000,000 common shares with par value of P1.00 per share to 23,000,000,000 common shares with par value of P1.00 per share. This was subsequently ratified by the Parent Company's BOD and stockholders on October 25, 2019 and October 29, 2019, respectively, and was approved by the SEC on December 20, 2019. Subsequent to the approval, the amount of P1.25 billion received in October 2019 was applied as partial payment for the subscription of 5,000,000,000 shares. In 2020, the Parent Company received P2.55 billion from Fortune Noble as payment for the latter's subscription over the capital stock of the Parent Company.

On June 9, 2006, the PSE approved the listing of the Parent Company's shares totaling 2,000,000,000. The shares were initially issued at an offer price of P1.00 per share. On February 23, 2023, the Parent Company listed additional 2,550,000,000 shares at P1.00 per share through a private placement in the PSE.

On April 26, 2023, the Parent Company received full payment of its subscription receivables from its shareholders amounting to P1,387.5 million.

As of March 31, 2025 and December 31, 2024, there are 1,580 and 1,582 holders of the listed shares, which closed at P0.74 and P0.90 per share, respectively.

16.2 Status of Operations

The Group incurred net losses from its operations in prior years which resulted in a deficit of P4,713.6 million and P4,629.3 million as of March 31, 2025 and December 31, 2024, respectively. Management believes that this does not raise material uncertainty related to going concern as the Company expects to generate revenues in the foreseeable future upon completion of its Main Hotel Casino. Further, management is able to secure additional funding from a financial institution and certain related parties in 2024 (see Notes 10 and 14.2) and hence management assessed that the funding is sufficient for its completion of the construction of the Main Hotel Casino.

17. COMMITMENTS AND CONTINGENCIES

17.1 Co-Development Agreement with a Related Party Under Common Ownership

In 2019, the Parent Company entered into a CDA with a related party under common ownership, with respect to the development of Main Hotel Casino. Under this agreement, the Parent Company is to raise funds of not less than US\$300.0 million within 5 months (as further extended to December 31, 2020 by five supplemental agreements to the CDA), US\$200.0 million (P9,853.7 million) of which is payment for the initial cost of the project.

On February 21, 2020, and in relation to the CDA, the Parent Company entered into a lease agreement with a related party under common ownership, over three parcels of land. The lease agreement provides for an original term of until August 19, 2039 (19 years) and is renewable automatically for another 25 years under the same terms and conditions. The parties have the option of further renewing for at most another 25 years, subject to applicable laws and upon agreement by both parties.

The related annual rental is set at US\$10.6 million which is payable starting from the latter of the first day of commencement of the operation of the Main Hotel Casino and the fulfilment of the conditions precedent or such other dates as may mutually agreed upon by both parties. (see Note 1.1).

17.2 Operation and Management Agreement with a Related Party Under Common Ownership

On May 4, 2020, the Parent Company entered into an Operation and Management Agreement with a related party under common ownership whereby the Parent Company shall operate and manage the Main Hotel Casino. The agreement is effective upon the execution date of May 4, 2020 until July 11, 2033 and may be extended or renewed as mutually agreed upon by both parties.

17.3 Capital Commitments

As of March 31, 2025, the Group has commitments of approximately P15,339.1 million for the construction and pre-opening of the Main Hotel Casino.

17.4 Others

In relation to the Omnibus Loan and Security Agreement, the Parent Company is granted by a domestic bank a loan facility amounting to P25.0 billion, subject to certain conditions. As of March 31, 2025, the undrawn portion of the facility amounted to P14.0 billion (see Note 10).

The Group has other commitments and contingencies that may arise in the normal course of the Group's operations which have not been reflected in the interim condensed consolidated financial statements. Management is of the opinion that losses, if any, from these other commitments will not have material effects on the Group's interim condensed consolidated financial statements.

18. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks in relation to financial instruments. The Group conducts regular risk assessments to identify potential risks across the business. The Group's risk assessment policies are overseen by the BOD.

Exposure to foreign currency interest rate, credit and liquidity risks arise in the ordinary course of the Group's business activities. The main objective of the Group's risk management is to identify, assess, monitor, minimize, and investigate those risks that may impact the Group's strategic objectives.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The relevant financial risks to which the Group is exposed to are described below and in the succeeding pages.

18.1 Foreign Currency Risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates arise from the Group's foreign currency-denominated cash, due to related parties, trade and other payables and lease liabilities which are primarily denominated in US\$.

To mitigate the Group's exposure to foreign currency risk, the Group closely monitors currency exchange rates and regularly assesses its response to foreign exchange fluctuations.

Foreign currency denominated financial assets and financial liabilities, translated into Philippine pesos at the closing rate as of March 31, 2025, and December 31, 2024 are as follows:

	US\$	PHP Equivalent
March 31, 2025 (Unaudited)		
Financial assets	\$ 22,618,392	P 1,297,888,560
Financial liabilities	(200,322,491)	(11,494,905,160)
	(\$ 177,704,099)	(P 10,197,016,600)
December 31, 2024 (Audited)		
Financial assets	\$ 23,597,641	P 1,368,993,546
Financial liabilities	(203,885,686)	(11,828,224,211)
	(\$ 180,288,045)	(P 10,459,230,665)

The following table illustrates the sensitivity of the Group's loss before tax with respect to changes in Philippine peso against US\$ exchange rates. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months at a 99% confidence level.

	March 31, 2025 (Unaudited)			December 31, 2024 (Audited)		
	Reasonably possible change in rate	Effect in loss before tax	Effect in Equity after tax	Reasonably possible change in rate	Effect in loss before tax	Effect in Equity after tax
PhP – US\$	7.12%	(P 726,171,792)	(P 544,628,844)	14.19%	(P 1,483,671,307)	(P 1,112,753,480)

Exposures to foreign exchange rates vary during the year depending on the volume of foreign currency denominated transactions. Nonetheless, the analysis above is considered to be representative of the Group's currency risk.

18.2 Interest Rate Risk

As at March 31, 2025 and December 31, 2024, the Group is exposed to changes in market interest rates through its cash and cash equivalents which are subject to variable interest rates (see Note 5). The Company has secured fixed interest rates on its bank borrowings and loans from related parties, thereby mitigating the impact of interest rate fluctuations. Management believes that the impact of the fluctuations in interest rates would not materially impact the Group's interim condensed consolidated financial statements since the interest rates have shown insignificant changes during the years and the Group's interest income amounts only to P12.9 million and P176.8 million for the periods ended March 31, 2025 and 2024, respectively. The interest income for the periods ended March 31, 2025 and 2024, amounting to P12.9 million and P176.8 million, respectively, was deducted from the capitalized borrowing costs as it serves as an investment income on the temporary investment of those borrowings.

18.3 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Group. The Group continuously monitors defaults of counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the interim condensed consolidated statements of financial position or in the detailed analysis provided in the notes to interim condensed consolidated financial statements, as summarized below.

	Notes	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash and cash equivalents	5	P 1,428,056,419	P 3,420,876,839
Refundable deposits	6	19,219,187	537,189,131
		<u>P 1,447,275,606</u>	<u>P 3,958,065,970</u>

None of the Group's financial assets are secured by collateral or other credit enhancements except for cash and cash equivalents as described below.

(a) Cash and Cash Equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Cash in banks, which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P1.0 million per depositor per banking unit as provided for under R.A. 9302, *Charter of Philippine Deposit Insurance Corporation*, are still subject to credit risk.

(b) Refundable Deposits

Management deemed that refundable deposits are subject to minimal exposure of credit risk as these can be applied against future rentals and/or to be recovered through refund at the end of the lease term.

18.4 Liquidity Risk

The Group manages liquidity risks through a variety of strategies and practices aimed at maintaining sufficient cash flow and access to funds. The Group regularly prepares cash flow forecasts, projecting anticipated cash inflows and outflows both short term and long-term periods. These forecasts help identify potential liquidity shortages and allow proactive management of available cash resources. Any excess cash are invested in short term placements. The Group also monitors cash balances daily and identifies thresholds for maintaining adequate liquidity.

The Group maintains credit facilities and banking relationships to ensure access to additional funds when necessary. As of March 31, 2025, the Parent Company has available undrawn facilities under the Omnibus Loan and Security Agreement of P14.0 billion.

The table below summarizes the maturity profile of the Parent Company's financial liabilities except tax related liabilities and lease liability (see Note 8.2) as at March 31 and December 31 reflecting the gross cash flows, which may differ from the carrying values of the liabilities at the end of reporting periods.

			Current		Non-current	
	Notes		Less than 1 Year		2 to 5 Years	6 to 10 Years
March 31, 2025 (Unaudited):						
Bank borrowings	10	P	903,914,940	P	7,532,083,029	P 7,291,477,167
Trade and other payables	9		2,150,455,229		1,641,653,289	-
Due to related parties	15.4		-		-	2,583,542,006
Loans from related parties	15.2		-		-	7,290,660,577
Convertible bonds payable	11		-		19,626,926,027	-
			P 3,054,370,169		P 28,800,662,345	P 17,165,679,750
December 31, 2024 (Audited):						
Bank borrowings	10	P	903,914,940	P	7,603,266,330	P 7,497,871,079
Trade and other payables	9		1,492,254,428		1,472,127,097	-
Due to related parties	15.4		-		-	2,337,258,498
Loans from related parties	15.2		-		-	7,440,051,523
Convertible bonds payable	11		-		19,804,460,274	-
			P 2,396,169,368		P 28,879,853,701	P 17,275,181,100

The Group's convertible bonds presented above assumed that the holders will not execute the conversion option. If the bonds were converted, there would be no cash outflow upon maturity of the bonds.

19. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

19.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the interim condensed consolidated statements of financial position are shown below.

		March 31, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Notes	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets:					
Financial assets at amortized cost:					
Cash and cash equivalents	5	P 1,428,056,419	P 1,428,056,419	P 3,420,876,839	P 3,420,876,839
Refundable deposits	6	19,219,187	19,219,187	537,189,131	537,189,131
		<u>P 1,447,275,606</u>	<u>P 1,447,275,606</u>	<u>P 3,958,065,970</u>	<u>P 3,958,065,970</u>
Financial Liabilities:					
Financial liabilities at amortized cost:					
Bank borrowings	10	P 10,592,448,079	P 12,213,196,710	P 10,576,547,188	P 11,977,739,086
Trade and other payables	9	3,792,108,519	3,792,108,519	2,964,381,525	2,964,381,525
Due to related parties	14.1	2,583,542,006	2,583,542,006	2,337,258,498	2,337,258,498
Lease liabilities	8.2	6,293,064,081	6,293,064,081	6,645,062,960	6,645,062,959
Convertible bonds	11	18,258,498,028	16,080,688,934	17,867,739,622	16,080,688,934
Loans from related parties	14.2	4,901,682,018	4,779,934,974	4,955,241,979	4,767,898,033
		<u>P 46,421,342,731</u>	<u>P 45,742,535,224</u>	<u>P 45,346,231,772</u>	<u>P 44,773,029,035</u>

A description of the Group's risk management objectives and policies for financial instruments is provided in Note 18.

19.2 Offsetting of Financial Assets and Financial Liabilities

The Group has not set off financial instruments for the period ended March 31, 2025 and for the year ended December 31, 2024 and does not have relevant offsetting arrangements, except as disclosed in Note 14. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and shareholders. As such, the Group's outstanding receivables from and payables to the same related parties as presented in Note 14 can be potentially offset to the extent of their corresponding outstanding balances.

20. FAIR VALUE MEASUREMENT AND DISCLOSURES

20.2 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

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

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

20.3 Financial Instruments Measurement at Amortized Cost for which Fair Value is Disclosed

Except for cash and cash equivalents which are under Level 1, all of the Group's financial assets and financial liabilities are classified under Level 3. For financial assets with fair values included in Level 1, management considers that the carrying amounts of those short-term financial instruments approximate their fair values.

The fair values of the financial assets and financial liabilities included in Level 3 above, which are not traded in an active market, is determined based on the expected cash flows of the underlying net asset or liability base of the instrument where the significant inputs required to determine the fair value of such instruments are not based on observable market data. There were no transfers into or out of Level 3 fair value hierarchy for the period ended March 31, 2025 and for the year ended December 31, 2024.

20.4 Financial Instruments at Initial Recognition - Convertible Bonds

In relation to its convertible bonds, the fair value is determined closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The fair value of convertible bonds at initial recognition is determined based on option pricing method whereby the enterprise value, conversion price, expected option life, risk-free rate, and volatility were considered as principal inputs (see Note 11).

21. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders in the future.

The Group also monitors capital on the basis of the carrying amount of equity as presented on the interim condensed consolidated statements of financial position. It sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

22. EVENTS AFTER BALANCE SHEET DATE

22.1 Subscription Agreement with SA Investments

On April 16, 2025, the Parent Company entered into another subscription agreement with SA Investments for the issuance of zero-coupon CB at a total subscription price of P8,632.5 million. The CB is convertible into 8,632,500,000 shares at the conversion price of P1.00 per share, subject to antidilutive adjustments. The CB is payable up to 2033, which maybe subject to agreement by SA Investments, upon request of the Parent Company, be extended up to 2035.

The SA Investments zero-coupon CB shall be issued upon the satisfaction or waiver of certain conditions precedent on or before August 31, 2026. If any of the conditions precedent is not satisfied or (as the case may be) not waived by SA Investments on or before the August 31, 2026, the subscription agreement shall be terminated and the parties to the same shall be released and discharged from their respective obligations therein.

22.2 Second Supplemental Agreement to the 2023 Subscription Agreement with SA Investments

On April 30, 2025, the Parent Company and SA Investments entered into a second supplemental agreement to the 2023 Subscription Agreement further extending the deadline for the issuance of the P13.5 billion convertible bond from April 30, 2025 to August 31, 2025. Other terms and conditions of the 2023 Subscription Agreement remain unchanged.

23. SUPPLEMENTAL INFORMATION ON NON-CASH OPERATING, FINANCING AND INVESTING ACTIVITIES

The following are the significant non-cash transactions of the Group for the periods ended:

(a) March 31, 2025 (Unaudited)

- The Parent Company's capitalized borrowing costs arising specific borrowings as part of CIP from finance charges of convertible bonds, loans from related parties and lease liabilities amounting to P949.1 million net of P12.9 million interest income (see Notes 7, 8, 10, 11 and 12.2).
- The Parent Company's capitalized amortization of ROUA amounting to P176.9 million (see Note 8.1).
- The Parent Company has unpaid capitalized construction costs amounting to P1,950.5 million (see Note 7 and 9).
- The Parent Company's management revised its previous estimate as to the commencement of operation of its Main Hotel Casino. This resulted to a remeasurement in the related lease liability and ROUA amounting to P339.1 million (see Note 8).

(b) March 31, 2024 (Unaudited)

- The Parent Company capitalized borrowing costs arising specific borrowings as part of CIP from finance charges of convertible bonds, loans from related parties and lease liabilities amounting to P804.9 million, net of P70.8 million interest income (see Notes 7, 8, 10, 11 and 12.2).
- The Parent Company capitalized amortization of ROUA amounting to P179.7 million (see Note 8.1).
- The Parent Company has unpaid capitalized construction costs amounting to P429.6 million (see Notes 7 and 9).

EXHIBIT 7

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULT OF OPERATIONS

Review of March 31, 2025, versus March 31, 2024

Below are the major changes on the Group's results of operation:

	Unaudited March 31, 2025	Unaudited March 31, 2024	2025 vs 2024	
			Increase (Decrease)	Inc. (Dec) %
REVENUES AND INCOME				
Foreign exchange gain - net	P 125,451,389	P -	P 125,451,389	100.00%
Finance and other income	2,971	3,226	(255)	(7.90%)
	<u>125,454,360</u>	<u>3,226</u>	<u>125,451,134</u>	3,888,751.83%
COSTS AND EXPENSES				
Operating expenses	205,309,320	135,419,793	69,889,527	51.61%
Tax expense	3,374,051	12,115,277	(8,741,226)	(72.15%)
Finance costs	1,104,076	83,334	1,020,742	1,224.88%
Foreign exchange loss - net	-	108,487,140	(108,487,140)	100.00%
	<u>209,787,447</u>	<u>256,105,544</u>	<u>(46,318,097)</u>	(18.09%)
NET LOSS	(P 84,333,087)	(P 256,102,318)	<u>171,769,231</u>	(67.07%)

Foreign exchange gain - net exhibited an increase of Php125.45 million or 100% from Foreign exchange gain - net amounting to nil in 2024 to Php125.45 million in 2025 of the same period.

Operating expenses exhibited an increase of Php69.89 million or 51.61% from Php135.42 million in 2024 to Php205.31 million in 2025 of the same period.

Tax expense exhibited a decrease of Php8.74 million or 72.15% from Php12.12 million in 2024 to Php3.37 million in 2025 of the same period.

Finance cost exhibited an increase of Php1.02 million or 1,224.88% from Php0.08 million in 2024 to Php1.10 million in 2025 of the same period.

Foreign exchange loss - net exhibited a decrease of Php108.49 million or 100% from Php108.49 million in 2024 to nil in 2025 of the same period.

The Group's net loss of Php256.10 million in 2024 decreased by Php171.77 million or 67.07% from Php256.10 million in 2024 to Php84.33 million in 2025 of the same period.

FINANCIAL CONDITION

As of March 31, 2025, and March 31, 2024

	Unaudited March 31, 2025	Audited December 31, 2024	Increase (Decrease)	Horizontal	Vertical
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	P 1,428,056,419	P 3,420,876,839	(P 1,992,820,420)	(58.25%)	2.60%
Prepayments and other current assets	2,612,060,864	2,964,297,689	(352,236,825)	(11.88%)	4.75%
Total Current Assets	4,040,117,283	6,385,174,528	(2,345,057,245)	(36.73%)	7.35%
NON-CURRENT ASSETS					
Prepayments and deposits for property and equipment	1,967,570,889	1,703,019,407	264,551,482	15.53%	3.58%
Property and equipment - net	39,013,314,611	35,677,717,512	3,335,597,099	9.35%	71.01%
Right-of-use assets - net	9,922,193,588	10,445,524,298	(523,330,710)	(5.01%)	18.06%
Total Non-current Assets	50,903,079,088	47,826,261,217	3,076,817,871	6.43%	92.65%
TOTAL ASSETS	P 54,943,196,371	P 54,211,435,745	P 731,760,626	1.35%	100.00%
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade and other payables	P 2,221,134,459	P 1,799,497,123	P 421,637,335	23.43%	4.04%
Lease liabilities	30,465,780	67,501,181	(37,035,401)	(54.87%)	0.06%
Total Current Liabilities	2,251,600,239	1,866,998,304	384,601,934	20.60%	4.10%
NON-CURRENT LIABILITIES					
Bank borrowings	10,592,448,079	10,576,547,188	15,900,891	0.15%	19.28%
Convertible bonds payable	18,258,498,028	17,867,739,622	390,758,406	2.19%	33.23%
Loans from related parties	4,901,682,018	4,955,241,979	(53,559,961)	(1.08%)	8.92%
Due to related parties	2,583,542,006	2,337,258,498	246,283,508	10.54%	4.70%
Lease liabilities	6,262,598,301	6,577,561,779	(314,963,478)	(4.79%)	11.40%
Retention payable	1,641,653,289	1,472,127,097	169,526,192	11.52%	2.99%
Total Non-current Liabilities	44,240,421,721	43,786,476,163	453,945,558	1.04%	80.52%
Total Liabilities	46,492,021,960	45,653,474,467	838,547,492	1.84%	84.62%
EQUITY					
Capital stock	7,250,000,000	7,250,000,000	-	.00%	13.20%
Convertible bonds equity reserve	5,752,006,144	5,752,006,144	-	.00%	10.47%
Exchange reserve	162,766,730	185,220,510	(22,453,780)	(12.12%)	.30%
Deficit	(4,713,598,463)	(4,629,265,376)	(84,333,087)	1.82%	(8.58%)
Total Equity	8,451,174,411	8,557,961,278	(106,786,867)	(1.25%)	15.38%
TOTAL LIABILITIES AND EQUITY	P 54,943,196,371	P 54,211,435,745	P 731,760,625	1.35%	100.00%

The Group's total resources amounted to Php54,943.20 million in 2025 from Php54,211.44 million in 2024. The Group manages its liquidity needs by carefully monitoring scheduled payments for financial liabilities as well as its cash outflows due in a day-to-day business.

Current assets decreased by Php2,345.06 million or 36.73% from Php6,385.17 million in 2024 to Php4,040.12 million in 2025. Cash and cash equivalents decreased by Php1,992.82 million or 58.25% from Php3,420.88 million in 2024 to Php1,428.06 million in 2025.

Non-current assets increased by Php3,076.82 million or 6.43% from Php47,826.26 million in 2024 to Php50,903.08 million in 2025. Prepayments and deposits for property and equipment - net increased by Php264.55 million or 15.53% from Php1,703.02 million in 2024 to Php1,967.57 million in 2025. Property and equipment - net increased by Php3,335.60 million or 9.35% from Php35,677.72 million in 2024 to Php39,013.31 million in 2025. Right-of-use assets - net decreased by Php523.33 million or 5.01% from Php10,445.52 million in 2024 to Php9,922.19 million in 2025.

The Group's total liabilities amounted to Php46,492.02 million in 2025 from Php45,653.47 million in 2024 or an increase by Php838.55 million or 1.84%.

Current liabilities increased by Php384.60 million or 20.60% from Php1,867.00 million in 2024 to Php2,251.60 million in 2025. Trade and other payables exhibited an increase of Php421.64 million or 23.43% from Php1,799.50 million in 2024 to Php2,221.13 million in 2025.

Convertible bonds payable increased by Php390.76 million or 2.19% from Php17,867.74 million in 2024 to Php18,258.50 million in 2025. Lease liabilities exhibited a decrease of Php352.0 million or 5.30% from Php6,645.06 million in 2024 to Php6,293.06 million in 2025. Loans from related parties exhibited a decrease of Php53.56 million or 1.08% from Php4,955.24 million in 2024 to Php4,901.68 million in 2025. Bank borrowings exhibited an increase of Php15.90 million or 0.15% from Php10,576.55 million in 2024 to Php10,592.45 million in 2025. Due to related parties exhibited an increase of Php246.28 million or 10.54% from Php2,337.26 million in 2024 to Php2,583.54 million in 2025. Retention payable exhibited an increase of Php169.53 million or 11.52% from Php1,472.13 million in 2024 to Php1,641.65 million in 2025.

Equity decreased by Php106.79 million or 1.25% from Php8,557.96 million in 2024 to Php8,451.17 million in 2025.

Material Changes in the Items of the Financial Statements:
Increase/Decrease of 5% or more versus December 31, 2024

Statements of Financial Position

58.25% decrease in Cash and cash equivalents

Due to cash used in administrative expenses and payments in relation to construction costs of the Main Hotel Casino.

11.88% decrease in Prepayments and other current assets

Due to the collection of refundable deposit from contractor.

15.53% increase in Prepayments and deposits for property and equipment

Due to payment of advances to contractor in relation to the construction of the Main Hotel Casino.

9.35% increase in Property and equipment

Due to the capitalized construction costs as construction in progress in relation to the construction of the Main Hotel Casino.

5.01% decrease in Right-of-use assets - net

Due to the amortization and remeasurement of cost of Right-of-use assets.

23.43% increase in Trade and other payables

Due to increase in construction costs.

10.54% increase in Due to related parties

Due to the accrual of interests from loans from related parties and convertible bonds.

5.30% decrease in Lease liabilities

Due to the remeasurement of lease liability.

11.52% increase in Retention payable

Due to the increase in portions of progress billings received from contractors for the construction of the Main Hotel Casino.

Increase/Decrease of 5% or More versus March 31, 2024

86.48% increase in Foreign exchange loss (gain)

Mainly due to translation adjustments to foreign denominated financial liabilities such as loans from related parties, lease liabilities, and due to related parties.

7.90% decrease in Finance and other income

Due to decrease in interest income earned on cash in banks and short-term placements of Subsidiaries.

51.61% increase in Operating expenses

Due mainly to increase in salaries and employee benefits as a result of an increase in employee headcount.

72.15% decrease in Tax expense

Due to decrease in tax expense incurred from interest income earned on cash in banks and short-term placements.

1,224.88% increase in Finance cost

Due to increase in interest expense incurred from lease liabilities.

Key Performance Indicators

Presented below are the top five (5) key performance indicators of the Group:

	March 31, 2025	December 31, 2024
Current Ratio *1	1.79	3.42
Quick Ratio *2	0.63	1.83
Debt-to-Equity Ratio *3	5.50	5.33

	March 31, 2025	March 31, 2024
Return on Assets *4	-0.15%	-0.56%
Return on Equity *5	-0.99%	-2.74%

**1 – Current Assets/ Current Liabilities*

**2 – Quick Assets (Current Assets less Other Current Assets)/ Current Liabilities*

**3 – Total Liabilities/ Equity*

**4 – Net Profit (Loss)/ Average Total Assets*

**5 – Net Profit (Loss)/ Average Equity*

There are no other significant changes in the financial position (5% or more) and condition of the Group that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to Management that will impact or change the Group's reported financial information and condition.

There are no known trends or demands, commitments, events, or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing the Group's liquidity in any material way.

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

The Group does not anticipate having any cash flow or liquidity problems. The Group is not in default or in material breach of any note, loan, lease, or other indebtedness or financing arrangement requiring it to make payments. The Group has material commitments for capital expenditures amounting approximately Php15,339.10 million as of March 31, 2025, in relation to the construction of the Main Hotel Casino.

There are no material off-balance sheet transactions, arrangements, obligations, and other relationships with unconsolidated entities or other persons created during the reporting period.

The Group has no unusual nature of transactions or events that affect assets, liabilities, equity, net income, or cash flows.

There are no other material issuances, repurchases, or repayments of debt and equity securities.

There are no seasonal aspects that had a material effect on the financial condition or results of operations of the Group.

There are no material events subsequent to the end of the period that have not been reflected in the interim condensed consolidated financial statements.

There are no changes in estimates of amounts reported in periods of the current financial year or changes in estimates of amounts reported in prior financial years.

SUNTRUST RESORT HOLDINGS, INC. AND SUBSIDIARIES

(A Subsidiary of Fortune Noble Limited)

Aging of Accounts Receivable

March 31, 2025

Type of Receivable	Total	Current/ Not Yet Due	1-3 Months	4-6 Months	7 Months to 1 Year	1-2 Years	Past Due Accounts and Items in Litigation
Trade and Other Receivables	-	-	-	-	-	-	-

SUNTRUST RESORT HOLDINGS, INC. AND SUBSIDIARIES

(A Subsidiary of Fortune Noble Limited)

ANNEX 68-E - SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

March 31, 2025 AND December 31, 2024

Ratio	Formula	Unaudited March 31, 2025	Audited December 31, 2024
Current ratio	Current assets / Current liabilities	1.79	3.42
Acid test ratio	Quick assets / Current liabilities (Quick assets include current assets less other current assets)	0.63	1.83
Solvency ratio	Total liabilities / Total assets	1.18	1.19
Debt-to-equity ratio	Total liabilities / Total stockholders' equity	5.50	5.33
Asset-to-equity ratio	Total assets / Total stockholders' equity	6.50	6.33
Interest rate coverage ratio	EBIT / Total interest	n/a	n/a
Return on equity	Net income (loss) / Average total equity	-0.99%	-12.01%
Return on assets	Net income (loss) / Average total assets	-0.15%	-2.19%
Net profit margin	Net income (loss) / Total revenues	-	-