

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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Company Name

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Principal Office (No./Street/Barangay/City/Town/Province)

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Form Type

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Department requiring the report

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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address

leovenezuela@solaireresort.com

Company's Telephone Number/s

888-8888

Mobile Number

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No. of Stockholders

79

Annual Meeting
Month/Day

Any Day in June

Fiscal Year
Month/Day

December 31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Leo D. Venezuela

Email Address

leovenezuela@solaireresort.com

Telephone Number/s

883-8920

Mobile Number

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Contact Person's Address

The Executive Offices, Solaire Manila Resort & Casino, 1 Asean Avenue, Entertainment City, Tambo Parañaque City

Note: 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.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended **31 December 2014**
2. SEC Identification Number **A1999-04864** 3. BIR Tax Identification No. **204-636-102-000**
4. Exact name of issuer as specified in its charter **BLOOMBERRY RESORTS CORPORATION**
5. **Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **The Executive Offices, Solaire Resort & Casino, 1 Asean Avenue,
Entertainment City, Tambo Parañaque City** **1701**
Address of principal office Postal Code
8. **(02) 883-8920**
Issuer's telephone number, including area code
9. **Unit 601 6th Floor Ecoplaza Bldg. Chino Roces Avenue Ext. Makati City**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Unclassified Shares Outstanding
Unclassified Shares, P1.00 par value	11,032,998,225 Shares

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

Yes [x] No []

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

Philippine Stock Exchange

Unclassified Shares

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and [SRC Rule 17.1](#) thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [x] No []

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

Yes [x] No []

13. The aggregate market value of the voting stock held by non-affiliates of the registrant as of February 28, 2015 are follows:
- (a) Total number of shares held by non-affiliates as of February 28, 2014 is 3,421,491,009 shares.
 - (b) Closing price of the Registrant's share on the exchange as of February 28, 2014 is ₱10.80
 - (c) Aggregate market price of (a) as of February 28, 2014 is ₱36,952,102,897.

SEC FORM 17-A

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

1.1 Business Development

Bloomberry Resorts Corporation (formerly Active Alliance, Incorporated), referred to as “Bloomberry” or Parent Company, is incorporated in the Philippines and was registered with the Securities and Exchange Commission (SEC) on May 3, 1999. Bloomberry was mainly engaged in the manufacture and distribution of consumer communication and electronic equipment and operated within the Subic Bay Freeport Zone (SBFZ) until 2003. Effective December 14, 2009, the lease agreement between Bloomberry and Subic Bay Metropolitan Authority was mutually rescinded.

Bloomberry’s shares of stock are publicly traded in the Philippine Stock Exchange (PSE).

As of December 31, 2011, the Company was a majority-owned subsidiary of Wespac Holdings Incorporated (WHI). On January 26, 2012, Prime Metroline Holdings, Inc. (PMHI) acquired 60,000,000 shares of Bloomberry, constituting 75% of the outstanding capital stock, from WHI and other stockholders through a cross sale transaction in the PSE.

On February 6, 2012, PMHI sold 100% of its ownership interest in Sureste Properties, Inc. (Sureste), to Bloomberry for ₱5.9 billion. As of December 31, 2013, Bloomberry’s subsidiaries include Sureste and its wholly-owned subsidiary, Bloomberry Resorts and Hotels, Inc. (BRHI) (collectively referred to as “the Group”).

On February 27, 2012, the SEC approved the increase in the authorized capital stock of the Company to ₱15 billion pesos divided into 15 billion shares and the following amendments in its articles of incorporation, among others: change in the corporate name to Bloomberry Resorts Corporation; change in the primary purpose to that of a holding company; and change in the Company’s registered office address to Unit 601, 6/F Ecoplaza Building, Chino Roces Avenue Extension, Makati City. This was further amended to its present address in the Executive Offices of Solaire Resort & Casino in June 2014.

In the increase in the authorized capital stock, PMHI subscribed to additional 7,265,656,500 shares of Bloomberry.

In May 2012, Bloomberry and its parent company, PMHI, completed a Placing and Subscription Transaction under which PMHI first sold in a private placement to various institutional investors 1,179,963,700 shares of stock in Bloomberry at ₱7.50 per share. The transaction was crossed through the Philippine Stock Exchange on May 5, 2012. PMHI then used the proceeds of the placing transaction to subscribe to an equivalent number of shares in Bloomberry at the same subscription price of ₱7.50 per share.

On May 28, 2012, CLSA Limited as the stabilizing agent exercised the over-allotment option to purchase 117,996,300 shares of stock in Bloomberry from PMHI at the same purchase price of ₱7.50 per share. The net proceeds of this exercise was used by PMHI to subscribe to the equivalent number of new shares in Bloomberry at the same subscription price of ₱7.50 per share.

A total of 1,297,960,000 new shares were subscribed by PMHI as a result of the foregoing Placing and Subscription Transaction, including the exercise of the over-allotment option by the stabilizing agent. These shares were listed in the Philippine Stock Exchange on December 7, 2012. On December 18, 2012, PMHI purchased an additional 3,000,000 Bloomberry shares from the market. PMHI now directly owns 60.51% and indirectly owns 8.7% (through Quasar Holdings Inc.) equity stake in Bloomberry.

In November 2014, Bloomberry and its parent company, PMHI, completed a Placing and Subscription Transaction under which PMHI first sold in a private placement to various institutional investors 435,000,000 shares of stock in Bloomberry at ₱13.00 per share. The net proceeds of the private placement were used by PMHI to subscribe to the equivalent number of new shares in Bloomberry at the same subscription price of ₱13.00 per share.

On September 9, 2011, Sureste and BRHI jointly entered into a Management Services Agreement (MSA) with Global Gaming Philippines, LLC (GGAM) for the technical assistance on all aspects of planning, design, layout, and construction of the Project and for services related to recruitment, selection, and hiring of employees for the Project. GGAM through the Management Team shall also provide management and other related services upon commencement of the Project's commercial operations. Fees per contract amounts to US\$100,000 per month for the technical assistance and US\$75,000 monthly for services related to the pre-opening operations. Upon commencement of the commercial operations and five years thereafter (after which the contract expires unless GGAM extends it for another 5 years), the Group will pay GGAM annual fees equivalent to certain percentages of Sureste's and BRHI's EBITDA.

The Group terminated the MSA effective September 12, 2013 because of material breach of the MSA by GGAM after prior notice and failure of discussions to settle the dispute. Accordingly, the Group has accrued annual fees due to GGAM up to September 12, 2013 only. GGAM has sent a notice of arbitration in accordance with the arbitration clause of the MSA. GGAM denies having breached the MSA and alleges that it is BRHI and Sureste who breached the MSA. BRHI and Sureste have submitted their response to the notice of arbitration. The 3-member arbitral tribunal has been duly constituted and now hears the dispute in Singapore under the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) using Philippine law as the governing law.

Under the MSA, GGAM was granted the option, from the date of execution of the MSA, to purchase up to 921,184,056 shares, equivalent to 9.91% of Bloomberry's outstanding shares (prior to Bloomberry's top-up equity offering) from PMHI at a purchase price equivalent to ₱1.00 per share plus US\$15 million. On December 21, 2012, GGAM exercised its option to purchase 921,184,056 shares in Bloomberry from PMHI at the agreed option strike price of ₱1.67 per share and was crossed through the Philippine Stock Exchange on December 28, 2012. As a result of the exercise of this option, GGAM currently owns 8.35% of the outstanding capital stock of Bloomberry. On February 25, 2014, the Makati Regional Trial Court (MRTC) granted the Group's application for measures of protection for the Bloomberry shares in the form of writ of preliminary attachment and writ of preliminary injunction to restrain GGAM from disposing the Bloomberry shares, and so the judgment that the arbitral tribunal may award in favor of the Group can be enforced against the Bloomberry shares. GGAM has filed a petition for review on certiorari with the Court of Appeals against the decision of the MRTC.

On April 14, 2014, GGAM file a Request for Interim Measures of Protection with the arbitral tribunal asking among others, that: (a) the parties be restored to status quo ante as of January 15, 2014; (b) GGAM be permitted to sell all of the shares pending the final award by the arbitral tribunal; and (c) BRHI and SPI and their affiliates be enjoined from taking any actions that would interfere with or prevent any sale of the shares. On December 9, 2014, the tribunal issued its Order in Respect of Claimants' Interim Measures of Protection, declaring among others, that the February 25 Order of MRTC is superseded and that parties are restored to their status quo ante as of January 15, 2014 and allowed GGAM to sell the shares. However, the arbitral tribunal expressly denied the request of GGAM to be declared full legal and beneficial owner of the shares, free of any claims, liens or encumbrances by BRHI, SPI and PMHI, and denied the request of GGAM to enjoin BRHI, SPI and PMHI and their affiliates from taking any action that would interfere with or prevent any sale of the shares. The arbitral tribunal emphasized that it made no declaration as to the ownership of the shares. The arbitration proceedings on the merits of the case is still ongoing.

Following the order of the arbitral tribunal, GGAM filed a Manifestation with the MRTC informing the order of the arbitral tribunal and seeking assistance in the enforcement thereof. BRHI, SPI and

PMHI filed a Counter-Manifestation stating among others, the impropriety of the Manifestation given its non-compliance with requirements of the Special Rules of Court and Alternative Dispute Resolution (Special ADR Rules) for enforcement of judgement/interim measures of protection. GGAM also filed a Manifestation and Motion with the Court of Appeals seeking the same relief as that filed with the MRTC. BRHI, SPI and PMHI filed a Comment/Opposition arguing against the grant of the Motion with the Court of Appeals for non-compliance with the Special ADR Rules as well as for forum-shopping. The MRTC merely "noted" the pleadings of the parties. These incidents remains pending with the MRTC and the Court of Appeals

The Company has been establishing marketing offices in the Asian region and Australia. Currently, the Company has marketing presence in China, Macau, Hong Kong, Singapore, Malaysia, Indonesia, Thailand and Taiwan.

Bloomberry is continually exploring potential projects both in the Philippines and other parts of the world.

1.2 Business of Issuer

Overview

The Company was engaged in the manufacture of printed circuit board up to 2003. It ceased commercial operations in December 2003 up to 2011. On February 27, 2012, the SEC approved the change in its primary purpose to that of a holding company. The Company now has Sureste, BRHI, Bloom Capital B.V., Solaire de Argentina S.A. and Solaire Korea Co., Ltd. as its subsidiaries.

Sureste Properties, Inc.

Sureste was incorporated in 1993 as a property holding company. On July 2, 2010, Sureste amended its primary purpose to develop and operate tourist facilities including hotel - casino entertainment complexes. Sureste is registered with the Philippine Economic Zone Authority ("PEZA") as developer of a hotel project in a PEZA Tourism Economic Zone. As a result, Sureste enjoys certain incentives granted by the Government in relation to the hotel component of Solaire Resorts & Casino, including reduced tax rates. In 2011, in compliance with the requirements of PEZA, Sureste divested itself of all its non-hotel assets including its ownership in Monte Oro Resources and Energy Inc. ("MORE") and various prime real estate properties. Sureste acquired all the shares of BRHI on January 12, 2011.

Bloomberry Resorts and Hotels Inc.

On February 27, 2008, BRHI was incorporated as Bloombury Investments Holdings Inc. ("BIHI") for the purpose of developing and operating tourist facilities, including casino-entertainment complexes with casino, hotel, retail and amusement areas and themed development components. On April 8, 2009, BRHI was granted a Provisional License by PAGCOR to establish and operate integrated casino, hotel and entertainment complex at the Entertainment City in Paranaque City. On September 21, 2010, the SEC approved the change of BIHI's name to BRHI.

Bloom Capital B.V.

In 2013, the Bloomberry subscribed to 60% of the capital stock of Bloom Capital B.V., a financial holding entity incorporated in the Netherlands as a private company with limited liability under the Dutch law on November 21, 2013. On October 23, 2014, Bloomberry acquired the remaining 40% capital stock of Bloom Capital B.V. In 2014, Bloom Capital B.V. acquired 94% shares in Solaire de Argentina S.A.

Solaire Korea Co., Ltd.

On December 28, 2014 Bloomberry established through a nominee a new company Solaire Korea Co., Ltd. to hold the Group's investment interest in the Republic of Korea.

Solaire Resort & Casino

Solaire Resort & Casino ("Solaire"), is the first Philippine premium/luxury hotel and gaming resort in Entertainment City. BRHI, as the license holder, operates the casino while Sureste operates the hotel business.

On March 16, 2013, the Group commenced commercial operations, upon completion of Phase 1 of Solaire, along with the opening of the main gaming area and initial non-gaming amenities, such as Solaire's hotel, food and beverage outlets.

Phase 1 of Solaire consists of a casino with an aggregate gaming floor area of approximately 18,500 square meters (including approximately 6,000 square meters of exclusive VIP gaming areas), with approximately 1,400 slot machines, 295 gaming tables and 88 electronic table games. Phase 1 has 488 hotel rooms, suites and bayside villas, and 15 specialty restaurants and F&B outlets including (the number of seats are approximations): 240-seat Chinese restaurant, 150-seat American steakhouse, 150-seat Japanese restaurant, 120-seat Italian restaurant, 250-seat international buffet/coffee shop, 176-seat noodle shop, 150-seat live entertainment lounge and 220-seat food court and 20 seat lobby bar, and a 50-seat lounge area. It has a multilevel parking building with approximately 1,500 parking slots, a grand ballroom with approximately 1,000 seats, spa and fitness center, and bayview promenade.

On November 22, 2014, Bloomberry opened the Sky Tower, which was previously referred to as Phase 1A development of Solaire. Contiguous to the existing Solaire Resort and Casino, the Sky tower consist of a 312 all-suite hotel, additional ten VIP gaming salons with 66 gaming tables and 223 slot machines, an exclusive House of Zhou Chinese restaurant and The Macallan Whisky and Cigar Bar for VIP gamers, state-of-the art meeting rooms (The Forum) and a lyrical theater (The Theatre). The Sky Tower also features two restaurants, the Waterside Restobar and Oasis Garden Café. The Theatre is a certified 1,760-seat lyric theatre designed to provide a superior audio-visual experience for wide range of theatre plays and musicals, dance performances, concerts, and amplified music and speech events. It is also accessible to a new multi-level parking garage that can accommodate and secure over 3,000 vehicles. The Forum is a 2,000 square meters of meeting facility with eight meeting rooms, two boardrooms and a column-free grand ballroom and a flexible pre-function area.

Competition

As an integrated gaming resort designed, planned and developed according to world-class industry standards, Solaire competes with integrated tourism resorts and casinos domestically in the Philippines, as well as in Macau, Malaysia and Singapore and other casinos and resort developments that operate in Asia. The Company also believes that Solaire Resort & Casino competes against facilities in the world's other major gaming centers, including Las Vegas, Nevada, USA and Australia. In particular with respect to VIP customers, the Company expects to compete primarily with Macau, Malaysia, Singapore and Australia for customers of independent junket promoters, while the Company expects Singapore to be a strong competition for Premium Direct customers. □

The Company expects to compete effectively because of its well-designed facilities and targeted gaming offerings, as well as the expertise of its current management team in effectively managing gaming and non-gaming operations, developing events and promotions for the mass market and procuring business from junket operators throughout the region. □

In the Philippine gaming market, the Company is one of only four private gaming operators in Entertainment City, along with Travellers International Hotel Group, Inc. ("Travellers"), Melco

Crown (Philippines) Resorts Corporation ("MCE Philippines") and Universal Entertainment Corp. ("Universal"). The Company is not aware of any other potential new private applicants for additional licenses from PAGCOR. In terms of its integrated tourism resort and tourism business, the Company competes domestically with both Philippine and foreign-owned hotels and resorts. With respect to its gaming business in particular, Solaire competes domestically with PAGCOR gaming facilities, existing privately owned casinos and the facilities, built/to be operated by the three other developers granted provisional licenses by PAGCOR in and around Entertainment City. As of end 2014, there are 11 casinos, 8 members-only slot machine VIP clubs and 3 slot machine arcades throughout the Philippines owned and/or operated by PAGCOR. In addition, outside of Entertainment City and Metro Manila, PAGCOR has licensed private casino operators in special economic zones, including four in Clark Ecozone, one in Poro Point, La Union, and one in Binangonan, Rizal. Other competitors licensed by government agencies include companies specializing in horse racing, cockfighting, lotteries, sweepstakes and other smaller-scale gaming operators.

Travellers opened Resorts World Manila in August 2009, the first PAGCOR-licensed integrated tourism resort located in the Newport City Cyber tourism Zone ("Newport City") in the vicinity of Manila's international airport. Travellers is a joint venture between Genting Hong Kong Limited ("Genting HK"), a Hong Kong-based gaming operator which is a part of the Genting Group that has facilities worldwide, and Alliance Global Group, Inc. ("AGI"), a Philippine conglomerate that owns Megaworld Corporation, a large Philippine property developer. Travellers has announced that it plans to commence construction of its second integrated tourism resort, which will be located in Entertainment City, by 2017 to 2018.

City of Dreams Manila (COD) is a project of Belle Corp. thru its subsidiary, Premium Leisure Corp. and Melco Crown International. COD is an integrated tourism resort near Entertainment City on an approximately 6.2-hectare site, which initially opened its doors to the public in December 2014. This marked the formal entry of Melco Crown Entertainment into the tourism industry in the Philippines. COD, which is solely operated and managed by MCE includes gaming, hotel, retail, dining and entertainment facilities. COD's VIP and mass-market gaming facilities consist of approximately 380 gaming tables, 1,700 slot machines and 1,700 electronic table games.

Another developer, Universal, a Japan-based corporation, through its subsidiary Tiger Resorts, Leisure and Entertainment, Inc., broke ground on its planned development in Entertainment City in January 2012.

The Company believes that Solaire will be able to compete effectively with these entrants by offering a superior product that will appeal to the preferences of all segments of the Philippine gaming market, which is expected to grow significantly over the next few years.

Principal Suppliers/ Service Provider

Steelman Partners ("Steelman") was engaged to provide the master plan design concept for Solaire. Steelman is an architecture, planning and design firm with vast experience in designing gaming resort projects throughout the world. The Group has also engaged Design Coordinates, Inc. ("DCI") acting through its affiliate D' Consult International, Inc., and D.M. Consunji, Inc. ("DMCI"), two of the Philippines' most experienced companies with established track records in large-scale project management and construction, respectively, to oversee and conduct the development and construction of Solaire. KNA Design, a Los Angeles-based interior design firm was also engaged to provide interior design for the Hotel component of the Sky Tower. TPM, one of Asia's leading construction project management consultancies focused on gaming anchored hospitality development projects, was hired as the Group's project managers to oversee the development and construction of Sky Tower.

Customers

Mass Market

The Company's Mass Market customers will comprise all Solaire table and slot machine customers who do not fall under the VIP customer segments.

VIP Players

Solaire's VIP customers are players who are on a rolling chip or revenue share program at Solaire. These VIP players may come to Solaire directly without any agent or junket/independent gaming promoter intermediary, or they may be sourced from independent gaming promoters in the Philippines and across Asia.

The Company expects that as a result, each area of Solaire and its respective facilities and gaming offerings will meet the needs of each category of customer. Solaire's world-class facilities are complemented by extensively trained employees with skillsets tailored to the customer base that they will be serving, allowing Solaire to offer them the best possible gaming experience.

Related Parties

The Company and its subsidiaries, in their ordinary course of business, engage in transactions with affiliates. The Company's policy with respect to related party transactions is to ensure that these transactions are entered into on arm's length terms comparable to those available from unrelated third parties.

In considering each possible related entity relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Intellectual Property, Licenses, Contract and Agreements

The Company, through its subsidiaries BRHI and Sureste, has registered or applied to register trademarks in connection with the Company's properties, facilities and development projects. The following marks are duly registered: "Solaire Manila", "Solaire Resort & Casino Manila" and device, "Solaire Resort & Casino Manila", "Strip Steakhouse" and device, "Finestra", "Red Lantern", and "Lucky Noodles". The following marks are pending registration: "Fresh", "Food Court", "Eclipse" and device, "Yakumi" and "Solaire Resort & Casino". These are brand names under which the Company markets its properties and services. The Company considers these brand names to be important to the Company's business since they have the effect of developing brand identification and awareness. The Company expects to apply to register additional trademarks for its logos, club names, restaurants and other property as needed to protect its brand names.

The Company also possesses copyrights for certain of the proprietary software systems, whose remaining useful lives range from one to five years. The Group sees to it that its rights for the use of these software systems are secured at all times to ensure continued use and support from vendors

Insurance

The Company maintains insurance which covers incidents such as damage to property; the transport of gaming chips, playing cards and equipment; monetary loss due to third party and/or employee theft or fraud; damage to third party property and injury / death to persons; and life, accident and medical insurance for employees. Each policy has exclusions customary in the Philippines. The Company also maintains business interruption insurance for Solaire.

The Company directly procured insurance coverage for all related risks relative to the construction of the Sky Tower.

Notwithstanding the Company's insurance coverage, damage to its facilities, equipment, machinery, buildings or other properties as a result of occurrences such as fire, explosion, intentional unlawful act or natural disaster could nevertheless materially and adversely affect the Company's financial condition and results of operations to the extent that such occurrences disrupt the Company's normal operations. In addition, there are certain types of risks that are not covered by the Company's insurance policies, including acts of war and acts of terrorism.

The Company maintains a director and officers liability insurance, which covers directors and officers for errors and omissions. The Company does not maintain key personnel insurance for any of its directors or other members of senior management.

Government License and Regulatory

Provisional License

PAGCOR issued a provisional license ("Provisional License") for the development of an integrated casino, hotel and entertainment complex within Entertainment City on April 8, 2009 to BRHI. BRHI is one of four licensees for Entertainment City.

The Provisional License will be replaced with a regular casino gaming license upon Solaire's completion and PAGCOR's approval of a final report. The US\$50 million held in escrow under the Provisional License will be released upon issuance of the regular casino gaming license. The Provisional License, as well as any regular license issued to replace it (which shall have the same terms and conditions as the Provisional License), is co-terminus with PAGCOR's franchise. PAGCOR franchise will expire on July 11, 2033 and may be renewed by law. It is expected that BRHI will obtain its regular gaming license by 2015.

PEZA Registration

Sureste is a PEZA-registered Tourism Economic Zone Enterprise for the construction, development, management and operation of a hotel and entertainment complex at the Bagong Nayong Pilipino – Entertainment City Manila.

Employees

The Group recruits almost all of Solaire's gaming, hotel, food and beverage and other staff locally. The Group aims to generate jobs in Metro Manila in support of PAGCOR's policy goals, both directly as Solaire expands and indirectly should Solaire stimulate local tourism.

As at December 31, 2014, the Group employed 5,177 individuals at Solaire, 566 of whom are officers and managers, 1,290 supervisors and 3,321 are rank and file. These employees serve various departments including management and administrative, gaming, hotel operations, food and beverage, property and marketing, among others.

The Group is, and intends to continue to be, in compliance with all applicable Philippine labor and employment regulations. The Company currently has in place internal control systems and risk management procedures to monitor compliance with labor, employment and other applicable regulations. Going forward, the Company, through its human resources and legal departments, will continue to monitor all labor issues to ensure compliance with all applicable labor and employment regulations.

The Company's employees are not subject to collective bargaining agreements.

Discussion of Risks

Management has identified major business risk factors affecting the Group as follows: (i) General Risks Relating to the Group; (ii) Risks Relating to the Provisional License and Regulation of the

Philippine Gaming Industry; (iii) Risks Relating to Future Expansion; (iv) Risks Relating to the Operation of Solaire; and (v) Risks Relating to the Philippines.

General Risks Relating to the Group

Solaire has been operational for one year and is subject to significant risks and uncertainties. The Group's limited operating history should be considered to determine its future operating results and prospects.

The Group's businesses and assets are in the Philippines, and a significant number of its VIP customers are from Greater China, Singapore, Thailand, Malaysia and other parts of Asia. The gaming business is vulnerable to global economic downturns. In 2014, there was a drop in gaming revenues in Macau because of the crackdown on corruption and conspicuous spending, visa tightening, and tighter oversight on UnionPay card usage.

Risks Relating to the Provisional License and Regulation of the Philippine Gaming Industry

The Company's gaming operations are dependent on the Provisional License issued by PAGCOR.

Any additional gaming licenses issued by PAGCOR could increase competition and diminish the value of the Company's Provisional License and the Company's business may be adversely affected by policy changes or additional conditions on its Provisional License.

Risks Relating to Future Expansion

The Group's international expansion plans and any further plans to expand Solaire may not materialize or be successful.

Risks Relating to the Operation of Solaire

The loss of members of the Solaire's management team may adversely affect the Group's operations, particularly given the Group's short experience in operating an integrated tourism resort such as Solaire. The Group's termination of the MSA with GGAM may have future effect on Solaire's business as there is no assurance that it will be successful with respect to the arbitration case.

Solaire faces competition in the Philippines and elsewhere in Asia, and it may have difficulty in competing and gaining the desired market share. The Group also needs to maintain, or develop additional, successful relationships with reputable independent gaming promoters to be successful as the Philippine gaming industry grows.

Solaire success partly depends on the reputation and integrity of the junket operators it engages, and the Group may be affected by a lack of probity and integrity of such operators. There could also be increased regulation or scrutiny on independent gaming promoters.

The Group is exposed to risk on credit extended to its clients. And VIP gaming customers may cause significant volatility in the Group's revenues and cash flows.

Solaire's ability to generate revenues depends to a substantial degree on Manila's development as a tourist and as a gaming destination. Metro Manila's transport infrastructure is a key component for the development of the Philippine's gaming industry.

Solaire requires a substantial number of qualified managers and employees, and is dependent on the Group's ability to recruit, train and retain a sufficient number of such qualified personnel.

Risks Relating to the Philippines

The occurrence of natural catastrophes could adversely affect the Group's business, financial condition or results of operations. In addition political instability in the Philippines could destabilize the country and may have a negative effect on the Group. Acts of terrorism could also destabilize the country and could have a material adverse effect on the Group's assets and financial condition.

Tensions with China and other Southeast Asian countries arising from various territorial disputes may adversely affect the Philippine economy and business environment.

Item 2. Properties

On May 7, 2010, BRHI entered into a contract of lease with PAGCOR to lease 83,084 square meters of land for the construction of the gaming facility. The lease period shall be about 23 years, which shall commence upon the execution of the contract and shall be co-terminus with the term of lessor as provided in the PAGCOR charter which will expire on July 11, 2033, unless sooner revoked, rescinded or cancelled. On May 20, 2011, BRHI and Sureste entered into a deed of assignment whereby BRHI assigned to Sureste all its rights and interests as a lessee under the contract of lease with PAGCOR. In December 2012, BRHI and Sureste agreed to amend the above deed of assignment. Pursuant to the amended deed of assignment and with the consent of PAGCOR, BRHI assigned 89% of its leasehold rights over the leased land to Sureste and retained the 11% of such rights. In 2013, an addendum to the contract of lease covering an additional 3,733 square meters of PAGCOR land was executed. In December 2014, a second addendum to the contract of lease covering 73,542 square meters of PAGCOR land was executed under similar terms and conditions of the original contract of lease.

The leasehold rights and improvements on the leased lands are subject to mortgage lien in favor of BDO and other lenders.

Item 3. Legal Proceedings

The Group terminated the MSA effective September 12, 2013 because of material breach of the MSA by GGAM after prior notice and failure of discussions to settle the dispute. GGAM has sent a notice of arbitration in accordance with the arbitration clause of the MSA. GGAM denies having breached the MSA and alleges that it is BRHI and Sureste who breached the MSA. BRHI and Sureste have submitted their response to the notice of arbitration. The 3-member arbitral tribunal has been duly constituted and now hears the dispute in Singapore under the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) using Philippine law as the governing law.

BRHI and SPI have filed a petition with, which was granted by, the Regional Trial Court of Makati, a petition for measures of protection for the Bloomberry shares owned by GGAM in the form of a writ of preliminary attachment and writ of preliminary injunction to stop GGAM from disposing of its Bloomberry shares. On February 25, 2014, the Makati Regional Trial Court (MRTC) granted the Group's application for measures of protection for the Bloomberry shares in the form of writ of preliminary attachment and writ of preliminary injunction to restrain GGAM from disposing the Bloomberry shares, and so the judgment that the arbitral tribunal may award in favor of the Group can be enforced against the Bloomberry shares. GGAM has filed a petition for review on certiorari with the Court of Appeals against the decision of the MRTC.

On April 14, 2014, GGAM file a Request for Interim Measures of Protection with the arbitral tribunal asking among others, that: (a) the parties be restored to status quo ante as of January 15, 2014; (b) GGAM be permitted to sell all of the shares pending the final award by the arbitral tribunal; and (c) BRHI and SPI and their affiliates be enjoined from taking any actions that would interfere with or prevent any sale of the shares. On December 9, 2014, the tribunal issued its Order in Respect of Claimants' Interim Measures of Protection, declaring among others, that the February 25 Order of MRTC is superseded and that parties are restored to their status quo ante as of January 15, 2014 and allowed GGAM to sell the shares. However, the arbitral tribunal expressly denied the request of GGAM to be declared full legal and beneficial owner of the shares, free of any claims, liens or encumbrances by BRHI, SPI and PMHI, and denied the request of GGAM to enjoin BRHI, SPI and PMHI and their affiliates from taking any action that would interfere with or prevent any sale of the shares. The arbitral tribunal emphasizes that it makes no declaration as to the ownership of the shares. The arbitration proceedings on the merits of the case is still ongoing.

Following the order of the arbitral tribunal, GGAM filed a Manifestation with the MRTC informing the order of the arbitral tribunal and seeking assistance in the enforcement thereof. BRHI, SPI and PMHI filed a Counter-Manifestation stating among others, the impropriety of the Manifestation given its non-compliance with requirements of the Special Rules of Court and Alternative Dispute Resolution (Special ADR Rules) for enforcement of judgement/interim measures of protection. GGAM also filed a Manifestation and Motion with the Court of Appeals seeking the same relief as that filed with the MRTC. BRHI, SPI and PMHI filed a Comment/Opposition arguing against the grant of the Motion with the Court of Appeals for non-compliance with the Special ADR Rules as well as for forum-shopping. The MRTC merely "noted" the pleadings of the parties. These incidents remains pending with the MRTC and the Court of Appeals

On June 4, 2014, BRHI filed with the Supreme Court a Petition for Certiorari and Prohibition under Rule 65 of the Rules of Court. The petition seeks to annul the issuance of the Bureau of Internal Revenue of an unlawful governmental regulation, specifically the provision in RMC 33-2013 dated April 17, 2013 subjecting the contractees and licensees of PAGCOR to income tax under the NIRC, as it violates the tax exemption granted to contractees of PAGCOR under Section 13(2)(b) of P.D. 1869. On January 5, 2015, BRHI received the Comment of the BIR dated December 17, 2014. In its Comment, the BIR raised the following defenses: 1) that the issuance of RMC 33-2013 is not tainted with grave abuse of discretion; 2) the remedy of prohibition will not lie to undo an act that is already fait accompli; and 3) tax exemptions are strictly construed against the party seeking exemption. BRHI is currently waiting for the resolution by the Supreme Court of its petition.

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

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

None

PART II - SECURITIES OF THE REGISTRANT

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

5.1 Market Information

Principal Market where Company's shares are traded: Philippine Stock Exchange
As of the latest practicable trading date on February 28, 2015, the share prices of the Company were:

	Price/Share
Opening:	10.92
High:	11.14
Low:	10.66
Closing:	10.80

The high and low share prices for each quarter within the last two years are:

Calendar Period	High	Low
2013		
Quarter 1	16.88	12.58
Quarter 2	14.58	8.36
Quarter 3	12.34	8.98
Quarter 4	11.12	8.29
2014		
Quarter 1	10.30	8.30
Quarter 2	12.52	9.61
Quarter 3	14.00	10.52
Quarter 4	15.82	10.98

5.2 Holder

The number of stockholders of record as of the latest practicable date on December 31, 2014 was 77 excluding PCD Nominees. Shares outstanding as of the same date were 11,032,998,225 shares of which 9,668,616,500 shares are listed at the PSE.

The following are the Company's top 20 registered stockholders holding listed and unlisted shares as of December 31, 2014:

	Name	No. of Shares Held	% of Total
1.	Prime Metroline Holdings, Inc.	6,407,472,444	58.08%
2.	PCD Nominee (Non-Filipino)	2,338,076,987	21.19%
3.	PCD Nominee (Filipino)	1,069,992,817	9.70%
4.	Quasar Holdings, Inc.	921,184,056	8.35%
5.	Falcon Investco Holdings Inc.	225,000,000	2.04%
6.	Enrique K. Razon, Jr.	31,232,832	0.28%
7.	A. Soriano Corporation	12,587,000	0.11%
8.	Christian R. Gonzalez	10,826,033	0.10%
9.	John Ramon M. Aboitiz	9,910,632	0.09%
10.	Silverio Benny J. Tan	1,980,719	0.02%
11.	Chadbrad Management Inc.	833,400	0.01%
12.	Abodax Management Inc.	833,300	0.01%

	Name	No. of Shares Held	% of Total
13.	Croker Island Management Inc.	833,300	0.01%
14.	Nossahead Management Inc.	366,667	0.00%
15.	Lesothea Management Inc.	366,667	0.00%
16.	Djibouti Management Inc.	366,666	0.00%
17.	Lorraine Koo Mann Loo	300,000	0.00%
18.	Medy Chua See	250,000	0.00%
19.	Clarita M. Avila	72,000	0.00%
20.	Anna Vanessa Robles Viola	50,000	0.00%

As of December 31, 2014, the public ownership level of the Company is at 31.01%

5.3 Dividends

No dividends, either cash or stock, were declared on the shares for the last two (2) years.

5.4 Recent Sales of Unregistered or Exempt Securities/ Exempt Transactions

The Company in the special stockholders' meeting and board meeting held on February 6, 2012 approved the increase its authorized capital stock to Fifteen Billion Pesos (₱15,000,000,000) divided into Fifteen Billion (15,000,000,000) shares. The Board of Directors approved the subscription of the following companies to the aforesaid increase in the authorized capital stock of the Company at the subscription price per share equivalent to the par value of the subscribed shares of one peso:

	Subscriber	Subscribed Shares
	PMHI	7,265,656,500
	Top Global Systems Limited	800,000,000
	Falcon Investco Holdings, Inc.	225,000,000
	Quasar Holdings, Inc.	921,184,056
	Total	9,211,840,556

The issuance of new shares in an increase in authorized capital stock is an exempt transaction under SRC Rule Section 10.1 (i), (e) and (k).

In May 2012, Bloomberry and its parent company, PMHI, completed a Placing and Subscription Transaction under which PMHI first sold in a private placement to various institutional investors 1,179,963,700 shares of stock in Bloomberry at ₱7.50 per share. On May 28, 2012, CLSA Limited as the stabilizing agent exercised the over-allotment option to purchase 117,996,300 shares of stock in Bloomberry from PMHI at the same purchase price of ₱7.50 per share. The net proceeds of the private placement and the exercise of the over-allotment were used by PMHI to subscribe to the equivalent number of new shares in Bloomberry at the same subscription price of ₱7.50 per share.

A total of 1,297,960,000 new shares were subscribed by PMHI as a result of the foregoing Placing and Subscription Transaction, including the exercise of the over-allotment option by the stabilizing agent. These shares were listed in the Philippine Stock Exchange on December 7, 2012.

The proceeds of these subscriptions to new shares of Bloomberry were used to pay for the acquisition of 100% outstanding capital stock of Sureste, and to finance the construction and development of Solaire.

In November 2014, Bloomberry and its parent company, PMHI, completed a Placing and Subscription Transaction under which PMHI first sold in a private placement to various institutional investors 435,000,000 shares of stock in Bloomberry at ₱13.00 per share. The net proceeds of the

private placement were used by PMHI to subscribe to the equivalent number of new shares in Bloomberg at the same subscription price of ₱13.00 per share.

On October 1, 2014, 2,050,950 shares in the Company vested in favor of several participants under the SIP. An additional 6,146,719 shares will vest to several participants in 2015 (collectively the "SIP Shares"). On 18 December 2014, the board of directors of the Company and PMHI approved the borrowing of shares from PMHI to be transferred to the participants whose SIP shares have vested, and to AB Capital and Investment Corp. Trust & Investment Department with respect to the SIP shares that will vest in 2015, and the Subscription to new shares to replace the borrowed shares. The transfer by PMHI of shares equivalent to the SIP Shares to said participants was at a sale price of ₱12.60 per share (which was the market price of the shares when the SIP shares were crossed) and the issuance by the Company of shares equivalent to the SIP Shares at a subscription price of ₱12.60 per share to PMHI in replacement of the shares transferred by PMHI to the said participants.

The issuance of new shares as a result of the Placing and Subscription Transaction is an exempt transaction under SRC Rule Section 10.1 (k) and (e).

PART III - FINANCIAL INFORMATION

Item 6. Management's Discussion and Analysis or Plan of Operation.

The following discussion and analysis relate to the financial condition and results of operations of Bloomberry and should be read in conjunction with the accompanying audited financial statements and related notes as of and for the year ended December 31, 2014.

6.1 OVERVIEW

The Company is a developer and operator of hotels, casinos and integrated tourism resorts in the Philippines through its direct and indirect subsidiaries Sureste and BRHI. On April 8, 2009, BRHI was granted one of four Provisional Licenses to establish integrated resorts and casinos by the PAGCOR within Entertainment City, a special economic zone in Parañaque City being developed into a gaming and entertainment area alongside Manila Bay.

Solaire, aimed to be the Philippines' premiere integrated resorts and gaming complex, is the first integrated resort in operation in Entertainment City when it opened on March 16, 2013. On November 22, 2014, Bloomberry opened its newest development in Solaire, the Sky Tower.

6.2 RESULTS OF OPERATIONS

The following are the key performance indicators:

Table 6.0 Key Performance Indicators

<i>In thousands except for ratios</i>	For the Year Ended December 31	
	2014	2013
EBITDA	10,083,113	1,118,107
Net Debt to Equity Ratio (D/E)	0.80	0.99
Current Ratio	2.37	1.19
Total Assets	67,678,095	40,346,968
Return on Equity (ROE)	15.86%	(8.20%)

EBITDA is earnings before interest, taxes, depreciation and amortization.

Net Debt to Equity Ratio (D/E Ratio) is the ratio of the borrower's total liabilities net of cash to total shareholder's equity.

Current Ratio is a liquidity ratio that measures the company's ability to pay short-term obligations.

Return on Equity (ROE) is calculated by dividing the Company's annual earnings by shareholders' equity

These performance indicators are not applicable in 2012 when the Company had no commercial operation.

The following table shows a summary of the results of operations for the year ended December 31, 2014, 2013 and 2012, as derived from the accompanying Audited Financial Statements. Solaire started commercial operations on March 16, 2013. The Company was in pre-operating stage as of December 31, 2012.

Table 6.1

<i>In thousands, except % change and per share data</i>	For the Year Ended December 31			% Change	% Change
	2012	2013	2014	2012 vs 2013	2013 vs 2014
Revenues	₱195,600	₱12,343,983	₱24,122,074	6,210.8	95.4
Expenses	951,976	13,504,124	17,639,589	1,318.5	30.6
Provision for (Benefit from) Income Tax	(68,438)	154,948	2,410,084	(326.4)	1,455.4
Net Income (Loss)	(687,939)	(1,315,090)	4,072,401	91.2	N/A
Basic and Diluted Earnings (Loss) Per Share	(0.070)	(0.124)	0.382	77.1	N/A

6.3 OPERATING RESULTS FOR THE YEAR ENDED DECEMBER 31, 2014 COMPARED WITH 2013

6.3.1 REVENUES

Revenues consist of: (1) Gaming; (2) Hotel, food and beverage; (3) Interest income; and (4) Retail and others. The table below illustrates the consolidated revenues for the year ended December 31, 2014 and 2013:

Table 6.2

<i>In thousands, except % change data</i>	For the Year Ended December 31		% Change
	2013	2014	2013 vs 2014
Gaming	₱11,464,048	₱22,848,968	99.3
Hotel, food and beverage	767,593	1,071,429	39.6
Retail and others	58,695	116,864	99.1
Interest income	53,647	84,814	58.1
Total Revenues	₱12,343,983	₱24,122,074	95.4

For 2014, gaming revenues accounted for 94.7% of total revenues and hotel, food and beverage accounted for 4.4% compared with 2013 where gaming revenues accounted for 92.9%, while hotel, food and beverage accounted for 6.2%.

6.3.1.1 Gaming

Gaming revenue for 2014 was almost 2.0 times higher than the gaming revenue registered in 2013. The Group was able to register record-breaking revenues for the year. The last quarter of 2014 saw the Group posting the highest gaming revenue for a quarter since opening day. Solaire's Management was able to intensify promotion and marketing efforts through introducing creative programs, hosting special events, launching promotions, establishing marketing presence in the Asian Region and hiring experienced senior executives in mass and VIP. As of December 31, 2014, the Group has 64 junket operators that actively bring in foreign VIP players. Solaire Rewards Club registered 406,000 members and visitation for the year had reached 4.5 million.

On November 22, 2014, The Group opened the Sky Tower, which was previously referred to as Phase 1a development of Solaire. The Group increased its total gaming tables from 299 to 369. Electronic Gaming Machines (EGM) went up by 216 bringing the total to 1,701.

6.3.1.2 Hotel, Food and Beverage

The Group registered ₱1.1 billion of hotel, food and beverage, 39.6 percent higher than last year. Hotel occupancy for the Bay Tower in 2014 had averaged about 86.2 percent as compared with an average occupancy rate of 84.2 percent in the same period last year. The total non-gaming related hotel cash revenues account for about 53.0 percent of total hotel revenues, while total non-gaming F&B cash revenues account for 46.7 percent of total F&B revenues. Solaire's F&B outlets were able to serve approximately 1.7 million covers for 2014 representing 21 outlets compared with around 1.2 million covers served last year for 15 outlets. The significant year-on-year improvement was mainly because of intensified promotions, first class service and amenities, excellent choices at Solaire's F&B outlets and additional 6 F&B outlets at the Sky Tower. A number of international and local events were successfully hosted by the property in 2014 driving visitations and increasing the covers for the F&B outlets and banquets.

The Sky Tower (which opened on November 22, 2014) consists of a 312-all suite hotel, an exclusive Chinese restaurant, a Spanish and Mediterranean restaurant, garden café, a whisky and cigar bar for VIP gamers, state-of-the-art meeting rooms, a lyrical theater and new multi-level parking garage that can accommodate over 3,000 vehicles. Hotel occupancy rate for Sky Tower was 65.5 percent.

6.3.1.3 Interest Income

Consolidated interest income this year is higher by 58.1 percent from last year mainly because of higher average cash balances because of the Group's successful financing activities in 2014. In February 2014, BRHI successfully issued ₱11.425 billion in Corporate Notes and in November 2014, Bloomberry and its parent company, PMHI, completed a Placing and Subscription Transaction under which PMHI first sold in a private placement to various institutional investors 435,000,000 shares of stock in Bloomberry at ₱13.00 per share. The net proceeds of the private placement were used by PMHI to subscribe to the equivalent number of new shares in Bloomberry at the same subscription price of ₱13.00 per share. The property was also able to generate ₱9.5 billion of positive cash flows from its operations. Proceeds from the Corporate Notes were used to finance the construction, fit-out, systems, equipment and other essential components to complete the Sky Tower.

6.3.1.4 Retails and Others

Cash revenues from lease rentals, spa services, laundry services, communication and transportation services and other services posted ₱116.9 million for 2014, 99.1 percent higher than last year mainly because of higher visitation in 2014. The fit-out of the high-end retail area of Sky Tower is currently underway.

6.3.2 EXPENSES

Total cost and expenses consist of: (1) Taxes and licenses; (2) Salaries and benefits; (3) Depreciation and amortization; (4) Advertising and promotions; (5) General office expenses; (6) Outside services and charges; (7) Provision for doubtful accounts; (8) Utilities; (9) Cost of sales; (10) Rent; (11) Communication and transportation; (12) Repair and maintenance; (13) Pre-opening expenses; and (14) Others.

The table below shows the breakdown of total expenses for 2013 and 2014.

Table 6.3

<i>In thousands, except % change data</i>	For the Year Ended December 31		% Change
	2013	2014	2013 vs 2014
Operating costs and expenses:			
Taxes and licenses	₱3,421,499	₱4,256,246	24.4
Salaries and benefits	2,349,874	2,930,044	24.7
Depreciation and amortization	2,039,224	2,817,962	38.2
Advertising and promotions	1,505,605	2,325,135	54.4
Office expenses	752,133	1,098,545	46.1
Outside services and charges	507,222	699,369	37.9
Provision for doubtful accounts	532,705	679,659	27.6
Utilities	519,179	629,042	21.2
Cost of sales	529,675	624,060	17.8
Rent	218,656	220,386	0.8
Communication and transportation	92,172	172,646	190.4
Repairs and maintenance	59,455	129,315	40.3
Pre-opening expenses	283,372	-	(100.0)
Others	454,329	274,515	(39.6)
	13,265,099	16,856,923	27.1
Interest expense	371,030	761,209	105.2
Foreign exchange losses (gains) – net	(187,467)	(3,364)	(98.2)
Mark-to-market loss	55,462	24,820	(55.2)
Total Expenses	₱13,504,124	₱17,639,589	30.6

6.3.2.1 Cost and Expenses

Except for pre-opening expenses, all cost and expenses in 2014 increased as compared with the prior year mainly because it is the first full calendar year of commercial operation of Solaire. In addition in November 2014, the Group opened the Sky Tower. Total expenses grew 30.6 percent from ₱13.5 billion to ₱17.6 billion.

Taxes and licenses

Taxes and licenses consist mainly of licenses fees (inclusive of the franchise tax) common paid to PAGCOR. On April 23, 2013, the BIR issued RMC No.33-2013, clarifying that PAGCOR and its contractees and licensees are subject to 30% corporate income tax on their gaming and non-gaming revenues. BRHI, together with other Entertainment City licensees, have filed a request for administrative relief with PAGCOR from the adverse effect of RMC No. 33-2013. PAGCOR granted the request and has temporarily reduced the license fees by 10 percentage points effective April 1, 2014 (see Note 19). The higher taxes and licenses in 2014 was because of the higher gaming revenues.

Salaries and benefits

Approximately 80% of Solaire's manpower compliment came on board in the 1st Quarter of 2013 and by opening date of the property, manpower count reached almost 4,500 from 836 at the beginning of 2013. With the opening of the Sky Tower, manpower compliment now stood at almost 5,200, which explains the higher salaries and benefits for 2014.

Depreciation and amortization

With the opening of Sky Tower and the full year operation of Solaire, depreciation and amortization increase by 38.2 percent. Depreciation and amortization pertains to the straight-line depreciation and amortization of property and equipment as well as the operating equipment over the useful lives of these assets ranging from 2 to 20 years.

Advertising and promotions

The Group increased its advertising and promotional activities that helped boost gaming and non-gaming revenues. Advertising and promotions consist of costs of property and brand marketing, events and promotions, print and media placements, corporate giveaways, prizes and sponsorship of events, trade shows, exhibits and partnerships and other promotion related expenses.

Office expenses

General office expenses, consisting mainly of costs of gaming and office supplies, guest supplies, cleaning supplies, insurance, housekeeping supplies and team member expenses, increased by 46.1 percent because of higher level of business and the opening of Sky Tower.

Outside services and charges

With the full operation of Phase 1 and the opening of Sky Tower, outside services and charges increased by 37.9 percent. This account pertains to the cost of professional and third party services which include, among others, legal services, consultancy services, marketing services, security services, audit services, landscaping services and maintenance and cleaning services.

Provision for doubtful accounts

The Group evaluates provision for doubtful accounts based on a specific and collective review of customer accounts as well as experience with collection trends in the gaming industry and current economic and business conditions. The higher provision is attributable to a higher level of outstanding receivables.

Utilities

Utilities expenses is composed of electricity cost, water charges, fuel costs, gas, sewerage and cost of air conditioning supplies. These are higher due to the opening of Sky Tower and full year of operations of Phase 1.

Cost of sales

Cost of sales consists mainly of food and beverage costs and buying costs of retail items. The increase in 2014 is directly attributable to the increase in F&B revenues.

Rent

Rent consists mainly of lease rentals for the land and other real properties as well as casino, office and other equipment.

Communication and transportation

Communication and transportation represents cost of telephone and data communications, valet services, fleet management services and shuttle services. Costs of business travels are also charged to this account. The higher expense in 2014 was mainly due to the increase in executive travel related to business and player development.

Repairs and maintenance

The upkeep of the property and equipment is charged to this account, which includes the maintenance of casino equipment, furniture and fixtures, computer equipment, curtains and drapery, transportation equipment, electrical and mechanical equipment. Repairs and maintenance increased by 190.4 percent mainly because in 2013, no significant repairs and maintenance were performed because the property had just opened and was still covered by warranties.

Pre-opening expenses

Pre-opening expenses represent expenses incurred from January 1, 2013 until opening date of Phase 1 which are directly associated with pre-opening activities that include, among others, recruitment and training expenses of new employees, payment for direct advertising and marketing expenses, salaries and benefits of employees directly associated with the opening, GGAM fees and other pre-opening consultants, advertising and promotions, rentals of temporary offices and cost of the opening ceremonies.

Other

Other expenses consists of miscellaneous expenses mainly pertaining to complimentary service charges, representation, dues and subscriptions, freight charges, contract entertainment, trust fees, donations and community service expenses, credit card commissions and bank charges. This account decreased by 39.6 percent due to the rationalization of representation and entertainment expenses.

6.3.2.2 Interest Expense

Interest expense represents interest on the Original Facility with BDO and the unused proceeds of the Corporate Notes. The issuance of Corporate Notes resulted to higher interest expense for 2014.

6.3.2.3 Foreign Exchange Losses (Gains) - Net

The Group recognized a net foreign exchange gain for the year of ₱3.4 million as the Philippine peso depreciated against the US dollar in 2014. The Group also reported ₱187.5 million net foreign exchange gains in 2013. The Philippine peso depreciated against the US dollar from ₱44.414/US\$1 as of December 31, 2013 to ₱44.617/US\$1 as of December 31, 2014.

6.3.2.4 Mark-to-Market Loss

Mark-to-market loss was a result of the fair value determination of the embedded derivative in the prepayment option of the Group's loan with BDO as of December 31, 2014. The mark-to-market loss decreased in 2014 mainly because of the principal repayment of the Original Facility.

6.3.3 PROVISION FOR (BENEFIT FROM) INCOME TAX

In 2013, the Group recognized net provision for income tax of ₱154.9 million mainly arising from derecognition of deferred tax assets on NOLCO and recognition of deferred tax liability on temporary differences associated with the capitalized rent and unrealized foreign exchange gain of Sureste. As a result of PAGCOR granting the request of BRHI for administrative relief and temporarily reducing the license fees by 10 percentage points effective April 1, 2014, BRHI accrued corporate income taxes amounting ₱2.4 billion in 2014 (see Note 19).

6.3.4 NET INCOME (LOSS)

With record-breaking revenues and significant margin improvement in 2014, the Group was able to realize a net income of ₱4.1 billion, a big turnaround from last year's net loss of ₱1.3 billion. The unprecedented revenue growth that was achieved in 2014 was mainly due to the significant increase in volume across all gaming segments. Management was also able to significantly rationalize Solaire's costs and expenses that resulted in better margins and massive improvement in the overall efficiency in its gaming and non-gaming operations.

6.3.5 EARNINGS (LOSS) PER SHARE

The basic earnings per share of ₱0.382 for 2014 was also a turn-around from last year's loss per share of ₱0.124. The basic and diluted earnings per share for 2014 and 2013 were the same even after considering the shares granted in October 2013, July 2014 and October 2014 under the stock incentive plan.

There are no other significant elements of income and expense outside the Company's operating results for the year ended December 31, 2014.

6.4 OPERATING RESULTS FOR THE YEAR ENDED DECEMBER 31, 2013 COMPARED WITH 2012

6.4.1 REVENUES

Revenues consist of: (1) Gaming; (2) Hotel, food and beverage; (3) Interest income; and (4) Retail and others. The table below illustrates the consolidated revenues for the year ended December 31, 2013 and 2012:

Table 6.4

	For the Year Ended December 31		% Change 2012 vs 2013
	2012	2013	
<i>In thousands, except % change data</i>			
Gaming	₱	₱11,464,048	-
Hotel, food and beverage	-	767,593	-
Retail and others		58,696	-
Interest income	195,600	53,647	(72.6)
Total Revenues	₱195,600	₱12,343,984	6,210.8

For 2013, gaming revenues accounted for 92.9% of total revenues, while hotel, food and beverage accounted for 6.2%. For 2012, interest income accounted for 100% of the total consolidated revenues.

6.4.1.1 Gaming

After a very successful opening of the property on March 16, 2013, the Group focused its efforts in ramping up its gaming business. Solaire registered ₱14.9 billion of gross gaming revenues in 2013 and ₱11.5 billion net revenues after deducting promotional allowance, discounts, rebates paid through gaming promoters, progressive jackpot liability and points earned in customer loyalty

program. The growth since opening date was the result of the Group's identifying and addressing operational issues relating to GGAM's failure under the MSA and intensifying promotion and marketing efforts through unveiling creative programs, hosting special events, launching promotions and other strategic marketing activities. In the 10 months of operations the Group had signed-up with about 50 junket operators to bring in foreign VIP players. The mass gaming player sign-ups also have reached 256,000 in 2013 while total visitation for the year has reached the 3 million mark.

6.4.1.2 Hotel, Food and Beverage

To complement the gaming business of the property, the Group registered ₱767.6 million of hotel, food and beverage revenues. Since opening day, the hotel and food and beverage outlets had become a go-to destination for its first class service and amenities and excellent choices in its food and beverage outlets. Occupancy has reached 72% in the last quarter of 2013. With the decision of rationalizing food sources, adjusting food prices and expanding the food choices in the second quarter, patronage of F&B outlets had notably increased since then it had become very competitive vis-à-vis the local market. F&B outlets were able to serve approximately 760,000 covers for the year. In 2013 a number of international and local events were successfully hosted on the property.

6.4.1.3 Interest Income

Consolidated interest income for 2013 decreased by 72.6 percent to ₱53.6 million from ₱195.6 million in 2012 mainly due to lower average cash balances in 2013 compared to 2012. The higher cash balance in 2012 was brought about by net proceeds from stock subscription of ₱18.4 billion from PMHI and other subscribers in March and May 2012 and the additional drawdown from the bilateral loan with BDO of ₱5.8 billion which were used to pay PMHI for the Sureste shares amounting to ₱5.9 billion and contractors, suppliers and consultants for the development of Solaire amounting ₱12.2 billion. In 2013, drawdown from the Original Facility amounted to ₱9.6 billion. The proceeds of the loan and augmented with the excess cash in 2012 were used to finance the completion of Phase 1 and piling work of The Sky Tower.

6.4.1.4 Retail and Others

Retail revenue for the 10 months of commercial operations reached ₱28.9 million while other income consisting mainly of lease rentals, spa services, laundry services, communication and transportation services registered ₱29.8 million of revenues.

6.4.2 EXPENSES

Total cost and expenses consist of: (1) Taxes and licenses; (2) Salaries and benefits; (3) Depreciation and amortization; (4) Advertising and promotions; (5) General office expenses; (6) Provisional for doubtful accounts; (7) Utilities; (8) Cost of sales; (9) Outside services and charges; (10) Pre-opening expenses; (11) Rent; (12) Communication and transportation; (13) Repair and maintenance; and (14) Others.

The table below shows the breakdown of total expenses for 2012 and 2013.

Table 6.5

	For the Year Ended December 31		% Change 2012 vs 2013
	2012	2013	
<i>In thousands, except % change data</i>			
Operating costs and expenses:			
Taxes and licenses	₱78,335	₱3,421,499	4,267.8
Salaries and benefits	222,217	2,349,874	957.5
Depreciation and amortization	33,923	2,039,224	5,911.3
Advertising and promotions	-	1,505,605	-
Office expenses	37,162	752,132	1,923.9
Provision for doubtful accounts	-	532,705	-

	For the Year Ended December 31		% Change
	2012	2013	2012 vs 2013
<i>In thousands, except % change data</i>			
Utilities	10,708	529,675	4,846.4
Cost of sales	-	519,178	-
Outside services and charges	70,208	507,222	622.5
Pre-opening expenses	318,786	283,372	(11.1)
Rent	-	218,656	-
Communication and transportation	38,396	92,172	140.1
Repairs and maintenance	2,082	59,455	2,755.0
Others	7,538	454,328	5,927.2
Sub-total	819,358	13,265,099	1,519.0
Interest expense	-	371,030	-
Foreign exchange losses (gains) – net	115,781	(187,467)	(261.9)
Mark-to-market loss	16,838	55,462	229.4
Total Expenses	₱951,976	₱13,504,124	1,318.5

6.4.2.1 Cost and Expenses

Except for pre-opening expenses, all cost and expenses in 2013 increased by a significant percentage compared with the prior year mainly because it is the initial year of commercial operation of Solaire. Total expenses (including expenses relating to GGAM's mistakes and inefficiencies) rose over fourteen times from ₱952 million to ₱13.504 billion.

Taxes and licenses

Taxes and licenses consist mainly of licenses fees inclusive of the franchise tax paid to PAGCOR.

Salaries and benefits

Approximately 80% of Solaire's manpower compliment came on board in the 1st Quarter of 2013 and by opening date of the property, manpower count reached almost 4,500 from 836 at the beginning of 2013.

Depreciation and amortization

Depreciation and amortization pertains to the straight-line depreciation and amortization of property and equipment as well as the operating equipment over the useful lives of these assets ranging from 2 to 20 years.

Advertising and promotions

Advertising and promotions consist of costs of property and brand marketing, events and promotions, print and media placements, corporate giveaways, prizes and sponsorship of events, trade shows, exhibits and partnerships and other promotion related expenses.

Office expenses

Office expenses consist mainly of costs of gaming and office supplies, guest supplies, cleaning supplies, insurance, housekeeping supplies and team member expenses.

Provision for doubtful accounts

The Group evaluates provision for doubtful accounts based on a specific review of customer accounts as well as experience with collection trends in the gaming industry and current economic and business conditions.

Utilities

Utilities are composed of electricity cost, water charges, fuel costs, gas, sewerage and cost of air conditioning supplies.

Cost of sales

Cost of sales consists mainly of food and beverage costs and buying costs of retail items.

Outside services and charges

Outside services and charges pertains to cost of professional and third party services which include, among others, legal services, consultancy services, marketing services, security services, audit services, landscaping services and maintenance and cleaning services.

Pre-opening expenses

Pre-opening expenses represents expenses incurred from January 1, 2013 until opening date directly associated with pre-opening activities, included, among others, recruitment and training expenses of new employees, payment for direct advertising and marketing expenses, salaries and benefits of employees directly associated with the opening, GGAM fees and other pre-opening consultants, advertising and promotions, rentals of temporary offices and cost of the opening ceremonies.

Rent

Rent consists mainly of lease rentals for the land and other real properties as well as casino, office and other equipment.

Communication and transportation

Communication and transportation represents cost of telephone and data communications, valet services, fleet management services and shuttle services. Costs of business travels are also charged to this account.

Repairs and maintenance

The upkeep of the property and equipment is charged to this account, which includes the maintenance of casino equipment, furniture and fixtures, computer equipment, curtains and drapery, transportation equipment, electrical and mechanical equipment.

Others

Other expenses consists of miscellaneous expenses mainly pertaining to complimentary service charges, representation, dues and subscriptions, freight charges, contract entertainment, trust fees, donations and community service expenses, credit card commissions and bank charges.

6.4.2.2 Interest Expense

Interest expense represents interest on the Original Facility with BDO.

6.4.2.3 Foreign Exchange Losses (Gains) - Net

The Group recognized a net foreign exchange gain for the year of ₱187.5 million as the Philippine peso depreciated against the US dollar in 2013. On the other hand, the Group reported ₱115.8 million net foreign exchange losses in 2012. The Philippine peso depreciated against the US dollar from ₱41.192/US\$1 as of December 31, 2012 to ₱44.414/US\$1 as of December 31, 2013.

6.4.2.4 Mark-to-Market Loss

Mark-to-market loss was a result of the fair value determination of the embedded derivative in the prepayment option of the Group's loan with BDO as of December 31, 2013. The mark-to-market loss increased in 2013 mainly because of the additional drawdowns from the Original Facility.

6.4.3 PROVISION FOR (BENEFIT FROM) INCOME TAX

In 2013, the Group recognized net provision for income tax of ₱154.9 million mainly arising from derecognition of deferred tax assets on NOLCO and recognition of deferred tax liability on temporary differences associated with the capitalized rent and unrealized foreign exchange gain.

6.4.4 NET LOSS

The Group registered a net loss of ₱1,315.1 million for 2013 compared to a net loss of ₱687.9 million in 2012. The higher loss was attributed to higher expenses (including expenses relating to

GGAM's mistakes and inefficiencies), which rose over fourteen times from ₱952 million to ₱13.504 billion. Operating expenses also include almost ₱1.1 billion of expenses incurred prior to the opening of Solaire on March 16, 2013.

6.4.5 EARNINGS (LOSS) PER SHARE

With the higher net loss for the year, basic loss per share increased from ₱0.070 for 2012 to ₱0.124 for 2013. The basic and diluted earnings (loss) per share are the same as there are no dilutive potential shares.

There are no other significant elements of income and expense outside the Company's operating results for the year ended December 31, 2013.

6.5 TRENDS, EVENTS OR UNCERTAINTIES AFFECTING RECURRING REVENUES AND PROFITS

The Group is exposed to a number of trends, events and uncertainties, which can affect its recurring revenues and profits from its casino and hotel operations. These include levels of general economic activity, as well as certain cost items, such as labor, fuel and power. The Group collects revenues in various currencies and the appreciation and depreciation of the US dollar and other major currencies against the Philippine peso, may have a negative impact on the Group's reported levels of revenues and profits.

6.6 FINANCIAL CONDITION

Table 6.6 Balance Sheets

In thousands, except % change data	As of December 31			% Change	% Change
	2012	2013	2014	2012 vs 2013	2013 vs 2014
Current assets	₱8,055,957	₱9,059,118	₱26,456,842	12.5	192.0
Total assets	28,796,048	40,346,963	67,678,095	40.1	67.7
Current liabilities	3,259,782	7,585,296	11,142,161	132.7	46.9
Total interest-bearing debt	8,176,107	17,632,590	32,608,251	115.7	84.9
Total liabilities	11,459,412	24,314,053	41,998,878	112.2	72.7
Total equity	17,336,636	16,032,912	25,678,561	(7.5)	60.2

In thousands, except % change data	As of December 31		
	2012	2013	2014
Current assets/total assets	27.98%	22.45%	39.09%
Current ratio	2.47	1.19	2.37
Debt-equity ratio ¹	0.66	1.52	1.64
Net debt-equity ratio ²	0.08	0.99	0.80

¹Debt includes all liabilities. Equity includes paid-up capital, equity reserves, share-based payment plan and deficit.

²Net Debt includes all liabilities less cash and cash equivalents and restricted cash.

Current assets increased 192.0 percent to ₱26.5 billion as of December 31, 2014 from ₱9.1 billion as of December 31, 2013. The growth was attributable to higher cash balances, receivables, and prepayment and other current assets balances mainly because of the successful financing activities in 2014, the working capital generated by operations and the opening of the Sky Tower. In February 2014, BRHI successfully issued ₱11.425 billion in Corporate Notes and in November 2014, Bloomberry and its parent company, PMHI, completed a Placing and Subscription Transaction under which PMHI first sold in a private placement to various institutional investors 435,000,000 shares of stock in Bloomberry at ₱13.00 per share. The net proceeds of the private placement were used by PMHI to subscribe to the equivalent number of new shares in Bloomberry at the same subscription price of ₱13.00 per share. Proceeds from the Corporate Notes were used to finance the completion of Sky Tower.

Total assets grew by 67.7 percent to ₱67.7 billion as of December 31, 2014 from ₱40.3 billion as of December 31, 2013. The increase was mainly due to the completion of Sky Tower as well as the increase in ending cash balance as explained above. Total capital expenditures in 2014 reached ₱15.7 billion with the completion of the Sky Tower expansion last November 2014. With Sky

Tower's opening, Bloomberry has exceeded the US\$1 billion minimum investment requirement under its gaming license.

Current liabilities also increased by 46.9 percent from ₱7.6 billion to ₱11.1 billion by the end of 2014 mainly because of accrual of liabilities contractors and suppliers of the Sky Tower and higher current portion of long-term debt. Total liabilities increased by 80.0 percent from ₱24.3 billion as of December 31, 2013 to ₱43.8 billion as of December 31, 2014 mainly due to the issuance of Corporate Notes and drawdown from the Expansion Facility amounting to ₱4.8 billion and increase in current liabilities as explained above.

Total equity as of December 31, 2014 amounted to ₱25.7 billion, 60.2 percent higher compared to the ₱16.0 billion reported as of December 31, 2013. The increase mainly resulted from the net income for the period of ₱4.1 billion and proceeds from the Placing and Subscription Transaction amounting to ₱5.6 billion. Additional paid-in capital arising from said transaction amounted to ₱5.1 billion and transaction costs incurred relative to the issuance of shares, amounting to ₱4.4 million, were charged against the additional paid-in capital.

6.6.1 MATERIAL VARIANCES AFFECTING THE BALANCE SHEET

Balance sheet accounts as of December 31, 2014 with variances of plus or minus 5.0 percent against December 31, 2013 balances are discussed, as follows:

Current Assets

1. Cash and cash equivalents increased by 142.1 percent as of December 31, 2014 mainly due to successful financing activities completed by the Group in 2014 and the additional drawdowns from the Expansion Facility. In February 2014, BRHI successfully issued ₱11.425 billion in Corporate Notes and in November 2014, Bloomberry and its parent company, PMHI, completed a Placing and Subscription Transaction. Proceeds from the issuance of Corporate Notes were used to finance the completion of Sky Tower. The property was also able to generate ₱9.5 billion of positive cash flows from its operations.
2. Proceeds from the financing activities and drawdowns from the Expansion Facility were deposited to restricted cash accounts before they were released for payment of project development costs, administrative expenses and funding of debt service and payment reserve accounts resulting to higher balance by the end of 2014. The Group reclassified the non-current portion of restricted cash amounting to ₱2.3 billion to current after exceeding the US\$1 billion minimum investment requirement under its provisional gaming license with the completion of Sky Tower.
3. Receivables increased by ₱1.6 billion, an increase of 62.5 percent, mainly due to credits issued primarily to fixed room junket operators. These credit lines are typically settled at the end of the relevant month.
4. Inventories as of December 31, 2014 amounted to ₱183.0 million, essentially at the same level as last year.
5. Prepayments and other current assets grew by 202.7 percent from ₱245.1 million as of December 31, 2013 to ₱749.5 million as of December 31, 2014 due to prepayment of rent for the additional leased area.

Noncurrent Assets

6. The Group reclassified the non-current portion of restricted cash to current after exceeding the US\$1 billion minimum investment requirement under its gaming license with the completion of Sky Tower.

7. Advances to contractors declined by 75.3 percent because of the substantial completion of Sky Tower.
8. Property and equipment jumped to ₱40.5 billion as of December 31, 2014 because of the substantial completion of the Sky Tower and acquisition of equipment reduced by depreciation and amortization for the year. The remaining construction in progress pertains to the uncompleted portion of the Sky Tower, including the retail area and certain hotel floors, among others.
9. Other non-current assets decreased by 15.3 percent mainly because of the decrease in prepaid debt issue cost with the additional drawdowns from the Expansion Facility.

Current Liabilities

10. Payables and other current liabilities increased by 39.3 percent to ₱9.1 billion primarily due to accrual of liabilities to contractors and suppliers of Sky Tower, accrual of income tax for the year and higher accrued interest expense.
11. Current portion of long-term debt represents principal amounts net of unamortized debt discount issue cost, which are due in 2015.

Noncurrent Liabilities

12. Long-term debt net of unamortized debt discount increased by 84.3 percent to ₱30.6 billion as of December 31, 2014 due to the additional loan drawdown from the Expansion Facility with BDO and the issuance of Corporate Notes to finance the completion of Sky Tower. These were reduced by the reclassification of the loan's current portion to current liabilities due in the next twelve months.
13. The increase in deferred tax liability with the equivalent provision for income tax was the tax effect of capitalized rent and interest for the year.
14. Retirement liability increased to ₱131.5 million due to the accrual of pension cost based on the latest actuarial valuation.

Equity

15. The increase in capital stock was the result of PMHI subscription to new shares of Bloomberry as a result of the Placing and Subscription transaction and the transfer of SIP shares to the participants whose SIP shares have vested in 2014 and those shares that will vest in 2015.
16. Bloomberry acquired shares from its parent company, PMHI, for the purpose of distributing these shares under the SIP. The remaining shares representing SIP shares that will vest in 2015 are recognized as treasury shares in Bloomberry's books.
17. Share based payment plan increased to ₱38.0 million. The increase pertains to the Group's stock incentive plan granted in 2014.
18. From a deficit of ₱2.5 billion as of December 31, 2013, the Group was able to turn around the business and realized ₱1.6 billion of Retained Earnings as of December 31, 2014 arising from the ₱4.1 billion net income for 2014.

Balance sheet accounts as of December 31, 2013 with variances of plus or minus 5.0 percent against December 31, 2012 balances are discussed, as follows:

Current Assets

1. Cash and cash equivalents decreased by 22.3 percent as of December 31, 2013 mainly due to payments to contractors and consultants for the development of Solaire, payments for pre-operating and operating expenses of the Group. Drawdowns from the Original Facility amounted to ₱9.4 billion to finance the completion of Phase 1 of Solaire and the construction of The Sky Tower.
2. Current portion of restricted cash went down by 61.2 percent mainly due to payments for project development costs, administrative expenses and funding of debt service and payment reserve accounts.
3. Receivables jumped to ₱2.5 billion an increase of 6,865.7 percent mainly due to credits issued primarily to fixed room junket operators. These credits are typically settled by the end of the relevant month.
4. Inventories as of December 31, 2013 amounted to ₱190.3 million mainly to support the operational requirements of the property.
5. Prepayments and other current assets grew by 75.7 percent from ₱139.5 million as of December 31, 2012 to ₱245.1 million as of December 31, 2013 due to prepayment of insurances and advances to trade suppliers.

Noncurrent Assets

6. Advances to contractors declined by 67.4 percent because of the completion of Phase 1 of Solaire.
7. Property and equipment jumped to ₱27.2 billion as of December 31, 2013 because of the the completion of Phase 1 of Solaire and acquisition of equipment since opening date, reduced by depreciation for the year. Property and equipment also includes accumulated development costs for the Sky Tower.
8. Deferred tax assets decreased by 100 percent due to the derecognition of deferred tax assets pertaining to net operating loss carried over (NOLCO) of Sureste from 2010 to 2013.
9. Other non-current assets increased by 294.5 percent mainly because of the purchase of hotel operating equipment and supplies which will be amortized during the start of commercial operations of the hotel and additional prepaid debt issue cost.

Current Liabilities

10. Payables and other current liabilities increased by 101.4 percent to ₱6.6 billion primarily due to outstanding chips and trade related payables and accruals with the commencement of commercial operations of Solaire in March 2013 as well as accruals for the construction of The Sky Tower.
11. Current portion of long-term debt represents principal amounts net of unamortized debt discount issue cost, which are due in 2014.

Noncurrent Liabilities

12. Long-term debt net of unamortized debt discount increased by 103.1 percent to ₱16.6 billion as of December 31, 2013 due to the additional loan drawdown from the Original Facility with BDO for the completion of the Phase 1 of Solaire and drawdowns from the Expansion Facility. These were reduced by the reclassification of the loan's current portion to current liabilities due in the next twelve months.

13. Accrued rent decreased by 100 percent because of the reclassification to current portion.
14. Net deferred tax liabilities amounted to ₱68.2 million. The Group recognized a deferred tax liability and equivalent provision for income tax of ₱154.9 million for the tax effect of the capitalized rent and unrealized foreign exchange gain.
15. Retirement liability and other non-current liabilities increased to ₱47.4 million due to the accrual of pension cost based on the 2013 actuarial valuation.

Equity

16. Share based payment plan amounted to ₱10.9 million. This pertains to the Group's stock incentive plan granted during the last quarter of 2013
17. Deficit increased by 112.0 percent to ₱2.5 billion as of December 31, 2013 from ₱1.2 billion as of December 31, 2012 due to the ₱1.3 billion registered net loss for 2013.

6.7 LIQUIDITY AND CAPITAL RESOURCES

This section discusses the Group's sources and use of funds as well as its debt and equity profile.

6.7.1 Liquidity

The table below shows the Group's consolidated cash flows for the years ended December 31, 2012, 2013 and 2014:

Table 6.7 Consolidated Cash Flows

In thousands, except % change data	For the Year Ended December 31			% Change 2012 vs 2013	% Change 2012 vs 2014
	2012	2013	2014		
Net cash provided by operating activities	₱604,920	₱1,730,380	₱8,128,794	186.1	369.8
Net cash used in investing activities	(18,018,269)	(12,481,879)	(14,148,490)	(30.7)	13.4
Net cash provided by financing activities	24,128,707	8,872,503	19,188,796	(63.2)	116.3
Effect of exchange rate changes on cash and cash equivalents	(7,965)	108,096	(106,539)	(1,457.1)	(198.6)
Net increase (decrease) in cash and cash equivalents	6,707,392	(1,770,900)	13,062,560	(126.4)	(837.6)
Cash and cash equivalents, beginning	1,172,373	7,879,765	6,108,865	572.1	(22.5)
Cash and cash equivalents, end	₱7,879,765	₱6,108,865	₱19,171,425	(22.5)	213.8

Cash and cash equivalents rose by 213.8 percent as of December 31, 2014 mainly due to successful financing activities completed by the Group in 2014 and the additional drawdowns from the Expansion Facility. In February 2014, BRHI successfully issued ₱11.425 billion in Corporate Notes and in November 2014, Bloomberry and its parent company, PMHI, completed a Placing and Subscription Transaction. Proceeds from the issuance of Corporate Notes were used to finance the completion of Sky Tower. The property was also able to generate ₱9.5 billion of positive cash flows from its operations. In the Group reclassified the non-current portion of restricted cash to current after exceeding the US\$1 billion minimum investment requirement under its provisional gaming license with the completion of Sky Tower.

In 2014 the Group registered a positive cash flow from operating activities of ₱8.1 billion higher from last year's positive cash flow of ₱1.7 million. The main reason for the positive cash flows was because of the start of commercial operations of the property and higher levels of payables and other current liabilities.

Net cash used in investing activities in 2014 was higher than the level of 2013 as the bulk of the costs of completing the Sky Tower were incurred in 2014. In addition, the non-current portion of restricted cash was reclassified to current after exceeding the US\$1 billion minimum investment requirement under its provisional gaming license with the completion of Sky Tower.

In 2014 the Group's financing activities consist of the issuance of Corporate Notes amounting to ₱11.4 billion, proceeds from the Placing and Subscription transaction of ₱5.6 billion and ₱4.8 billion drawdown from the Expansion Facility. The Group paid interest in 2014 totaling ₱1.3 billion. The Corporate Notes and the Expansion Facility were used to finance the completion of the Sky Tower.

6.7.2 Capital Resources

The table below shows the Group's capital sources as of December 31, 2012, 2013 and 2014:

Table 6.8 Capital Sources

<i>In thousands, except % change data</i>	As of December 31			% Change	% Change
	2012	2013	2014	2012 vs 2013	2013 vs 2014
Long-term debt - net	P8,176,107	₱17,632,590	₱32,608,251	115.7	84.9
Equity	17,336,636	16,032,913	25,678,561	(7.5)	60.2
Total Capital	P25,512,743	₱33,665,503	₱58,286,812	32.0	73.1

Total debt and equity grew by 73.1 percent to ₱58.3 billion as of December 31, 2014 from ₱33.7 billion as of December 31, 2013. The increase was the result of the combined effect of the drawdowns from the Expansion Facility, the issuance of Corporate Notes, the Placing and Subscription Transaction and net income for 2014.

Please refer to Note 13 of the Notes to Audited Consolidated Financial Statements for the discussion on debt financing, covenants and collaterals.

6.8 RISKS

The future operations of the Group shall be exposed to various market risks, particularly foreign exchange risk, interest rate risk and liquidity risk, which movements may materially impact the future financial results and conditions of the Group. The importance of managing these risks has significantly increased in light of the volatility in the Philippine and international financial markets. With a view to managing these risks, the Group has incorporated a financial risk management function in its organization, particularly in the treasury operations.

Please refer to Note 21 of the Notes to Audited Consolidated Financial Statements for the discussion on Financial Assets and Liabilities and Financial Risk Management Objectives and Policies.

Item 7. Consolidated Financial Statements

The Group's consolidated financial statements and accompanying notes are incorporated herein by reference.

Item 8. Changes in and Disagreements with Accountants of Accounting and Financial Disclosure

There were no changes or disagreements with the Company's external auditors, SyCip Gorres Velayo & Co. (SGV & Co.) on accounting and financial statement disclosures.

On June 5, 2014, the Stockholders of Bloomberry re-appointed SGV & Co. as principal accountant to audit its financial statements.

8.1 Information on Independent Accountant

The external auditor in 2014 is the firm SGV & Co. The Company has engaged Ms. Maria Vivian G. Cruz – Ruiz, partner of SGV & Co., for the audit of the Company's books and accounts in 2014.

8.2 External Audit Fees and Services

The Group paid its external auditors the following fees for the last three years for professional services rendered:

Table 8.1 Audit Fees

<i>In thousands pesos</i>	For the Year Ended December 31		
	2012	2013	2014
Audit	₱10,794.0	₱14,002.9	₱12,849.7
Tax and others	1,016.4	9,542.6	10,904.8
Total	₱11,810.4	₱23,545.5	₱23,754.5

Tax fees paid to the auditors are for tax compliance and tax advisory services. In 2012, other fees include the issuance of comfort letter for the Placing and Subscription Transaction in May 2012. In 2013, other fees include business process review and audit assistance in the pre-opening accounting activities. In 2014, the other fees include fees for limited review services provided.

The Audit Committee makes recommendations to the Board concerning the external auditors and pre-approves audit plans, scope and frequency before the conduct of the external audit. The Audit Committee reviews the nature of the non-audit related services rendered by the external auditors and the appropriate fees paid for these services.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

The members of the Board of Directors and executive officers of the Group as of December 31, 2014 are:

Office	Name	Citizenship	Age
Chairman of the Board & Chief Executive Officer	Enrique K. Razon Jr.	Filipino	55
Vice Chairman	Jose Eduardo J. Alarilla	Filipino	63
Director, President & Chief Operating Officer	Thomas Arasi	American	57
Director	Christian R. Gonzalez	Filipino	39
Director	Donato C. Almeda	Filipino	60
Independent Director	Carlos C. Ejercito	Filipino	69
Independent Director	Jon Ramon Aboitiz	Filipino	66
Chief Financial Officer & Treasurer	Estella Tuason-Occeña	Filipino	45
Executive Vice President for Gaming	Dennis Andreaci ¹	American	57
Senior Vice President for International Marketing	Laurence Upton ²	New Zealander	45
Senior Vice-President for Casino Marketing	Cyrus Sherafat ³	American	32
Senior Vice President for Table Games	Heather Alice Scheibenstock ⁴	Australian	47
Senior Vice President for VIP Services	Lorraine Koo Mann Loo	Singaporean	38
Corporate Secretary	Silverio Benny J. Tan	Filipino	58
Compliance Officer & Assistant Corporate Secretary	Amabelle C. Asuncion ⁵	Filipino	38

¹Retired effective May 9, 2014.

²Appointed effective March 3, 2014.

³Appointed effective March 17, 2014.

⁴Appointed effective October 16, 2014.

⁵Appointed effective June 5, 2014.

Below are summaries of the business experience and credentials of the Directors and the Company's key executive officers:

Enrique K. Razon, Jr. — Chairman and Chief Executive Officer

Mr. Razon is the Chairman and the President of International Container Terminal Services, Inc. (ICTSI)*, ICTSI Warehousing, Inc., ICTSI Foundation, Inc., Razon Industries, Inc., Prime Metroline Holdings Inc. (PMHI), Quasar Holdings Inc., Falcon Investco Holdings Inc., Achillion Holdings Inc., Collingwood Investment Company Ltd., Bravo International Port Holdings Inc. and Provident Management Group, Inc.; the CEO and the Chairman of Bloomberry Resorts and Hotels, Inc.; the Chairman of Sureste Realty Corp., Monte Oro Resources and Energy, Inc. (MORE) and Australian Terminal Ltd.; the President of Contecon Manzanillo S.A., Tecon Suape, S.A. and Tecplata S.A.; a Director A of Contecon Guayaquil S.A.; a Director B of ICTSI Capital B.V.; and a Director of Sureste, ICTSI (Hongkong) Ltd., Yantai International Container Terminals, Limited, Australian Container Terminals Ltd., Pentland International Holdings Ltd., CLSA Exchange Capital and Xcell Property Ventures, Inc.

Mr. Razon is a member of the American Management Association, the Management Association of the Philippines, the US Philippines Society and the World Economic Forum.

**Publicly-listed Corporation*

Jose Eduardo J. Alarilla — Vice Chairman

Mr. Alarilla is the President of Lakeland Village Holdings, Inc., Devoncourt Estates Inc., Eiffle House Inc. and Alpha Allied Holdings Ltd. He is the President and CEO of Mega Subic Terminal Services, Inc., Chairman of Mega Equipment International Corp., and President of Manila Holdings and Management, Inc. Mr. Alarilla is a director of BRHI, MORE and International Cleanenvironment Systems Inc. He holds a Bachelor of Science in Mechanical Engineering from De La Salle University and a Master in Business Management from the Asian Institute of Management.

Thomas Arasi — Director, President and Chief Operating Officer

Mr. Arasi was appointed as President and Chief Operating Officer of the Company effective October 11, 2013. He is also the President of Sureste and BRHI. He was formerly President and Chief Executive Officer of Marina Bay Sands Pte Ltd. He has also held senior positions with InterContinental Hotels Group as President of three major divisions, and was formerly the President of Tishman Hotel Corporation. Mr. Arasi is a graduate of Cornell University, where he received a Bachelor of Arts degree in Hotel and Restaurant Administration.

Christian R. Gonzalez — Director

Mr. Gonzalez is a director of BRHI, Sureste and PMHI. He is the Vice President and Head of Asia Pacific Region & Head of Manila International Container Terminal (MICT) in ICTSI*. Mr. Gonzalez is the Chairman and/or President of ICTSI Subic, Inc., Subic Bay International Terminal Holdings, Inc. and IW Cargo Handlers, Inc.; the Chairman of ICTSI Far East Pte. Ltd.; the President Commissioner of PT Makassar Terminal Services and ICTSI Jasa Prima; and a Director of Bauan International Ports, Inc., Davao Integrated Port & Stevedoring Services Corp., Mindanao International Container Terminal Services, Inc., South Cotabato Integrated Ports Services, Inc., Subic Bay International Terminal Corp., Abbotsford Holdings, Inc., ICTSI Warehousing, Inc., Hijo International Port Services, Inc., International Container Terminal Services (India) Private Limited, and Pakistan International Container Terminal Limited. Mr. Gonzalez is a Director and the Chairman of the Board in both Yantai International Container Terminals, Limited and Victoria International Container Terminal Ltd. In 2009, Mr. Gonzalez was appointed as the Treasurer of the Board of Trustees of ICTSI Foundation, Inc. In 2010, he was elected a Director of The Country Club.

Mr. Gonzalez is a graduate of Instituto de Estudios Superiores de la Empresa (IESE) Business School, the graduate school of management of the University of Navarra, in Barcelona, Spain, where he received his Bilingual Masters in Business Administration. He is also a graduate of Business Administration from Pepperdine University in California.

**Publicly-listed Corporation*

Donato C. Almeda — Director

Mr. Almeda is director of BRHI and is the president of Bloomberry Cultural Foundation Inc. He served as President and CEO of Waterfront Philippines Inc. He also served as: President of Waterfront Cebu City Hotel, Waterfront Mactan Hotel and Fort Ilocandia Hotel, Managing Director of Waterfront Promotions Ltd. (a gaming company) and President of Insular Hotel in Davao. He earned his Engineering Degree from De La Salle University.

Carlos C. Ejercito — Independent Director

Mr. Ejercito is an independent director of MORE. He is the Chairman and President of Northern Access Mining Corporation, Forum Cebu Coal Corporation, and Morganhouse Holdings Inc. He was Chairman of the Board of Directors of United Coconut Planters Bank, and was the former CEO of United Laboratories Inc. and several of its subsidiaries. He was a director of Ayala Greenfield Development Corporation. He was a former director in National Grid Corporation of the Philippines, Greenfield Development Corporation, Fort Bonifacio Development Corporation and Bonifacio Land Corporation. Mr. Ejercito is a governor of the Management Association of the Philippines and is a member of the Philippine Chamber of Commerce. Mr. Ejercito has a Bachelor's degree in Business Administration, cum laude, from the University of the East, and is an MBA candidate from Ateneo Graduate School of Business. He attended the Program for Management Development of Harvard Business School.

Jon Ramon Aboitiz — Independent Director

Mr. Aboitiz has been an independent director of ICTSI* since 2008 and is the Chairman of its Audit Committee. Mr. Aboitiz is the Chairman of Aboitiz & Co., Inc. and the Vice Chairman of Aboitiz Power Corporation (AP)*. He is the Vice Chairman of UnionBank of the Philippines* and the Chairman of various board Committees in UnionBank. Mr. Aboitiz is the Vice President and Trustee of the Ramon Aboitiz Foundation; a Trustee and a member of the Executive Committee of the Philippine Business for Social Progress; a Trustee of the Santa Clara University - California, U.S.A.; and a member of the Board of Advisors of the Coca-Cola Export Corporation (Philippines).

**Publicly-listed Corporation*

Estella Tuason-Occeña — Chief Financial Officer and Treasurer

Ms. Occeña is the Chief Financial Officer and Treasurer of BRHI and Director and Treasurer of PMHI. She is an Executive Officer of ICTSI*, Chief Financial Officer of MORE, Director and Chief Financial Officer of International Cleanenvironment Systems, Inc., Treasurer of Sureste, Sureste Realty Corporation, Lakeland Village Holdings Inc., Devoncourt Estates Inc., Achillion Holdings, Inc., Bloomberry Cultural Foundation, Inc. and Razon Industries, Inc. Ms. Occeña has an MBA from De La Salle University and graduated with Distinction from St. Scholastica's College with a Bachelors Degree in Commerce.

**Publicly-listed Corporation*

Dennis Andreaci¹ — Executive Vice President for Gaming

Mr. Andreaci was the Executive Vice President for Gaming of the Company. He was formerly the Senior Vice President for Gaming Operations of Galaxy Macau Resort. Prior to joining Galaxy Entertainment, Mr. Andreaci was the Vice President for Table Games of Marina Bay Sands in Singapore from October 2008 to October 2009, a position he also held with the Venetian Macao Resort from December 2002 to October 2008. He also served as Casino Manager and Vice President of Casino Operations of the Sands Macao from 2000 to 2002. In the Philippines, Mr. Andreaci previously served as Casino Manager of the Subic Bay Resort and casino from January 1993 to June 1994. Mr. Andreaci has also served in various capacities for hotel, casino, gaming and cruise ship companies in Atlantic City, New Jersey, USA, Myanmar, Cambodia, Lao PDR, and Malaysia.

Laurence Upton² — Senior Vice President for International Marketing

Mr. Upton was previously with Crown Ltd, Melbourne as Senior Vice President, VIP International Marketing. He was responsible for developing a marketing office in emerging markets including China, Vietnam, Japan and Korea and other countries in the region. He had also serviced VVIP clients, the world's largest gaming customers including international celebrities. In just two years' time Mr. Upton was able to significantly grow the company's emerging market turnover. He was also previously connected with Star City Pty Ltd in a variety of senior management roles.

Cyrus Sherafat³ — Senior Vice President for Casino Marketing

Mr. Sherafat has 10 years' experience in the gaming industry working in various marketing roles both at local casinos and international integrated resorts. He was the Vice President of Casino Marketing in Marina Bay Sands in Singapore. He is a graduate of Cornell University's School of Hotel Administration. He began his career in the gaming industry with Pinnacle Entertainment, a regional casino operator in the United States.

¹ Retired effective May 9, 2014

² Appointed effective March 3, 2014.

³ Appointed effective March 17, 2014.

Heather Alice Scheibenstock⁴ — Senior Vice President for Table Games

Heather has over 10 years of leadership experience in gaming and hospitality. Prior to joining Solaire, Heather has held several notable positions including as Executive Director of Australian Gaming and Entertainment Limited. She prepared and developed the company for listing on the Australian Stock Exchange.

She also served as the General Manager of Gaming for The Star, Sydney and provided the overall direction of gaming operations as part of the Executive Leadership Team. She has also been with several companies such as Conrad Jupiters and Gold Coast where she served as General Manager for Electronic Gaming. Prior to that, she has held various roles in hospitality and gaming.

Heather graduated at the University of Technology Sydney with a certificate in Business Administration.

Lorraine Koo Mann Loo — Senior Vice President for VIP Services

Ms. Koo is the Senior Vice President for VIP Services of the Company. Prior to joining Solaire Resort & Casino, she was the Senior Manager then Assistant Vice President for Casino Customer Service of the Galaxy Entertainment Group in Macau where she handled guest services for both Mass Market and Premium Direct VIP players. She also formerly held the position of Senior Executive Host at Marina Bay Sands in Singapore. Ms. Koo holds a Bachelor of Arts degree in Communications Management from Edith Cowan University in Australia.

Silverio Benny J. Tan — Corporate Secretary

Atty. Tan is the managing partner of the law firm Picazo Buyco Tan Fider & Santos. He is a director and corporate secretary of PMHI, Bravo International Port Holdings Inc., Alpha International Port Holdings Inc., Eiffle House Inc., Cyland Corp., OSA Industries Philippines Inc. and Negros Perfect Circles Food Corp. He is also a director of the following companies: Celestial Corporation, Skywide Assets Ltd., MORE Minerals (SL) Ltd., and Dressline Holdings Inc. and its subsidiaries and affiliates. He is the corporate secretary of several companies including: Mapfre Insular Insurance Corporation, Sureste, BRHI, Lakeland Village Holdings Inc., and Devoncourt Estates Inc. He is the assistant corporate secretary of ICTSI*, ICTSI Ltd., Apex Mining Co. Inc.* and MORE. Atty. Tan holds a Bachelor of Laws, cum laude, from the University of the Philippines College of Law and a Bachelor of Arts Major in Political Science, cum laude, from the University of the Philippines College Iloilo. Atty. Tan placed third in the 1982 Philippine Bar exams.

**Publicly-listed Corporation*

Amabelle C. Asuncion⁵ — Compliance Officer & Assistant Corporate Secretary

Atty. Asuncion is the Chief Legal Counsel of Bloomberry Resorts and Hotels, Inc. She also serves as the corporate secretary and head of the legal committee of the Entertainment City Estates Management, Inc. She was previously a partner for corporate practice and special projects at DivinaLaw. Her legal experience spans both private and public sectors, including Asian Development Bank, Banco de Oro*, SyCip Salazar Hernandez & Gatmaitan, the Office of the Senate Majority Leader Francis Pangilinan, and the Office of Senator Loren Legarda. Atty. Asuncion holds a Master of Laws degree in International Legal Studies, with distinction, from Georgetown University Law Center at Washington, D.C. and a Bachelor of Laws degree from the University of the Philippines College of Law. She also has a Bachelor of Arts degree in English Studies, magna cum laude, from the University of the Philippines. She is admitted to practice in New York and the Philippines.

**Publicly-listed Corporation*

⁴ Appointed effective October 16, 2014.

⁵ Appointed effective June 5, 2014.

9.1 Significant Employees

No person who is not an executive officer of Bloomberry is expected to make a significant contribution to Bloomberry.

9.2 Family Relationships

Director Christian R. Gonzales is the nephew of Chairman and Chief Executive Officer, Enrique K. Razon, Jr. There are no other family relationships among the directors and officers listed.

9.3 Involvement in Certain Legal Proceedings

The Company is not aware of any of legal cases, which occurred during the past five years that are material to an evaluation of the ability or integrity of any of its directors, executive officers or controlling person.

Item 10. Executive Compensation

The Group paid compensation in 2014 to the Chief Executive Officer (CEO) and executive officers named below, as a group, amounting to ₱36.4 million.

Name	Office
Enrique K. Razon Jr.	Chairman of the Board & CEO
Jose Eduardo J. Alarilla	Vice Chairman
Thomas Arasi	Director, President & Chief Operating Officer
Christian R. Gonzalez	Director
Donato C. Almeda	Director
Carlos C. Ejercito	Independent Director
Jon Ramon Aboitiz	Independent Director
Estella Tuason-Occea	Chief Financial Officer & Treasurer
Dennis Andreaci ¹	Executive Vice President for Gaming
Laurence Upton ²	Senior Vice President for International Marketing
Cyrus Sherafat ³	Senior Vice-President for Casino Marketing
Heather Alice Scheibenstock ⁴	Senior Vice President for Table Games
Lorraine Koo Mann Loo	Senior Vice President for VIP Services
Silverio Benny J. Tan	Corporate Secretary
Amabelle C. Asuncion ⁵	Compliance Officer and Assistant Corporate Secretary

¹Retired effective May 9, 2014.

²Appointed effective March 3, 2014.

³Appointed effective March 17, 2014.

⁴Appointed effective October 16, 2014.

⁵Appointed effective June 5, 2014.

The following is the breakdown of the aggregate amount of compensation paid to the CEO and top four (4) highest paid executive officers in 2013 and 2014, and estimated to be paid to the CEO and top four (4) highest paid executive officers in 2015 named above (amounts in millions):

	Year	Salary	Bonus & Others	Total
President and Top 4 Executive Officers, as group:	2015 (Estimate)	₱22.7	₱0.6	₱23.3
	2014 (Actual)	21.6	0.6	22.2
	2013 (Actual)	20.3	6.7	27.0
Enrique K. Razon, Jr. – <i>Chairman & CEO</i>				
Thomas Arasi – <i>President & Chief Operating Officer</i>				
Dennis Andreaci – <i>Executive Vice President for Gaming</i> (until May 9, 2014)				
Cyrus Sherafat – <i>Senior Vice President for Casino Marketing</i>				
Lorraine Koo Mann Loo – <i>Senior Vice President for VIP Services</i>				
Michael French – <i>Chief Operating Officer</i> (until September 12, 2013)				
Xingyu (Ed) Chen – <i>Chief Financial Officer</i> (until June 24, 2013)				
All Other Officers and Directors, as a group unnamed	2015 (Estimate)	₱19.3	₱1.6	₱20.9
	2014 (Actual)	13.0	1.2	14.2
	2013 (Actual)	17.2	2.5	19.7

The members of the Board are not expected to receive any compensation in 2015. There are no material terms of any other arrangements or contracts where any director of the Company was compensated or is to be compensated, directly or indirectly, in 2013, 2014 or in the coming year, for any service provided as a director.

Named executives officers are covered by Letters of Appointment, with the Company stating therein their respective terms of employment.

There are no existing compensatory plans or arrangements, including payments to be received from the Company by any named executive officer, upon resignation, retirement or any other termination of the named executive officer's employment with the Company and its subsidiaries or from a change-in-control of the Company or a change in the named executive officers' responsibilities following a change-in-control.

Stock Incentive Plan

The Stockholders of the Parent Company approved on June 25, 2012 a Stock Incentive Plan (SIP) for directors, officers, and employees of the Group, effective for a period of ten years unless extended by the board of directors. The Participants to the SIP are: permanent and regular employees of the Group or its affiliates with at least one year tenure; officers and directors of the Group; officers and directors of affiliates of the Group; and other persons who have contributed to the success and profitability of the Group or its affiliates.

The SIP is administered by the Stock Incentive Committee (SIC), which is composed of three directors or officers appointed by the BOD. The SIC determines the number of shares to be granted to a participant and other terms and conditions of the grant.

Unissued shares from the authorized capital stock or treasury shares which together with shares already granted under the SIP, are equivalent to seven percent (7%) of the resulting total outstanding shares of the Parent Company shall be allocated for the SIP.

The grant of shares under the SIP does not require an exercise price to be paid by the awardee. The shares awarded shall vest in two years: 50% on the first anniversary date of the award; and the other 50% on the second anniversary date of the award. Vesting grants the participant absolute beneficial title and rights over the shares, including full dividend and voting rights.

On October 1, 2013, the SIC granted the first stock awards of 5,792,700 shares with a fair value of ₱10.02 per share. On July 1, 2014, the SIC granted the second stock awards of 4,318,589 shares with a fair value of ₱10.84 per share. On October 27, 2014, the SIC has granted to a senior officer stock awards totaling 4,486,000 shares with a fair value of ₱14.98 per, 50% of which has a 2-year vesting period and the other 50% has 3-year vesting period. The fair value per share is based on the market price of the stock when it was granted. On October 1, 2014 2,050,950 SIP shares granted in 2013 vested and were distributed to respective grantees in December 2014. The stock incentive obligation amounting to ₱47.7 million and ₱10.9 million for 2014 and 2013, respectively were recognized as part of "Salaries and benefits" under "Operating costs and expenses" in the consolidated financial statements.

Item 11. Security Ownership of Certain Beneficial Owners and Management

As of December 31, 2014, the Company does not know of anyone who beneficially owns in excess of 5% of the Company's shares of stock except as set forth in the table below:

11.1 Security Ownership of Certain Record and Beneficial Owners

Name	Number of Shares	Percentage of Ownership
Enrique K. Razon, Jr. ¹	7,584,889,332	68.75%
PCD Nominee Corporation (Non-Filipino)	1,416,892,931	12.84%
PCD Nominee Corporation (Filipino)	1,069,992,817	9.70%
Global Gaming Philippines, LLC	921,184,056	8.35%

¹ Enrique K. Razon, Jr. is the beneficial owner of Prime Metroline Holdings, Inc., Quasar Holdings, Inc. & Falcon Investco Holdings Inc.

11.2 Security Ownership of Management as of December 31, 2013

Name	Citizenship	Number of Shares	Percentage of Ownership
Enrique K. Razon, Jr. ¹	Filipino	7,584,889,332	68.75%
Christian R. Gonzalez	Filipino	10,826,033	0.10%
Jon Ramon Aboitiz	Filipino	9,910,632	0.09%
Silverio Benny J. Tan	Filipino	1,980,719	0.02%
Lorraine Koo	Singaporean	300,000	0.00%
Jose Eduardo J. Alarilla	Filipino	100	0.00%
Thomas Arasi	American	100	0.00%
Estella Tuason-Occeaña	Filipino	100	0.00%
Donato C. Almeda	Filipino	100	0.00%
Carlos C. Ejercito	Filipino	100	0.00%

¹ Enrique K. Razon, Jr. is the beneficial owner of Prime Metroline Holdings, Inc., Quasar Holdings, Inc. & Falcon Investco Holdings Inc.

11.3 Voting Trust Holders of 5% or More

None

11.4 Changes in Control

None

Item 12. Certain Relationships and Related Transactions

Descriptions and explanations of the related party transactions are disclosed in Note 14, *Related Party Transactions*, to the Annual Audited Consolidated Financial Statements.

Aside from the transactions as disclosed in the Annual Audited Consolidate Financial Statements, the Group does not have any other transactions with its directors, executive officers, security holders or members of their immediate family.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Company, its Board of Directors, officers and employees strive, through good corporate governance, to enhance the value of the Company and optimize over time the returns to its shareholders by:

- a. Sound, prudent, and effective management,
- b. Efficient and effective management information system,
- c. Effective risk management,
- d. Reliable financial and operational information,
- e. Cost effective and profitable business operations, and
- f. Compliance with laws, rules, regulations and contracts.

The following are measures that the Company has undertaken or will undertake to fully comply with the adopted leading practices on good governance:

1. Manual of Corporate Governance

On March 6, 2013, the Board approved a new Manual of Corporate Governance of the Company. Our Compliance Officer will continue to coordinate with the Philippine SEC with respect to compliance requirements, monitor compliance with the manual and report any governance-related issues to the Board. The Company commits itself to principles and best practices of governance in the attainment of corporate goals.

2. Board of Directors

Bloomberry's Board has the expertise, professional experience, and background that allow for a thorough examination and deliberation of the various issues and matters affecting the Group. The Board is responsible for the Company's overall management and direction. The Board will meet regularly on a quarterly basis, or more frequently as required, to review and monitor the Company's project development, future results of operations and financial position. Bloomberry's Amended Articles of Incorporation provide that the Board shall consist of seven (7) directors where two (2) members are Independent Directors: Mr. Jon Ramon Aboitiz and Mr. Carlos C. Ejercito. Except for Mr. Enrique K. Razon, Jr. and Mr. Thomas Arasi, all members of the Board are non-executive Directors.

Bloomberry's directors are elected at the Annual Stockholders' Meeting. They shall hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified.

The Attendance of the Directors in the 2014 Board Meetings are as follows:

Name	5 February	14 February	27 February	4 March	26 March	16 April	5 June ¹	16 October	10 November	18 December
Enrique K. Razon, Jr	P	P	P	P	P	P	P	P	P	P
Jose Eduardo J. Alarilla	P	P	P	P	P	P	P	P	P	P
Christian Martin R. Gonzalez	P	P	P	P	P	P	P	P	P	P
Donato C. Almeda	P	P	P	P	P	P	P	P	P	P
Carlos C. Ejercito	P	P	P	P	P	P	P	P	P	P
Jon Ramon M. Aboitiz	P	P	P	P	P	P	P	P	P	P
Thomas Arasi	P	P	P	P	P	P	P	P	P	P

P – Present A – Absent

¹ Organizational Meeting of the BOD

The directors and key officers of the Company attended the corporate governance seminar held on November 11, 2014.

3. Audit Committee

The Company's Audit Committee is responsible for assisting the Board in its fiduciary responsibilities by providing an independent and objective assurance to its management and stockholders of the continuous improvement of its risk management systems, business operations and the proper safeguarding and use of its resources and assets. It provides a general evaluation and assistance in the overall improvement of its risk management, control and governance processes. The Committee is composed of three (3) Board members, including one (1) independent director who serves as the committee chairman. The Committee reports to its Board and is required to meet at least four (4) times a year. As of the date of this report, the Audit Committee Chairman is Mr. Jon Ramon Aboitiz who serves with Mr. Christian R. Gonzalez and Mr. Carlos C. Ejercito as members.

The 2014 attendance of the audit committee are as follows:□

Office	Name	Date of Election	No of Meeting Held During the year	No. of Meetings Attended	%	Length of Service
Chairman	Jon Ramon Aboitiz	6/5/2014	5	5	100%	11 Months
Member	Christian R. Gonzalez	6/5/2014	5	5	100%	11 months
Member	Carlos C. Ejercito	6/5/2014	5	4	80%	8 months

4. Nomination Committee

The Board organized the Nomination Committee to review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors. As of the date of this report, the Nomination Committee Chairman is Mr. Enrique K. Razon, Jr. who serves with Mr. Jose Eduardo J. Alarilla, Mr. Christian R. Gonzalez and Mr. Jon Ramon Aboitiz as members.

5. Compensation and Remuneration Committee

A Compensation and Remuneration Committee was organized by the Board to establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Company's culture, strategy and the business environment in which it operates. As of the date of this report, the Compensation and Remuneration Committee Chairman is Mr. Eduardo J. Alarilla, who serves with Mr. Carlos C. Ejercito and Ms. Estella T. Occeña as members.

6. Executive Officers

Bloomberry's Management Team, will be responsible for the day-to-day management and operations of the casino and hotel. The registered address of the Company's executive officers for the moment is The Executive Offices, Solaire Manila Resort & Casino Asean Avenue, Entertainment City, Tambo, Parañaque City, Philippines.

7. Independent Audit

Part of the Company's organizational structure is the Internal Audit Department (IAD). The establishment of IAD is a positive step towards good corporate governance. Its purpose, authority and responsibilities is defined in the Audit Charter, consistent with the definition of Internal Auditing, IIA Code of Ethics and the International Standards for the Professional Practice of Internal Auditing. The Audit Charter will be subject to the approval of the President and the Audit Committee. To ensure its independence, the IAD functionally reports to the Audit Committee of the Board.

8. Management and Reporting Structure

The Board together with the management has developed a reporting structure based on the approved organizational structure of the hotel and casino operation. The reporting

structure, which clearly segregates the different operations and functions, will define the responsibilities of each department and will incorporate the proper check and balance within the organization.

9. Continuing Improvements for Corporate Governance

Bloomberry will continue to improve its corporate governance, systems and processes to enhance adherence to practices of good corporate governance.

Please refer to attached Annual Corporate Governance Report.

PART V - EXHIBITS AND SCHEDULES

Item 14. Reports on SEC Form 17-C

The following is a summary of submissions of SEC Form 17-C filed during the year 2014:

Date of Report	Item Reported
January 17, 2014	Filing of an Urgent Petition for Issuance of Interim Measures of Protection with Very Urgent Prayer for the Issuance of an Ex-Parte Temporary Order of Protection (TPO) before the Makati Regional Trial Court (MRTC).
January 23, 2014	Issuance by MRTC of an immediately executory 20-day TPO.
February 7, 2014	Execution of a Corporate Notes Facility amounting to P11.4B with BDO Unibank, Inc., BDO Leasing and Finance, Inc., BDO Private Bank, Inc., China Banking Corporation, Robinsons Bank Corporation, United Coconut Planters Bank.
February 10, 2014	Issuance by MRTC of an Order extending for another 10 days the 20-day TPO.
February 14, 2014	Appointment of Mr. Laurence Upton as Senior Vice President for International Marketing.
February 20, 2014	Issuance by MRTC of an Order extending the twenty (20) day TPO it issued for another ten (10) days from 17 February 2014.
February 26, 2014	Issuance by MRTC of an Order granting the application for interim measures of protection.
February 27, 2014	Retirement of Mr. Dennis Andreaci as Executive Vice President for Gaming.
March 4, 2014	Appointment of Mr. Cyrus Sherafat as Senior Vice President for Casino Marketing.
April 16, 2014	Setting the Date, Venue, Agenda and Record Date for the 2014 Annual Stockholders' Meeting. The board directors approval of the Amendment of the Third Article of the Articles of Incorporation of BLOOM changing the place of its principal office to The Executive Offices, Solaire Resort & Casino, Asean Avenue, Entertainment City, Barangay Tambo, Parañaque City.
May 9, 2014	Official Statement of BLOOM on BIR RMC No 33-2013.
May 12, 2014	Signing of Terms of Reference between Sureste Properties, Inc. and Ayala Land, Inc. for the retail area to be opened in the new Phase 1-A of Solaire Resort and Casino.
June 5, 2014	Results of the 2014 Annual Stockholders' Meeting of BLOOM
June 5, 2014	Bloomberry Resorts and Hotels, Inc. filed with the Supreme Court a Petition for Certiorari and Prohibition under Rule 65 of the Rules of Court (G.R. No. 212530) against the Bureau of Internal Revenue to question the validity of the provision of Revenue Memorandum Circular No. 33-2013.
June 27, 2014	The Securities and Exchange Commission approved the amendment of the Third Article of the Articles of Incorporation of BLOOM changing the place of its principal office.
July 24, 2014	Filing of the Amended Manual of Corporate Governance of BLOOM
October 21, 2014	Appointment of Ms. Heather Alice Scheibenstock as Senior Vice President for Table Games
November 11, 2014	Comprehensive Corporate Disclosure on the placing and subscription transaction implemented by Bloomberry Resorts Corporation and Prime Metroline Holdings Inc.
November 20, 2014	Press release on the opening of Solaire's Sky Tower

SIGNATURES

Pursuant to the requirements of Section 17 of the SRC and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, duly authorized, in the City of Paranaque.

Bloomberry Resorts Corporation

Issuer

By:

Enrique K. Razon, Jr.
Chairman & Chief Executive
Officer

Date: March 18, 2015

Thomas Arasi
Director, President & Chief
Operating Officer

Date: March 18, 2015

Estella Tuason Occena
Chief Financial Officer &
Treasurer

Date: March 18, 2015

Silverio Benny J. Tan
Corporate Secretary

Date: March 18, 2015

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2015 affiant(s) exhibiting to me their Passports, as follows:

NAMES	PASSPORT. NO.	DATE OF ISSUE	PLACE OF ISSUE
Enrique K. Razon Jr.	EB8438728	20 June 2013	Manila
Thomas Arasi	486967802	22 November 2011	U.S.A
Estella Tuason Occena	EC0848400	14 April 2014	Manila
Silverio Benny J. Tan	EB1758456	20 January 2011	Manila

Doc. No. _____
Book No. _____
Page No. _____
Series of 2015

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*These schedules, which are required by Part II of SRC Rule 68, As Amended (2011) are either not required, not applicable or the information required to be presented is included in the Company's consolidated financial statements or the notes to consolidated financial statements.

BLOOMBERRY RESORTS CORPORATION

Schedule A. Financial Assets
December 31, 2014

Name of Issuing Entity and Description of Each Issue	Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotations at Balance Sheet Date	Unrealized mark-to-market gain
		<div data-bbox="905 586 1152 654" style="border: 1px solid black; padding: 5px; display: inline-block;">Not Applicable</div>			

BLOOMBERRY RESORTS CORPORATION

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
For the Year Ended December 31, 2014

Name and Designation of Debtor	Beginning Balance	Additions	Deductions			Current	Non-current	Ending Balance
			Amount Collected	Amount Written-Off	Others			
Bloomberry Resorts Corporation	₱1,064,305	₱165,620	₱655,790			₱574,135		₱574,135
Sureste Properties, Inc.	4,192,651	197,988,711	188,663,916			13,517,446		13,517,446
Bloomberry Resorts and Hotels Inc.	21,483,079	150,188,573	146,124,235			25,547,417		25,547,417
	₱26,740,035	₱348,342,904	₱335,443,941			₱39,638,998		₱39,638,998

BLOOMBERRY RESORTS CORPORATION

Schedule C. Amounts of Receivable from Related Parties, which are Eliminated During the Consolidation of Financial Statements
For the Year Ended December 31, 2014

Name and Designation of Debtor	Beginning Balance	Additions	Deductions			Current	Non-current	Ending Balance
			Amount Collected	Amount Written-Off	Others			
Bloomberry Resorts and Hotels Inc.	₱2,196,499,432	₱60,356,244	₱2,196,499,432			₱60,356,244		₱60,356,244
Sureste Properties, Inc.	-	2,985,204,625	1,223,789,479			1,761,415,146		1,761,415,146
Solaire Korea Co., Ltd.	-	90,060,500	-			90,060,500		90,060,500
	₱2,196,499,432	₱3,135,621,369	₱3,420,288,911			₱1,911,831,890		₱1,911,831,890

BLOOMBERRY RESORTS CORPORATION

Schedule E. Long-term Debt
December 31, 2014

Name of Issuer and Type of Obligation	Amount Authorized by Indenture	Amount Shown as Current	Amount Shown as Long-term	Remarks
Sureste – Philippine peso-denominated term loans	₱12,350,000,000	₱1,696,550,000	₱9,863,100,000	See Note 13 to the Audited Consolidated Financial Statements
Sureste – Philippine peso-denominated term loans	14,300,000,000	-	8,063,762,840	
BRHI – Philippine peso-denominated term loans	2,250,000,000	337,500,000	1,800,000,000	
BRHI – Philippine peso-denominated notes	11,425,000,000	-	11,425,000,000	
Long-term Debt	40,325,000,000	2,034,50,000	30,971,862,840	
Less: Unamortized Debt Issue Cost	-	40,016,768	357,644,832	
	₱40,325,000,000	₱1,994,033,232	₱30,614,218,008	

BLOOMBERRY RESORTS CORPORATION

Schedule F. Indebtedness to Related Parties (Long-term Loans from Related Companies)
December 31, 2014

Name of Related Party	Beginning Balance	Ending Balance
<div data-bbox="793 509 930 578" style="border: 1px solid black; padding: 2px; display: inline-block;">NONE</div>		

BLOOMBERRY RESORTS CORPORATION

Schedule G. Guarantees of Securities of Other Issuers
December 31, 2014

Name of Issuing Entity of Securities Guaranteed by the Company for which Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by the Company for which Statement is Filed	Nature of Guarantee
		<div data-bbox="1041 623 1178 691" style="border: 1px solid black; padding: 2px;">NONE</div>		

BLOOMBERRY RESORTS CORPORATION

Schedule H. Capital Stock
December 31, 2014

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Share Reserved for Options, Warrants, Conversions and Other Rights	Number of Shares Held By		
				Subsidiaries	Directors, Officers and Employees	Others
Shares	15,000,000,000	11,026,851,506*	-	7,553,656,500	57,850,726	3,415,344,280

*Net of treasury shares.

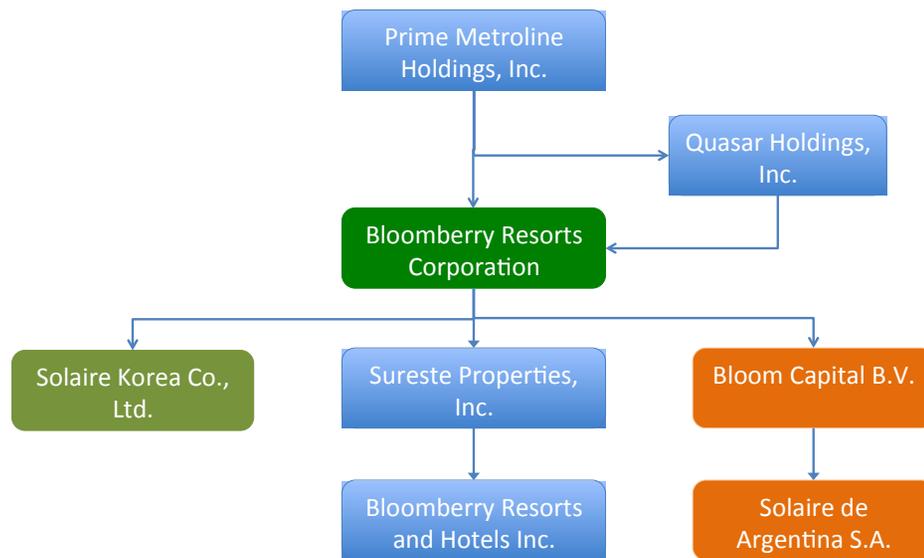
BLOOMBERRY RESORTS CORPORATION

Schedule I. Retained Earnings Available for Dividend Declaration
December 31, 2014

	Amount
Unappropriated retained earnings, beginning	₱38,705,086
Adjustments: <i>(see adjustments in previous year's Reconciliation)</i>	-
Unappropriated retained earnings, as adjusted, beginning	38,705,086
Add: Net income (loss) during the year	(62,649,059)
Unappropriated deficit, as adjusted, ending	(₱23,943,973)

BLOOMBERRY RESORTS CORPORATION

Schedule J. Map of Relationships
December 31, 2014



BLOOMBERRY RESORTS CORPORATION

Schedule K. Proceeds of Placing and Subscription Transaction (1,179,963,700 Offer Shares and Exercise of 117,996,300 Overallotment Shares at ₱7.50 Offer Price)
December 31, 2014

	Offering Circular	Actual
Gross Proceeds	₱9,734,700,000	₱9,734,700,000
Net Proceeds	9,280,288,691	9,270,166,838
Use of Net Proceeds:		
Investment in Sureste Properties, Inc.		9,270,166,838
Balance as of December 31, 2014		₱-