

2024

ANNUAL REPORT



The Executive Offices,
Solaire Resort Entertainment City,
Asean Ave. Entertainment City, Tambo,
Paranaque City 1701 Philippines



www.bloomberg.ph



SKY SUITE - LIVING ROOM
SOLAIRE RESORT NORTH



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MESSAGE FROM THE CHAIRMAN

Good afternoon, ladies and gentlemen.

In 2024, the Philippines was one of the fastest growing economies in the Asia Pacific region with GDP rising by 5.7 percent. At the same time, our economic managers kept inflation in check despite an unusually high number of typhoons that impacted the country. On the other hand, Tourism still seriously lags behind our neighbors, although, international visitation expanded by 9 percent to 5.9 million last year, we are still at the bottom end of tourism compared to our ASEAN neighbors.

As for the Philippine gaming industry, last year was also a mixed bag. Overall gross gaming revenue, or GGR, grew 25 percent on the back of a strong showing by the Electronic Gaming or Online Gaming segment, but was dampened by a decline in GGR among Integrated Resort Operators in Metro Manila. Most of this decline can be attributed to 1) continued weakness in the VIP segment, 2) the unanticipated loss of POGO-related gaming business, and 3) a high-base effect against 2023 which was a very strong year that benefitted from pent-up demand coming out from the COVID-19 pandemic.

Despite the market decline, Bloomberry maintained its GGR leadership and reinforced its position with the contribution from our long-awaited second property. Shining as the beacon of luxury in northern Metro Manila, Solaire North strengthens the Solaire brand and vastly increases our exposure to the mass market segment. Its optimal location in the heart of Quezon City allows us to create more inroads into the mass market that reside in the northern cities of the National Capital Region and nearby provinces like Bulacan and Pampanga.

Solaire Entertainment City continues to be well regarded globally with awards from Inside Asian Gaming, and the Sky Tower's 8th consecutive Forbes 5-star rating. Solaire North received rave reviews on its opulent gaming, hospitality and F&B offerings. For excellence in management and corporate governance, Bloomberry was once again cited by Institutional Investor, Corporate Governance Asia and Finance Asia. These accolades recognize our commitment to excellence and delivering exceptional experiences to guests in the Philippines and from all over the world.

Financial Performance

Bloomberry's consolidated Gross Gaming Revenue or GGR in 2024 was P61.7 billion, higher by 6 percent compared to P58.3 billion in 2023.

Non-gaming revenue increased by 23 percent to P10.7 billion from P8.7 billion.

Consolidated EBITDA of P16.6 billion, declining by 14 percent, from P19.3 billion recorded in the prior year. EBITDA was impacted by lower EBITDA generated by Solaire Entertainment City and by P1.1 billion of Solaire North's pre-opening expenses.

Consolidated net income was P2.6 billion, decreasing by 73 percent, from 9.5 billion, impacted by opening expenses of Solaire North and increased depreciation.

Basic earnings per share was 24 centavos, compared to 87 centavos in the previous year.

To further support cash flow, we refinanced 72 billion pesos of debt at a lower interest rate and with a favorable principal repayment schedule that lightens annual principal payments for the next 5 years.

Even after we paid out a hefty settlement to buy Bloomberry shares back from the former casino manager earlier in 2024, our balance sheet was strengthened by a higher equity balance as we revalued our various land holdings at their fair market valuations.

Looking Ahead

We move forward with the view that Metro Manila remains to be an important gaming destination for both local and international patrons and will start growing from where we ended last year over the medium term.

We are encouraged by the guidance of our country's economic managers who have set a 6 percent to 8 percent annual GDP growth range until 2028. As incomes grow, so does discretionary spending from which our business can benefit. As for tourism, both the Philippine Department of Tourism and the World Tourism Organization remain optimistic on the prospects for the Philippines and the Asia-Pacific region, respectively. The Government last year signed off on a VAT refund program for non-resident tourists with the goal of increasing inbound visitation and demonstrating its commitment to boost the tourism industry.

Tactically speaking, our goals are three-fold: redirect Solaire Entertainment City back to growth; increase revenues at Solaire North bringing it to profitability; and further broaden our presence in online gaming.

In a bid to secure the long-term success of our business, we seek to further increase our presence in mass market gaming through a new electronic gaming product. Launching in the second quarter of 2025, this new mainstream brand will complement Solaire Online and is anticipated to bring our brand of online gaming entertainment to Filipinos nationwide.

With our best-in-class integrated resort products and our expanded exposure to online gaming, we have an unrivalled and highly diverse portfolio of revenue sources that will solidify our position as the top gaming firm in the Philippines and the region.

I would like to thank our shareholders for your continued support and unwavering faith in our goals. To our Solaire team members, let us stay true to our vision and, despite the challenges, deliver on our ambitions as we always have.

Thank you.



ENRIQUE K. RAZON JR.
Chairman and Chief Executive Officer

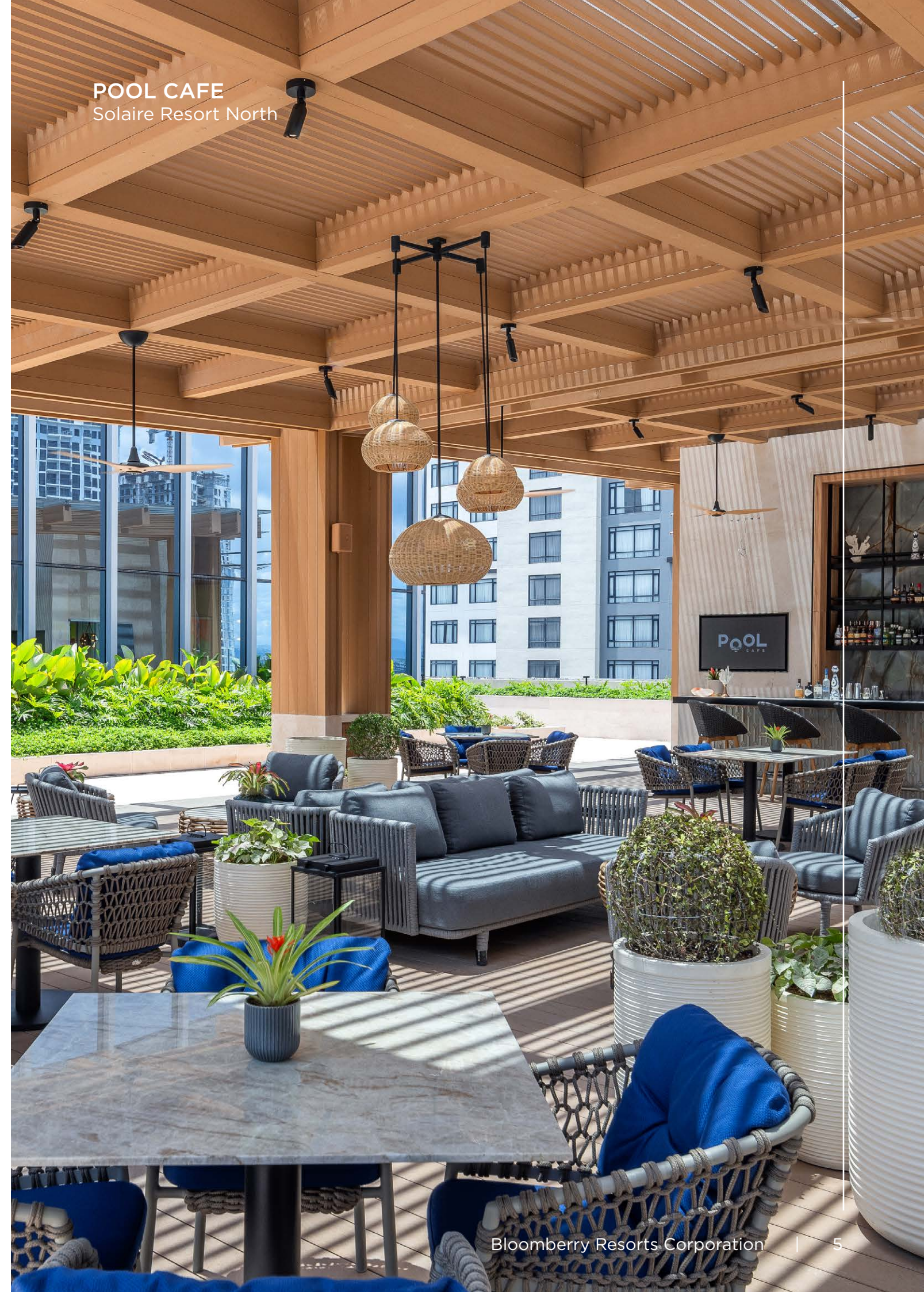


Bloomberg Resorts Corporation

Bloomberg Resorts Corporation (Bloomberg) is the Philippines' leading integrated resort developer and operator. Bloomberg registered with the Philippine Securities and Exchange Commission (SEC) on May 3, 1999. Its shares of stock are traded in the Philippine Stock Exchange (PSE) under the ticker BLOOM. The company's headquarters is at The Executive Offices, Solaire Resort & Casino, 1 Asean Avenue, Entertainment City, Barangay Tambo, Parañaque City.

Bloomberg owns and operates Solaire Resort Entertainment City (formerly Solaire Resort & Casino) and Solaire Resort North through its subsidiaries, Sureste Properties, Inc. (Sureste) and Bloomberg Resorts and Hotels, Inc. (BRHI). Sureste and BRHI develop and operate tourist facilities, including hotel-casino entertainment complexes with retail spaces, amusement areas, and themed-development components. Sureste was incorporated in the Philippines and registered with the SEC on April 16, 1993. BRHI was incorporated in the Philippines and registered with the SEC on February 27, 2008. Bloomberg also owns and operates Jeju Sun Hotel & Casino in Jeju Island, South Korea through Solaire Korea Co., Ltd and its subsidiary Golden & Luxury Co. Ltd.

As a holding company, Bloomberg maintains interests in other corporations. As of December 31, 2024, Razon & Co. Inc. is the group's ultimate parent company, and Prime Strategic Holdings Inc. is its intermediate parent company. Bloomberg's subsidiaries include Sureste and its wholly-owned subsidiary BRHI, Bloom Capital B.V., Solaire Korea Co., Ltd, and its subsidiaries Golden & Luxury Co. Ltd., and Muui Agricultural Corporation, Bloomberg Cruise Terminals, Inc., Bloomberg Resorts Japan, Inc. (liquidated in June 2024), Solaire Properties Corporation, and Solaire Resorts Corporation.



BLOOMBERRY RESORTS CORPORATION ACCOLADES

FinanceAsia's Best Managed Companies Poll 2024

Bloomberry won three awards in the 2024 edition of FinanceAsia's Best Companies Poll 2024. Under the industry categories, Bloomberry was hailed as Asia's Best Consumer Services company, winning the gold medal. In the Philippines categories, Bloomberry was acclaimed as the gold medalist under the Best Investor Relations category and as the bronze medalist under the Best Managed Company category, highlighting the strong management team contributing to the Company's and Solaire's success. The awards are based on nominations by influential investors and financial analysts, assessing corporate behavior and performance over the past year.



Institutional Investor 2024 Asia Executive Team Survey

Bloomberry ranked highly in the 2024 Asia (ex-Japan) Executive Team Survey by Institutional Investor Research. Bloomberry was one of only four Philippine companies that were ranked this year. In comparison, there were 10 Philippine companies that were ranked in 2023. Bloomberry managed to remain in the Most Honored Company list, a title given only companies that received positions within various categories. The Company's executives were highly ranked among Asian Small/Mid Cap companies (companies with market capitalization of less than US\$10 billion) in the Gaming & Lodging Sector. On both combined (buy-side and sell-side) and buy-side only basis, Bloomberry Chairman and CEO Mr. Enrique K. Razon Jr. was voted first place under the Best CEO category. EVP, CFO and Treasurer Ms. Estella Tuason-Occea was voted third and second place on a combined basis and buy-side only basis, respectively. Under the Best Investor Relations Officer category, Mr. Jonas R. Ramos was ranked first by buy-side market participants. The survey involved feedback from thousands of professionals across various sectors, making it a significant recognition in the industry.



14th Asian Excellence Awards by Corporate Governance Asia

Bloomberry earned accolades in four categories at the 14th Asian Excellence Awards by Corporate Governance Asia. Estella Tuason-Occea, the Executive Vice President, Chief Financial Officer, and Treasurer of Bloomberry, received the "Asia's Best CFO" award for the 6th consecutive time. Bloomberry also received awards for the "Best Investor Relations Company" for the 6th straight year. Executive Director for Investor Relations Jonas R. Ramos, CFA, and Investor Relations Senior Manager Robin-Jason S. Venturina were each granted the award for "Best Investor Relations Professional", for their 5th and 4th consecutive years, respectively. This recognition reflects Bloomberry's commitment to transparency and corporate governance following regional best practices. Corporate Governance Asia, celebrating its 21st year, is a leading publication in Environmental, Social, Corporate Governance, Investor Relations, and Sustainability. It is widely read by executives from major public companies, regulators, institutional investors, fund managers, lawyers, accountants, academics, and other Asian financial professionals.



Asian Gaming Power 50

Bloomberry Chairman and CEO Mr. Enrique K. Razon Jr. was recognized as the 10th Most Influential Person in the 2024 edition of the Asian Gaming Power 50 by Inside Asian Gaming. The Asian Gaming Power 50 is an annual ranking of the 50 most influential and prominent Asian gaming industry leaders and executives. The annual ranking is judged by a small, hand-picked judging panel of esteemed industry experts. Inside Asian Gaming is Asia's leading B2B digital and print media brand for the gaming, resort and entertainment industry.



Inside Asian Gaming's Academy IR Awards

Bloomberry won three accolades in latest Inside Asian Gaming Academy IR Awards. Bloomberry's Solaire Resort Entertainment City was recognized as having the "Best IR Gaming Floor" and as the "Best Regional Asia-Pacific Integrated Resort", both for the 2nd year in a row. Bloomberry was also recognized as having the "Best Overall Marketing Program," a recognition that highlights Bloomberry's innovative approach to marketing within the highly competitive integrated resort industry.



Fortune 500 Southeast Asia

Bloomberry was ranked 307th in Fortune's Southeast Asia 500 list. The inaugural edition of the list ranks 500 of Southeast Asia's largest companies by revenue in the fiscal year 2023. A total of 38 companies from the Philippines were included in the list, with Bloomberry recording revenue of US\$861.6 million in 2023, the 31st largest print among Philippine names.



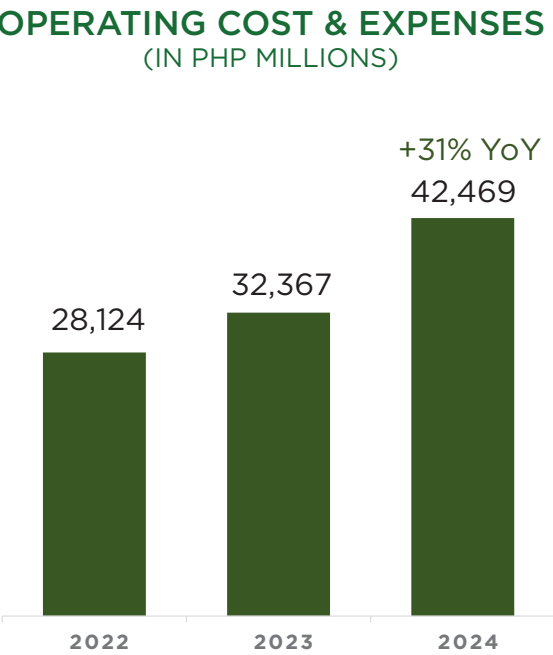
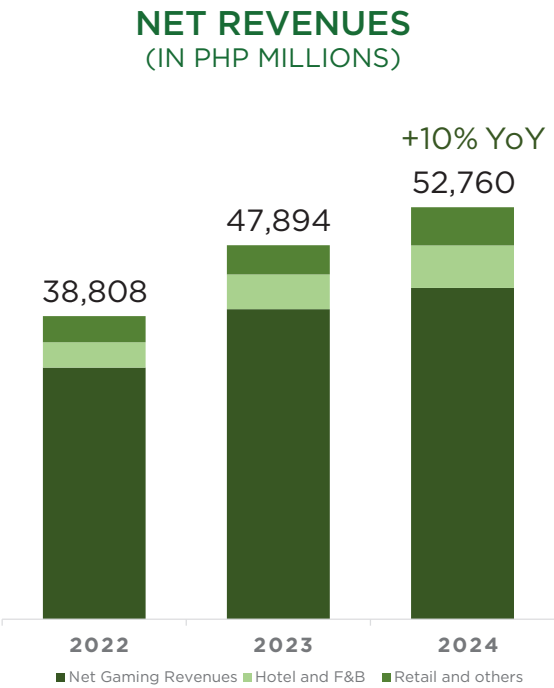
2024 3G Awards by Cambridge IFA

Bloomberry was hailed as the winner of the "3G Excellence in Sustainable Practices" Award in the 9th Global Good Governance (3G) awards by Cambridge IFA. The 3G Excellence in Sustainable Practices Award recognizes organizations that "effectively promote sustainability in their business practices to ensure the businesses run in an environmentally and socially responsible way." Indeed, Bloomberry's sustainability framework focuses on Solaire Resort Entertainment City as an entity that creates value for society through various initiatives that espouse valuing our customers, ensuring an enthusiastic workforce, protecting the environment, and good governance.

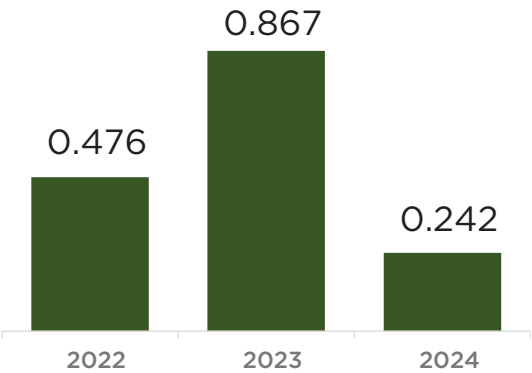


AUDITED FIGURES

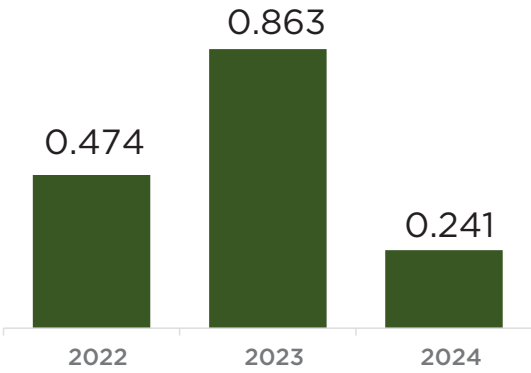
KEY FINANCIAL CHARTS



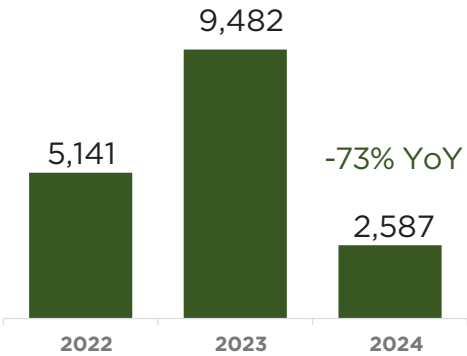
BASIC EARNINGS PER SHARE
ON NET INCOME
ATTRIBUTABLE TO EQUITY HOLDERS OF
PARENT COMPANY
(IN PHP)



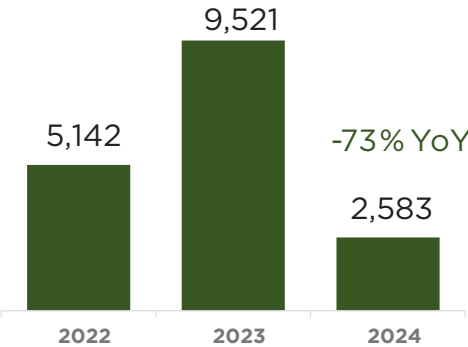
DILUTED EARNINGS PER SHARE
ON NET INCOME
ATTRIBUTABLE TO EQUITY HOLDERS OF
PARENT COMPANY
(IN PHP)



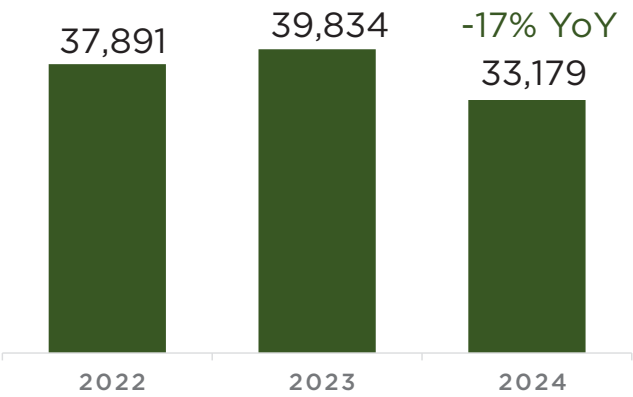
INCOME BEFORE INCOME TAX
(IN PHP MILLIONS)



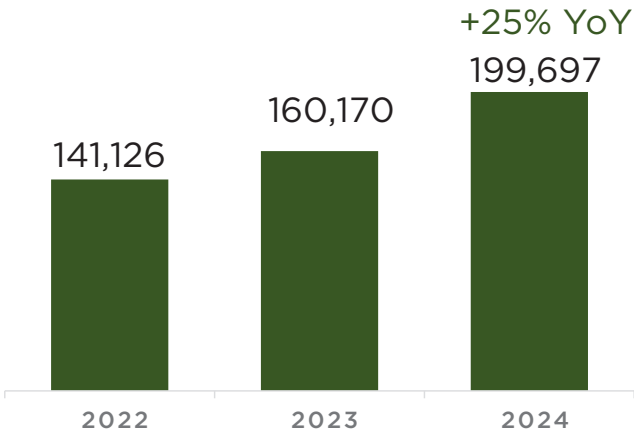
NET INCOME
(IN PHP MILLIONS)



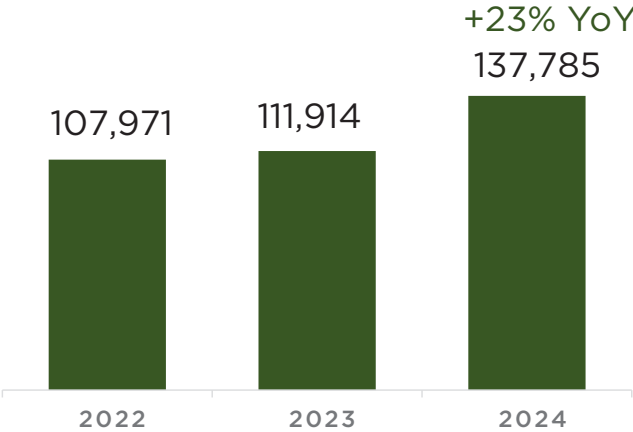
CASH AND CASH EQUIVALENTS
(IN PHP MILLIONS)



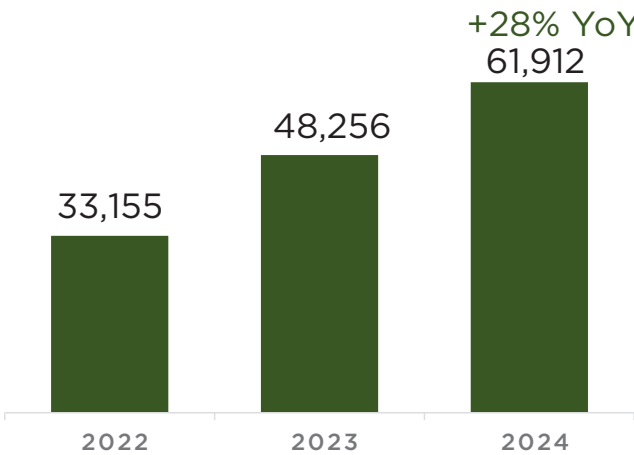
TOTAL ASSETS
(IN PHP MILLIONS)



TOTAL LIABILITIES
(IN PHP MILLIONS)



TOTAL EQUITY
(IN PHP MILLIONS)



ABOUT
SOLAIRE RESORT ENTERTAINMENT CITY

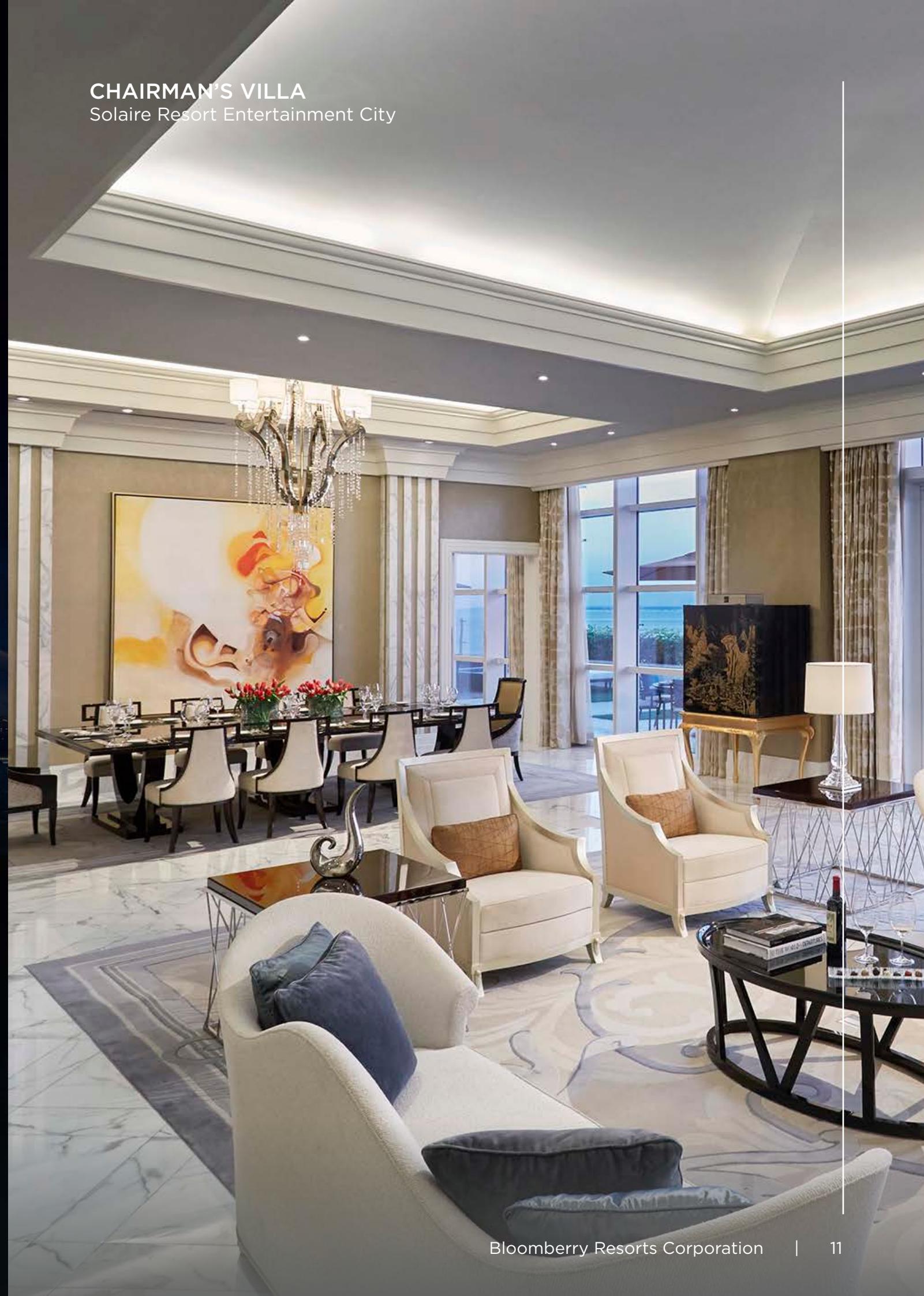


Solaire Resort Entertainment City (SEC) is the first premium luxury hotel and gaming integrated resort in Entertainment City, Parañaque City, Metro Manila. Entertainment City is an economic development zone dedicated to gaming and leisure. Solaire opened its doors in 2013 and is Bloomberg's flagship property and the only fully Filipino-owned and operated luxury hotel and gaming resort in the Philippines.

The integrated resort is built on an 8.3-hectare site and is only a few kilometers away from Manila's leading business and heritage districts. SEC is home to luxurious accommodations in two distinctive hotel towers. The gaming and resort complex offers best-in-class gaming facilities, a wide variety of dining options, a state-of-the-art Lyric Theatre, and a high-end retail district housing the Philippine flagship stores of international luxury brands.

In 2024, SEC's Sky Tower received its 8th consecutive Forbes 5-Star Excellence Award. The award highlights Bloomberg's commitment to unparalleled service and facilities that captures the heart of guests from around the world.

CHAIRMAN'S VILLA
Solaire Resort Entertainment City



SOLAIRE RESORT ENTERTAINMENT CITY
REVIEW OF OPERATIONS



GAMING

The massive casino floor is filled with slot machines, table games and electronic gaming machines to keep patrons entertained. High-rollers can indulge in unparalleled gaming experiences at our VIP gaming areas and the Solaire Club. In 2024, SEC’s gaming floor was voted “Best Gaming Floor” for the second consecutive year in Inside Asian Gaming’s IR Academy Awards.



BAY AND SKY HOTEL TOWERS

Solaire offers 800 well-appointed rooms and suites at its Bay and Sky Towers. The Sky Tower has garnered the Forbes Travel Guide Five-Star Excellence Award for eight consecutive years and is considered as one of the best luxury hotels in the world.



DINING

Exceptional dining experiences await guests at Solaire’s signature food outlets. Solaire’s award-winning restaurant portfolio includes Finestra Italian Steakhouse, Red Lantern, Yakumi, Waterside, and Fresh.



THE SHOPPES

As a retail destination, The Shoppes at Solaire elevates the Philippine shopping experience. Featuring a curated selection of luxury retail brands, The Shoppes brings a whole new world of sophistication to the retail landscape in the Philippines. Luxury brands housed in the property include global fashion giants such as Louis Vuitton, Givenchy, Prada, Saint Laurent, and Dior, among others. In 2024, new store openings included Jo Malone London, AmazingCre, Boss, Polo Ralph Lauren, Gucci (expansion), Samsonite Black Label and Open_Source

MEETINGS AND EVENTS

Solaire’s meetings and events venues, The Forum and the Grand Ballroom offer intimate, luxurious, and stylish facilities for weddings, celebrations, conferences and business events.



THE THEATER

The 1,740-seater grand auditorium called The Theater is, equipped with a state-of-the-art Constellation Acoustic System. It has elevated theater arts in the country, by staging many of the best musicals, shows, and performing acts to grace the contemporary Philippine stage. In 2024, the Theater hosted popular productions including Miss Saigon and Six, as well as a three-show concert by award winning actress and singer Ms. Lea Salonga.

AMENITIES

Other amenities include a spa and health club, swimming pool, and the Sky Range Shooting Club



ABOUT
SOLAIRE RESORT NORTH



Solaire Resort North (SN) is Bloomberry's second integrated resort in Metro Manila. Built on 1.5 hectares of prime land in the heart of Quezon City, SN is the first true luxury destination in the north.

The new Quezon City resort stands at 38 storeys, offering a panoramic view of the urban landscape and bustling metropolis, while delivering a blend of modern sophistication and class. The luxe property offers Solaire's signature service excellence, world-class facilities, and an elevated kind of lifestyle.

DRAGON BAR
Solaire Resort North



SOLAIRE RESORT NORTH
REVIEW OF OPERATIONS



GAMING

The property’s thrilling and exciting casino features on four floors. Mass gaming tables and slot machines are on levels two and three while VIP gaming areas are on the 36th and 37th floors.



HOTEL

Solaire Resort North has 526 luxuriously furnished guest rooms and suites for the ultimate stay.



DINING

Complementing the casino are 14 dining options including Solaire’s signature restaurants Finestra, Red Lantern, and Yakumi. Fresh new restaurant concepts have been thrown into the mix like Manyaman - a filipino restaurant featuring Kapampangan delicacies, the Mangrove Café – an elevated café experience on the ground floor, and the Sky Bar – a bar on the 38th floor offering fantastic views of the Metro Manila skyline.



MEETINGS AND EVENTS

Solaire Resort North offers a 1,800 square meter Grand Ballroom that can hold up to 1,300 guests as well as multiple function rooms equipped with cutting-edge audiovisual technology.



KIDS CLUB

A fun and immersive 5-level play space for kids, the Kid’s Club features a 2-lane bowling alley, 2 party rooms, a snack bar, and a plethora of fun-filled activities.



THE MANGROVE

An extraordinary piece of art that dominates the lobby. Created by Nikolas Weinstein, this installation draws inspiration from local mangrove trees and reflects the property as an oasis in the middle of the city. This glass sculpture is the largest in the world standing at 27 meters high, 28 meters long, and 35 meters wide.

AMENITIES

Other amenities include a spa and health club, swimming pool and The Waterpark



ABOUT
SOLAIRE ONLINE



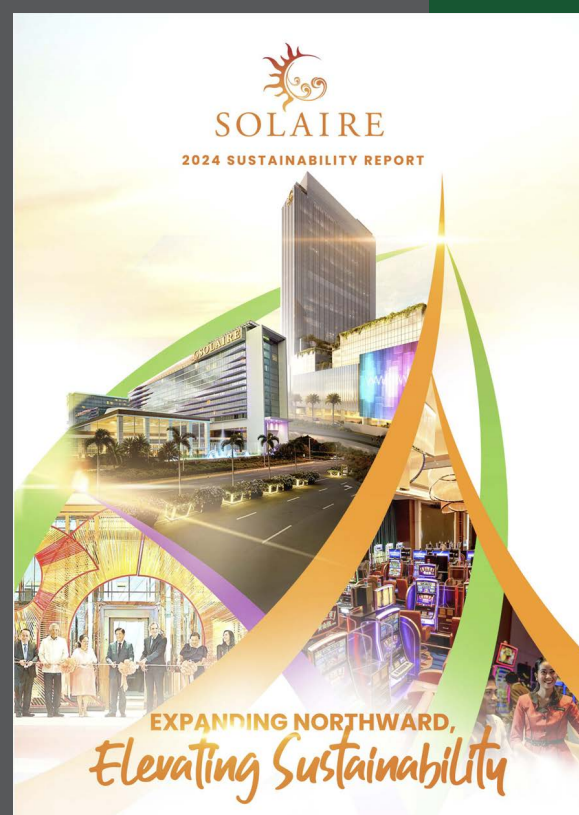
Solaire Online allows players to experience the excitement of baccarat, sic bo, roulette, and fan favorite slot games in comfort and safety on the go and using any device.

ABOUT
JEJU SUN HOTEL & CASINO



Jeju Sun Hotel & Casino is a 203 room hotel casino property located just 7-minutes by car from the Jeju International Airport.

REPORT SUSTAINABILITY



2024

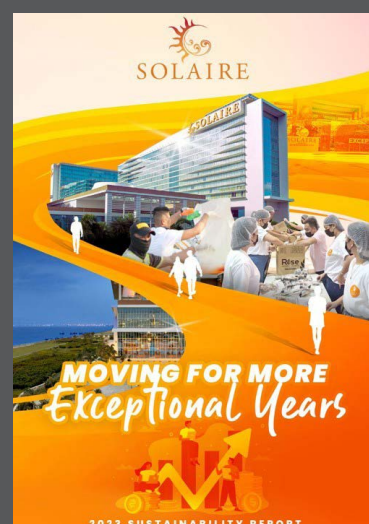
Since 2019, Bloomberg has annually published its Sustainability Report. Through this report, Bloomberg seeks to demonstrate how the company balances its business and profit interests with its responsibilities to its customers and employees in particular, and to society and the environment at large. The company's efforts toward ethical business practices in its value chain, as well as programs in responsible gaming, are similarly presented throughout this publication.

Please visit

www.bloomberg.ph/sustainability



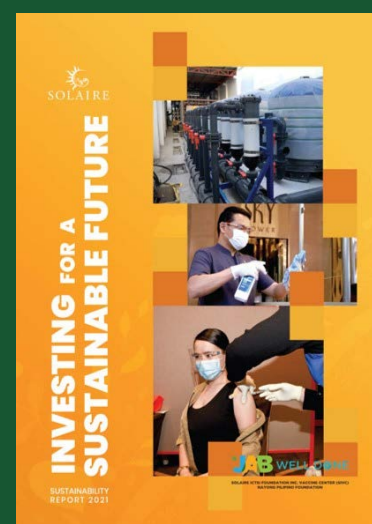
PREVIOUS REPORTS



2023



2022



2021



BOARD OF DIRECTORS AND CORPORATE MANAGEMENT

BOARD OF DIRECTORS

Enrique K. Razon Jr.

Chairman and Chief Executive Officer

Jose Eduardo J. Alarilla

Vice Chairman

Donato C. Almeda

Vice Chairman for Construction and Regulatory Affairs

Christian R. Gonzalez

Board Member

Octavio Victor R. Espiritu

Independent Director

Diosdado M. Peralta

Independent Director

Silverio Benny J. Tan

Corporate Secretary

Jonas S. Khaw

Assistant Corporate Secretary

CORPORATE MANAGEMENT

Enrique K. Razon Jr.

Chairman and Chief Executive Officer

Estella Tuason-Occeña

Executive Vice President, Chief Financial Officer and Treasurer

Fritz Jerrold Lacap

Vice President for Business Development and Corporate Planning

Gerard Angelo J. Festin

Vice President for Controllershship

Arnold Svahn F. Rivas

Vice President for Administration

Christopher Espera

Vice President for Treasury

Marites Castro

Executive Director for Construction (Finance)

Jimmy Villegas

Executive Director for Central Supply Chain

Jonas Isaac R. Ramos

Executive Director for Investor Relations

Security Ownership of Certain Beneficial Owners and Management

As of December 31, 2024, 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:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
Unclassified Shares	PCD Nominee Corporation (Filipino) Makati Stock Exchange Bldg.,Ayala Avenue, Makati City No relationship with Issuer	Enrique K. Razon, Jr. ¹ No relationship with Record Owner	Filipino	35,953,232	0.31%
Unclassified Shares	Enrique K. Razon, Jr. Controlling Shareholder of Issuer	Enrique K. Razon, Jr. ¹	Filipino	100	0.00%
Unclassified Shares	Prime Strategic Holdings, Inc. (formerly named “Prime Metroline Holdings, Inc.”) 2288 Chino Roces Avenue, Makati City Controlling Shareholder of Issuer	Enrique K. Razon, Jr. ¹ Controlling Shareholder of Record Owner Prime Strategic Holdings, Inc	Filipino	3,494,472,444	30.50%
Unclassified Shares	PCD Nominee Corporation (Filipino) Makati Stock Exchange Bldg.,Ayala Avenue, Makati City No relationship with Issuer	Enrique K. Razon, Jr. ⁽¹⁾ Controlling Shareholder of Prime Strategic Holdings, Inc. whose shares herein are lodged with PCD Nominee Corporation (Filipino)	Filipino	2,441,500,000	21.31%
Unclassified Shares	PCD Nominee Corporation (Filipino) Makati Stock Exchange Bldg.,Ayala Avenue, Makati City No relationship with Issuer	Enrique K. Razon, Jr. ⁽¹⁾ Controlling Shareholder of Quasar Holdings, Inc. whose shares herein are lodged with PCD Nominee Corporation (Filipino)	Filipino	921,184,056	8.04%
Unclassified Shares	Sureste Properties, Inc. The Executive Offices, Solaire Resort & Casino, 1 Asean Avenue, Entertainment City, Tambo, Parañaque City Controlling Shareholder of Issuer	Enrique K. Razon, Jr. ¹ Controlling Shareholder of Record Owner Sureste Properties, Inc.	Filipino	921,184,056	8.04%
Unclassified Shares	Razon & Co Inc. 2288 Chino Roces Avenue, Makati City Controlling Shareholder of Issuer	Enrique K. Razon, Jr. ¹ Controlling Shareholder of Record Holder Razon & Co Inc.	Filipino	225,000,000	1.96%
Unclassified Shares	PCD Nominee Corporation (Filipino) Makati Stock Exchange Bldg.,Ayala Avenue, Makati City No relationship with Issuer	Various parties	Filipino	1,677,627,498	14.67%
Unclassified Shares	PCD Nominee Corporation (Non-Filipino) Makati Stock Exchange Bldg., Ayala Avenue, Makati City No relationship with Issuer	Various parties	Foreign	1,819,666,767	15.88% ^s

¹ Enrique K. Razon Jr. is the controlling stockholder of Prime Strategic Holdings, Inc., Quasar Holdings, Inc., Sureste Properties, /inc., and Razon & Co., Inc. Enrique K. Razon, Jr. directly and indirectly owns a total of 8,039,293,888 shares or 69.35%.

Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2024, the aggregate beneficial ownership of all Directors and Executive Officers’ totals to 8,080,732,751 shares, equivalent to 70.52% with details set forth below:

Title of Class	Name of beneficial owner	Number of shares and nature of beneficial ownership		Citizenship	Percentage
Unclassified Shares	Enrique K. Razon, Jr. ¹	100	Direct	Filipino	
		8,039,293,788	Indirect – Held by PCD Nominee and various entities controlled by the beneficial owner		
	Total	8,039,293,888			69.35%
Unclassified Shares	Jose Eduardo J. Alarilla	100	Direct	Filipino	
		6,658,188	Indirect – Held by PCD Nominee		
	Total	6,658,288			0.06%
Unclassified Shares	Donato C. Almeda	100	Direct	Filipino	
		8,227,461	Indirect – Held by PCD Nominee		
	Total	8,227,561			0.07%
Unclassified Shares	Christian R. Gonzalez	100	Direct	Filipino	
Unclassified Shares		100,833	Indirect – Held by PCD Nominee		
	Total	100,933			0.00%
Unclassified Shares	Octavio Victor R. Espiritu	43,200	Direct	Filipino	
Unclassified Shares		430,500	Indirect – Held by PCD Nominee		
	Total	473,700			0.00%
Unclassified Shares	Diosdado M. Peralta	150,000	Direct	Filipino	0.00%
Unclassified Shares	Estella Tuason-Occeña	100	Direct	Filipino	
Unclassified Shares		9,279,700	Indirect – Held by PCD Nominee		
	Total	9,279,800			0.10%
Unclassified Shares	Laurence Upton	7,226,512	Indirect – Held by PCD Nominee	New Zealander	0.06%
Unclassified Shares	Cyrus Sherafat	8,909,450	Indirect – Held by PCD Nominee	American	0.08%
Unclassified Shares	Silverio Benny J. Tan	412,619	Indirect – Held by PCD Nominee	Filipino	0.00%
Unclassified Shares	Jonas S. Khaw	None		Filipino	None

¹ Enrique K. Razon, Jr. directly and indirectly owns 35,953,332 shares and indirectly owns: through Prime Strategic Holdings, Inc., 5,935,972,444 (51.80%) shares, through Quasar Holdings, Inc., 921,184,056 (8.04%) shares, through Sureste Properties, Inc., 921,184,056 (8.04%) shares and through Razon & Co. Inc., 225,000,000 (1.96%) shares;

Voting Trust Holders of 5% or More

None

Changes in Control

None

Certain Relationships and Related Transactions

Descriptions and explanations of the related party transactions are disclosed in Note 12, Related Party Transactions, to the Annual Audited Consolidated Financial Statements.

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



PART I - BUSINESS AND GENERAL INFORMATION

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 current primary purpose is to subscribe, acquire, hold, sell, assign or dispose of shares of stock and other securities of any corporation, including those engaged in hotel and/or gaming and entertainment business, without engaging in dealership in securities or in the stock brokerage business or in the business of an investment company, to the extent permitted by law, and to be involved in the management and operations of such investee companies; and to guarantee the obligations of its subsidiaries or affiliates or any entity in which the Parent Company has lawful interest.

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

As of December 31, 2011, the Parent Company was a majority-owned subsidiary of Wespac Holdings Incorporated (WHI). On January 26, 2012, Prime Strategic Holdings, Inc. (PSHI) 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, PSHI sold 100% of its ownership interest in Sureste Properties, Inc. (“Sureste”), to Bloomberry for P=5.9 billion. As of December 31, 2023, Bloomberry’s subsidiaries include Sureste and its wholly-owned subsidiary, Bloomberry Resorts and Hotels, Inc. (BRHI), Bloom Capital B.V, Solaire Korea Co., Ltd (“Solaire Korea”) and its subsidiaries Golden & Luxury Co., Ltd (“G&L”) and Muui Agricultural Corporation (“Muui”), Bloomberry Cruise Terminal, Inc. (“BCTI”), Bloomberry Resorts Japan, Inc. (“BRJI”), Solaire Properties Corporation (“SPC”) (formerly Solaire Entertainment Property Holdings Inc.) and Solaire Resorts Corporation (“SRC”) (collectively referred to as “the Group”).

On February 27, 2012, the SEC approved the increase in the authorized capital stock of the Company to P=15 billion 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 Parent 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 at the Executive Offices of Solaire Resort & Casino in June 2014.

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

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

A total of 1,297,960,000 new shares were subscribed by PSHI as a result of the foregoing Placing and Subscription Transaction, including the exercise of the over-allotment option by the stabilizing agent, CLSA Limited. These shares were listed in the Philippine Stock Exchange on December 7, 2012. On December 18, 2012, PSHI purchased an additional 3,000,000 Bloomberry shares from the market. As a result, PSHI directly owned 54.64% and indirectly owned 8.48% (through Quasar Holdings Inc.) equity stake in Bloomberry.

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

In September 2023, Bloomberry and Quasar Holdings, Inc. (Quasar), one of its affiliates, completed another Placing and Subscription Transaction under which Quasar first sold in a private placement to various institutional investors 559,000,000 shares of stock in Bloomberry at P=10.00 per share. Quasar then used the proceeds of the placing transaction to subscribe to an equivalent number of shares in Bloomberry at the same subscription price of P=10.00 per share.

Razon & Co. Inc. is Bloomberry's ultimate parent company as of December 31, 2024 and 2023.

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 within Entertainment City 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 preopening operations. Upon commencement of the commercial operations and five years thereafter, the Group will pay GGAM annual fees equivalent to certain percentages of Sureste's and BRHI's earnings before interest, taxes, depreciation and amortization.

Sureste and BRHI 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 their dispute. GGAM denies having breached the MSA and alleges that it is BRHI and Sureste who breached the MSA. The parties submitted their dispute to arbitration before a 3-member arbitral tribunal 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 an option over the shares of BRHI and Sureste. After the backdoor listing of Bloomberry the option was granted under an Equity Option Agreement to purchase up to 921.2 million shares, equivalent to 9.91% of Bloomberry's outstanding shares (prior to Bloomberry's top-up equity offering) from PSHI at a purchase price equivalent to P=1.00 per share plus US\$15 million. On December 21, 2012, GGAM exercised its option to purchase 921,184,056 shares of Bloomberry from PSHI at the agreed option strike price of P=1.67 per share and was crossed through the Philippine Stock Exchange on December 28, 2012. On February 25, 2014, the Makati Regional Trial Court (MRTC) granted the application of BRHI, Sureste and PSHI for measures of protection in the form of writs of preliminary attachment and preliminary injunction to restrain GGAM from disposing the Bloomberry shares in order to maintain the status quo. GGAM filed a petition for review on certiorari with the Court of Appeals against the decision of the MRTC.

On December 9, 2014, the tribunal issued its Order in Respect of Claimants' Interim Measures of Protection, declaring among others, that the February 25, 2014 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.

GGAM filed a Manifestation with the MRTC concerning the order of the arbitral tribunal and seeking assistance in the enforcement thereof. BRHI, Sureste and PSHI filed a

Counter-Manifestation on impropriety of GGAM Manifestation given its non-compliance with requirements of the Special Rules of Court on Alternative Dispute Resolution (Special ADR Rules) for enforcement of judgment/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, Sureste and PSHI 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. In a resolution dated May 29, 2015 and affirmed on November 27, 2015, the Court of Appeals remanded back the case to the MRTC for further proceedings.

On September 20, 2016, the arbitral tribunal issued a partial award on liability. It declared that

1) GGAM (Claimants) has not misled BRHI/Sureste (Respondents) into signing the MSA, and the Respondents were not justified to terminate the MSA because the services rendered by the Respondent's Management Team should be considered as services rendered by GGAM under the MSA, 2) rejected GGAM's claim that GGAM was defamed by the publicized statements of the Chairman of BRHI/Sureste, 3) that there is no basis for Respondents to challenge GGAM's title to the 921,184,056 Bloomberry shares because the grounds for termination were not substantial and fundamental, thus GGAM can exercise its rights in relation to those shares, including the right to

sell them; 4) reserved its decision on reliefs, remedies and costs to the Remedies Phase which is to be organized in consultation with the Parties, 5) reserved for another order its resolution on the request of GGAM: (a) for the Award to be made public, (b) to be allowed to provide a copy of the Award to Philippine courts, government agencies and persons involved in the sale of the shares, and (c) to require BRHI/Sureste and Bloomberry to inform Deutsche Bank AG that they have no objection to the immediate release of all dividends paid by Bloomberry to GGAM.

On August 31, 2017, BRHI and Sureste filed a request for reconsideration of the partial award in the light of U.S. DOJ and SEC findings of violations of the Foreign Corrupt Practices Act by GGAM officers Weidner and Chiu, and for false statements and fraudulent concealment by GGAM in the arbitration. GGAM opposed the request on September 29, 2017. In a decision dated November 22, 2017, the tribunal denied the request for reconsideration saying it has no authority to reconsider the partial award under Singapore law. The tribunal said that the courts might be the better forum to look into the allegations of fraud.

On December 21, 2017, BRHI and Sureste filed a petition in the High Court of Singapore to set aside the June 20, 2017 judgment of the Court and to either remit the partial award to the tribunal for correction, or otherwise set aside the partial award based on the fraud allegations previously raised in the request for reconsideration.

In a resolution dated November 23, 2017, the MRTC affirmed the continuing validity of its February 25, 2014 order and the writ of preliminary injunction and attachment issued pursuant thereto. GGAM filed a petition for review with the Court of Appeals to question this MRTC order. The Court of Appeals denied this petition, and GGAM filed a petition in the Supreme Court to question the decision of the Court of Appeals.

GGAM has amended its complaint to allege trespass to chattels against Mr. Razon, to which Mr. Razon has filed a motion to dismiss. On January 11, 2023, the US District Court denied Mr. Razon's motion to dismiss. BRHI and Sureste maintain their position that the New York court has no jurisdiction over them as they do not do business in New York nor in the U.S. Mr. Razon maintains the position that there is no basis to pierce the corporate veil of BRHI and Sureste to reach him as BRHI and Sureste are owned by Bloomberry, a publicly listed company.

On September 12, 2023, the US District Court granted Mr. Razon's motion for summary judgement on the trespass to chattel and declared that GGAM did not proffer sufficient evidence of Mr. Razon's interference with GGAM's BRC shares. The Court denied the motions and cross-motions for summary judgement of the parties on the issue of personal jurisdiction over BRHI and Sureste and on the issue of the enforcement of the arbitral award against Mr. Razon as the alter ego of BRHI and Sureste. The Court essentially said that the parties have introduced sufficient evidence to allow a reasonable fact finder to find in their favor, hence there is need for a trial to determine which side will prevail. The Court also denied without prejudice GGAM's motion to confirm the Final Award.

On January 22 and 23, 2024, the Court held a hearing on the threshold issue of personal jurisdiction over BRHI and Sureste with the parties presenting their respective witnesses. The Court also encouraged the parties to discuss the possible settlement of this case because a trial on the various issues, if the Court affirms its jurisdiction, will take many years.

In March 2024, Sureste and BRHI reached an agreement for a universal settlement of their dispute with GGAM. The universal settlement will cover all the pending cases between the parties including the following:

a) Case filed by GGAM in the US District Court of the Southern District of New York against Mr. Enrique K. Razon Jr., SPI and BRHI with docket no. 21-CV-2655(LGS)-(SN) to enforce an arbitral award;

b) SP. PROC. M-7567, "Bloomberry Resorts and Hotels Inc., Sureste Properties Inc. and Prime Metroline Holdings Inc. vs. Global Gaming Philippines LLC, et al.", an injunction and attachment case filed by Sureste, BRHI and Prime Metroline Holdings Inc. (now Prime Strategic Holdings Inc., PSHI) before the RTC of Makati Br. 66;

c) G.R. No. 243314, "Global Gaming Philippines LLC vs. Bloomberry Resorts and Hotels, Inc., Sureste Properties, Inc., PSHI and Deutsche Bank AG, Manila Branch", a certiorari case filed by GGAM in the Philippine Supreme Court questioning the decision of the Court of Appeals which affirmed the order of the RTC Makati affirming the validity of the writ of preliminary attachment and writ of

preliminary injunction that it issued over the shares in Bloomberry held by GGAM;

d) The Arbitral Award issued against Sureste and BRHI in favor of GGAM and GGAM Netherlands relating to the termination of GGAM’s Management Services Agreement with Sureste and BRHI;

e) The judgment of various Singapore Courts relating to the confirmation of the Arbitral Award in favor of GGAM and GGAM Netherlands against BRHI and Sureste.

The settlement with GGAM requires Sureste to purchase the 921,184,056 shares in Bloomberry held by GGAM for a total purchase price of USD 300 Million.

On April 30, 2024, Sureste purchased 921,184,056 Bloomberry shares from GGAM at a purchase price of 18.22 per share, at the conversion rate of 55.94 to USD 1.00, through a Special Block Sale on the Philippine Stock Exchange pursuant to the Settlement Agreement. The Settlement Agreement was therefore completed.

Solaire Resort North

In 2015, Sureste purchased from the National Housing Authority (NHA) 15,676 square meters of land in Vertis North, Quezon City Central Business District and was issued Transfer Certificates of the Title on June 24, 2016. This property is the site of “Solaire Resort North,” BRHI’s second integrated resort in the Philippines under the same PAGCOR license. Solaire Resort North commenced operations on May 25, 2024.

Solaire Resort North has approximately 13,000 square meters of mass and VIP gaming space across 4 gaming levels, 526 guest rooms and suites, 14 dining options ranging from casual cafes, signature restaurants, to premium bars and lounges. It also has an expansive 1,800 sqm pillarless grand ballroom that can accommodate more than 1,600 guests at theatre-style seating, a 1,400-square meter state-of-the-art health club featuring a high-end gym and expansive spa, an outdoor swimming pool with a kids’ waterpark, and an indoor Kids’ Club.

Terminated Investment in Lapu-Lapu Leisure, Inc. and Clark Grand Leisure Corp.

On May 6, 2022, Bloomberry signed a term sheet with PH Travel and Leisure Corp., a subsidiary of PH Resorts Group Holdings, Inc. which covers the proposed investment of Bloomberry into Lapu-Lapu Leisure, Inc. and Clark Grand Leisure Corp. which are developing the Emerald Bay Resort Hotel and Casino in Punta Engano, Lapu-Lapu City, Cebu, and The Base Resort Hotel and Casino in Clark, Pampanga, respectively. The term sheet is subject to several Conditions to Closing including: (a) the execution of mutually acceptable definitive agreements; (b) approval of regulators; (c) approval of creditors; (d) completion of audited financial statements; (e) corporate approvals, and cooperation on and satisfactory result of due diligence, among others.

On March 22, 2023, Bloomberry terminated the term sheet because of adverse due diligence findings and regulatory actions. The parties agreed that the 1.0 billion deposit made under the term sheet shall be returned to Bloomberry through execution of certain transactions. As of December 31, 2024, the outstanding receivable amounted to P301.0 million. The parties agreed that the remaining balance shall be returned to Bloomberry on or before March 31, 2025.

Paniman Project

On May 18, 2022, Bloomberry through SPC entered into an agreement with a group of landowners comprising Boulevard Holdings Inc., Puerto Azul Land, Inc., Ternate Development Corporation and Monte Sol Development Corporation (the “Sellers”) for the purchase by SPC of a total of 2,797,768 square meters of land in the Paniman area in Ternate, Cavite at the average price of P2,700 per square meter. In addition to the land purchased from the Sellers, SPC has also purchased additional parcels of land in Ternate, Cavite from other sellers. As of December 31, 2024, SPC has purchased 223 lots with a total land area of 2,036,665 square meters.

SPC intends to develop the Paniman property into an integrated resort and entertainment complex with a world class casino, hotel, golf course, commercial, residential and mixed-use development.

The development timeline for this project is yet to be finalized.

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

BUSINESS OF ISSUER

Overview

The Parent Company was engaged in the manufacture of printed circuit boards up to 2003. It ceased commercial operations in December 2003 up until 2011. On February 27, 2012, the SEC approved the change in its primary purpose to that of a holding company. The Company has Sureste, BRHI, Bloom Capital B.V., Solaire Korea, G&L, Muui, BCTI, SRC and SEPHI as its subsidiaries. BRHI has 49% shareholdings in Falconer Aircraft Management Inc., a company engaged in aircraft management.

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 such, Sureste enjoys certain incentives granted by the government in relation to the hotel component of Solaire

Resort Entertainment City, including reduced tax rates. 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 an 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. On May 7, 2015, BRHI’s Provisional License was replaced with a regular casino Gaming License upon full completion of the Project, referred to as “Solaire Resort Entertainment City”. The Gaming License has the same terms and conditions as the Provisional License.

Bloom Capital B.V.

On November 21, 2013, 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 Dutch law. On October 23, 2014, Bloomberry acquired the remaining 40% of the capital stock of Bloom Capital B.V.

Bloomberry Cruise Terminals Inc.

Bloomberry established BCTI to manage and operate its port terminal assets including the proposed Solaire Cruise Center and Yacht Harbor. The proposed Solaire Cruise Center and Yacht Harbor was designated by the Tourism Infrastructure and Enterprise Zone Authority as a Tourism Enterprise Zone.

Solaire Korea Co., Ltd.

On December 28, 2014, Bloomberry established, through a nominee, Solaire Korea Co., Ltd. (Solaire Korea), to hold the Group’s investment interest in the Republic of Korea. After a series of stock subscriptions, Bloomberry came to own 100% of Solaire Korea.

Golden & Luxury Co., Ltd.

On April 24, 2015, Solaire Korea acquired 77.26% of the outstanding shares of Golden & Luxury Co., Ltd. (G&L). On May 22, 2015, it acquired an additional 18.97% of G&L, bringing Solaire Korea’s ownership in G&L to 96.23%. On August 20, 2015, Bloomberry acquired 10.00% of the outstanding shares of G&L from Solaire Korea. G&L is a hotel and casino operator in Jeju Island in the Republic of Korea.

Muui Agricultural Corporation

On March 8, 2016, Solaire Korea established Muui Agricultural Corporation (Muui) to hold Solaire Korea's investment interest in agricultural land in the Muui and Silmi islands pending their conversion. Solaire Korea owns 90% of Muui.

Bloomberry Resorts Japan, Inc.

In November 2019, Bloomberry acquired 100% of the capital stock of BRJI. The primary purpose of BRJI is to engage in the business of Integrated Resorts in Japan including planning, construction and operation as well as other related activities. In June 2024, BRJI was fully liquidated.

Solaire Properties Corporation

On April 29, 2022, Bloomberry established SPC (formerly Solaire Entertainment Properties

Holdings, Inc.) to acquire and subsequently develop a property in Paniman, Ternate, Cavite

into an integrated resort and entertainment complex with a casino, hotel, golf course, commercial, residential and mixed-use development.

Solaire Resorts Corporation

On October 18, 2022, SRC was incorporated to develop and operate an integrated resort including a casino duly licensed by the Philippine Amusement and Gaming Corporation and other relevant government regulators.

Solaire Resort Entertainment City (Solaire Resort & Casino)

Solaire Resort Entertainment City is the first premium/luxury hotel and gaming resort in Entertainment City. BRHI, as the license holder, owns and operates the casino while Sureste owns and operates the hotel and other non-gaming business.

Upon completion of Phase 1 of Solaire Resort Entertainment City, now referred to as the Bay Tower, BRHI and Sureste commenced commercial operations on March 16, 2013. Solaire Resort Entertainment City opened with its main gaming area and initial non-gaming amenities, which included the hotel, and a number of food and beverage outlets.

Phase 1 of Solaire Resort Entertainment City 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 1,653 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): a 240-seat Chinese restaurant, a 182-seat Korean restaurant (operated by a third party), a 150-seat Japanese restaurant, a 120-seat Italian restaurant, a 322-seat international buffet/coffee shop, a 170-seat noodle shop, a 150-seat live entertainment lounge, a 406-seat food court, a 20-seat lobby bar, and a 50-seat lounge area. It has a spa and fitness center, a bayview promenade, and multilevel parking building with approximately 1,500 parking slots.

On November 22, 2014, Bloomberry opened the Sky Tower, which was previously referred to as Phase 1A development of Solaire Resort Entertainment City. Contiguous to the existing Solaire Resort and Casino, the Sky Tower consists of a 312 all-suite hotel, additional ten VIP gaming salons with 66 gaming tables and 230 slot machines, an exclusive House of Zhou Chinese restaurant and The Macallan Whisky and Cigar Bar for VIP patrons, 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 1,740-seat theatre designed to provide a superior audio-visual experience for a wide range of theatre plays and musicals, concerts, shows and performing arts. The Forum is a 2,000 square-meter meeting facility with eight meeting rooms, two boardrooms and a flexible pre-function area. Sky Tower also features the Sky Range Shooting Club with 5 rifle shooting bays and 15 pistol bays. Sky Tower is accessible through a multi-level parking garage that, to date, can accommodate and secure over 1,050 vehicles. The Shoppes in the Sky Tower features retail stores, including premium brands such as Louis Vuitton, Dior, Cartier, Yves Saint Laurent, and Prada, among others.

On December 7, 2018, Solaire Resort Entertainment City unveiled The Baccarat Room & Bar (previously The Cigar Bar and Poker Room), a high-end cigar bar with eight gaming tables. On

February 11, 2019, Solaire Resort Entertainment City opened the Philippine's first electronic table games ("ETG") stadium called "Players Stadium" - an expansive and colorful entertainment space highlighted by a massive 360 square meter surround screen. On March 18, 2022, the Solaire Club was unveiled in its new location on Level 3, on what was previously the grand ballroom. The updated luxury space sprawls over 4,300 square meters featuring world-class casino facilities, new dining outlets, private salons, and exclusive amenities that make it one of Asia's finest gaming offerings. On December 1, 2023, the Solaire Grand Ballroom was opened in its new location at The Shoppes. The new ballroom's main event area is 2,400 sqm and seats up to 2,200 guests.

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Solaire Resort North

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Jeju Sun Hotel & Casino

On April 24, 2015 and subsequently on May 22, 2015, Bloomberry, through its wholly-owned subsidiary, Solaire Korea, acquired majority ownership of G&L. G&L operated a hotel and casino property in Jeju, South Korea under the brand name "T.H.E Hotel" and "LVegas Casino". Upon takeover of operations by Bloomberry, the property was rebranded as "Jeju Sun Hotel & Casino" ("Jeju Sun"). The property consists of a 202-room hotel with 5 Hibiscus rating, 2,000 square meters of gaming space with 36 tables and 20 electronic gaming machines. The property has four food and beverage outlets to service its hotel guests and casino players. In 2018, a reorganization was implemented to separate hotel and casino operations. In the fourth quarter of 2018, Jeju Sun embarked on a renovation project covering 164 rooms, restaurants, lobby, building façade, sports bar, gym, sauna, back of the house and a new ballroom for the purpose of securing the 5 Hibiscus rating that is required to keep its gaming license. Renovations were completed in December 2019.

Contemplated Investment in Lapu-Lapu Leisure, Inc. and Clark Grand Leisure Corp.

On May 6, 2022, Bloomberry signed a term sheet with PH Travel and Leisure Corp., a subsidiary of PH Resorts Group Holdings, Inc. which covers the proposed investment of Bloomberry into Lapu-Lapu Leisure, Inc. and Clark Grand Leisure Corp. which are developing the Emerald Bay Resort Hotel and Casino in Punta Engano, Lapu-Lapu City, Cebu, and The Base Resort Hotel and Casino in Clark, Pampanga, respectively. The term sheet is subject to several Conditions to Closing including: (a) the execution of mutually acceptable definitive agreements; (b) approval of regulators; (c) approval of creditors; (d) completion of audited financial statements; (e) corporate approvals, and cooperation on and satisfactory result of due diligence, among others.

On March 22, 2023, Bloomberry terminated the term sheet because of adverse due diligence findings and regulatory actions. The parties agreed that the 1.0 billion deposit made under the term sheet shall be returned to Bloomberry through execution of certain transactions. As of December 31, 2024 the outstanding receivable amounted to P301.0 million. The parties agreed that the remaining balance shall be returned to Bloomberry on or before March 31, 2025.

Paniman Project

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square meter. In addition to the land purchased from the Sellers, SPC has also purchased additional parcels of land in Ternate, Cavite from other sellers. As of December 31, 2024, SPC has purchased 223 lots with a total land area of 2,036,665 square meters.

SPC intends to develop the Paniman property into an integrated resort and entertainment complex with a world class casino, hotel, golf course, commercial, residential and mixed-use development.

The development timeline for this project is yet to be finalized.

Competition

As integrated gaming resorts designed, planned and developed according to world-class industry standards, Solaire Resort Entertainment City and Solaire Resort North (known collectively as “Solairé”) competes with integrated tourism resorts and casinos domestically in the Philippines, as well as in Macau, Malaysia, Singapore and other casinos and resort developments. Solaire competes against facilities in the world’s other major gaming centers, including Las Vegas and Australia. In particular, with respect to VIP customers, the Company competes primarily with Macau, Malaysia, Cambodia, Vietnam and Australia for customers of independent junket promoters, while Singapore is a strong competition for Premium Direct customers.

The Company competes 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 Resorts and Entertainment (Philippines) Corporation (“Melco Philippines”) and Tiger Resort Leisure & Entertainment, Inc. (“Tiger”).

In 2018, Landing Resorts Philippines Development Corporation was granted a provisional license by PAGCOR but was later suspended after the lease contract over its project site was cancelled on instruction of then-President Rodrigo Duterte for violation of Philippine Build-Operate-Transfer (“BOT”) Law.

In terms of its integrated tourism resort business, the Company competes domestically with both Philippine and foreign-owned hotels and resorts.

With respect to its gaming business, Solaire competes domestically with PAGCOR gaming facilities, existing privately owned casinos such as those located in the Clark Ecozone, and the facilities built and operated by the three other developers in Entertainment City. As of end of 2024, there are 9 casino branches and 34 satellite casinos 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 the Clark Ecozone, one in Poro Point, La Union, and one in Binangonan, Rizal. The Villar Group has plans for two integrated resorts— one in the City of Las Pinas and another in Villar City, a planned mixed-use development that spans 15 towns and cities in Metro Manila and Cavite. PAGCOR has granted provisional licenses for two integrated casino resorts in in the province of Cebu. Other competitors licensed by government agencies include companies specializing in horse racing, cockfighting, lotteries, sweepstakes and other smaller-scale gaming operators.

Travellers opened Newport World Resorts (previously Resorts World Manila) in August 2009, the first PAGCOR-licensed integrated tourism resort located in the Newport City Cybertourism 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 and 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. In October 2019, Travellers and its subsidiary, Westside City Resorts World, entered into a co-development agreement with Suntrust Resort Holdings, Inc. (“Suntrust”) to develop a Hotel Casino within Entertainment City. Suntrust is 51% owned by Fortune Noble Ltd., a subsidiary of LET Group Holdings Ltd. (formerly Suncity Group Holdings Ltd). Their property located adjacent to Solaire Resort Entertainment City is currently under construction.

City of Dreams Manila (“COD”) is a project of Melco Resorts Philippines (previously known as Melco Crown Philippines) and Belle Corporation thru its subsidiary, Premium Leisure Corp. 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. COD, which is solely operated and managed by Melco Resorts Philippines, includes gaming, hotel, retail, dining and entertainment facilities.

Okada Manila (“Okada”) is a project of Japan-based Universal Entertainment, through its domestic subsidiary, Tiger Resort Leisure & Entertainment Inc. Okada is an integrated tourism resort which occupies an area of 44 hectares in New Seaside Drive, Entertainment City. On December 21, 2016, the casino complex was opened for preview and officially commenced casino operations on December 30, 2016.

During the COVID-19 pandemic, Solaire and a number of its competitors in the Philippines were allowed by PAGCOR to accept bets via the internet through online gaming websites. In April 2021, the company launched Solaire Online which now competes with similar offerings by integrated resort operators, among others, in Entertainment City, Clark, and Cebu. The company is currently developing a new online platform that targets a broader audience which will compete directly with offerings of other electronic gaming license holders, including BingoPlus, the online casino brand developed by Digipius Interactive Corp.

The company believes that Solaire can continue to compete effectively against its competitors with its captured mass and VIP customers in the Philippines and across Asia, as well as through its superior product and excellent service. The company’s properties and online offerings appeal to the preferences of all segments of the Philippine gaming market, which are expected to grow significantly over the years ahead.

Principal Suppliers/Service Providers

Sureste and BRHI retain various suppliers including Adventenergy Inc., E.E. Black, Ltd., Excell Contractors and Developers Inc., PBD Joint Venture, Trends and Technologies, Inc., Kinetic Phils. Electrical Const., Inc., Euroasia Marble and Granite Inc., Gomeco Metal Corporation, Mundo Builders Incorporated, Malayan Insurance Co Inc., MERALCO, F.R. Sevilla Industrial & Development Co, AVLS All Visual & Lights Systems Corpora, Empire Automation (Singapore) PTE. Ltd., Tenman Project Management Inc., Crimson Group Inc., Value Care Health Systems, Inc., LNW Gaming, Inc., Integrated Contractor & Plumbing Works, and Angel Japan Co., Ltd.

Customers

The Company expects that 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 are serving, allowing Solaire to offer them the best possible gaming experience.

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 independent gaming promoter intermediary, or they may be sourced from independent gaming promoters or junket operators operating in the Philippines and across Asia.

Mass Market

Solaire’s table and slot machine customers who do not fall under the VIP customer segments mentioned above are classified under Mass Market. These players can either be on-premise or online patrons.

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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 at 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

Sureste and BRHI, have registered or applied to register trademarks in connection with the Company’s properties, facilities and development projects. The following trademarks are duly registered: “Solaire”, “Solaire Manila”, “Solaire Resort & Casino Manila”, “Solaire Resort & Casino”, “Solaire Resort Entertainment City”, “Solaire Resort North”, “Finestra”, “Red Lantern”, “Yakumi”, “Lucky Noodles”, “Sabong Cards Exclusive at Solaire”, “Fresh” and “Food Court”, “Manyaman”, “House of Zhou”, “Waterside” and “Oasis Garden Café”. These are brand names under which Sureste and BRHI market its properties and services. In addition, the respective company logos of BRC, Sureste and BRHI are likewise duly registered. The Company considers these brand names to be important to its business since they have the effect of developing brand identification and awareness.

Sureste and BRHI also possess copyrights for certain 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

Sureste and BRHI maintain 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. Sureste and BRHI also maintain business interruption insurance for Solaire.

Notwithstanding the 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/Gaming License

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

On May 7, 2015, BRHI’s Provisional License was replaced with a regular casino Gaming License upon full completion of the Project, referred to as “Solaire Resort Entertainment City”. The Gaming License has the same terms and conditions as the Provisional License. The US\$50 million held in escrow under the Provisional License was released upon issuance of the regular casino gaming license. The Provisional License, as well as the regular license issued to replace it, is co-terminus with PAGCOR’s franchise. PAGCOR’s franchise will expire on July 11, 2033 and the license may be renewed when PAGCOR’s franchise is renewed by law.

Solaire Resort North, BRHI’s second casino resort in the Philippines is covered by the same PAGCOR license.

PEZA Registration

Sureste is a PEZA-registered Tourism Economic Zone Enterprise for the construction, development, management and operation of a hotel and entertainment complex within Entertainment City.

Employees

The Group recruits most 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 Bloomberry expands and indirectly as the Company stimulates local tourism.

As of December 31, 2024, the Group employed 10,395 individuals at Solaire, 1,178 officers and managers, 2,398 supervisors and 6,819 rank and file employees. These employees serve various departments including management and administrative, gaming, hotel operations, food and beverage, property and marketing, among others.

The Group complies 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. Approximately 26% of the Group’s Philippine employees are covered by 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 Gaming License and Regulation of the Philippine Gaming Industry; (iii) Risks Relating to Future Expansion; (iv) Risks Relating to the Operation of Solaire; and (iv) Risks Relating to the Philippines.

General Risks Relating to the Group

The company is subject to significant risks and uncertainties. The Group’s operating history should be considered when determining its future operating results and prospects.

The Group’s businesses and assets are in the Philippines and South Korea, and a significant number of its VIP customers are from Greater China, South Korea, Singapore, Thailand, Malaysia and other parts of Asia. The gaming business is vulnerable to global economic downturns and pandemics.

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

The Company’s gaming operations are dependent on the Gaming License issued by PAGCOR.

Any additional gaming licenses issued by PAGCOR could increase competition and diminish the value of the Company’s Gaming License and the Company’s business may be adversely affected by policy changes or additional conditions on its Gaming License. In 2018, Landing Resorts Philippines Development Corporation was granted a provisional license by PAGCOR but it was suspended after the lease contract over its project site was cancelled on instruction of then-President Rodrigo Duterte for violation of Philippine BOT Law.

New regulations or laws on gaming operations may adversely affect the gaming operations of BRHI. For example, smoking ban in casinos may have an adverse impact on customers who are smokers, or a change in tax regime for casinos.

Risks Relating to Future Expansion

The Group’s local, international, and online expansion plans and any further plans to expand Solaire may not materialize or be successful.

Risks Relating to the Operations of Solaire

The loss of members of Solaire’s management team may adversely affect the Group’s operations.

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 or junket operators to be successful as the Philippine gaming industry grows.

Solaire's success partly depends on the reputation and integrity of the independent gaming promoters or junket operators it engages, and the Group may be affected by a lack of probity and integrity of any 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. Any default by 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.

The company's online operations will require working with various parties including internet gaming solutions providers, IT engineers, game developers, and content creators, among others. The success of Solaire's online business partly depends on the reputation and integrity of the parties it engages, and the company may be affected by a lack of probity of any such parties.

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 adversely affect 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.

The Russian invasion of Ukraine, the Israel-Hamas war, and attacks on shipping in the Red Sea and Gulf of Aden have caused a significant disruption in global trade resulting in a supply shortage and a surge in food, fuel and commodity prices. Persistently high inflation will mean a reduction of disposable income and elevated input costs which could adversely affect the business of the Company.

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 hotel, gaming and entertainment facility. The lease period was for 23 years, and was 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. The schedule of the annual lease rental was provided for in the agreement. On May 20, 2011, BRHI and Sureste entered into a deed of assignment whereby BRHI assigned to Sureste all its rights and interest as a lessee under the contract of lease with PAGCOR. Such deed of assignment was approved by PAGCOR on May 26, 2011. BRHI remained solidarily liable to PAGCOR for Sureste's compliance with all the obligations and liabilities of the lessee under the contract of lease. In December 2012, BRHI and Sureste amended the deed of assignment. Pursuant to the amended deed of under the contract of lease with PAGCOR. Such deed of assignment was approved by PAGCOR on May 26, 2011. BRHI remained solidarily liable to PAGCOR for Sureste's compliance with all the obligations and liabilities of the lessee under the contract of lease. In December 2012, BRHI and Sureste amended the 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. In late 2017, PAGCOR attempted to auction off the 160,359 square meters of land covered by the amended contract of lease. After two failed biddings, Sureste was able to negotiate its acquisition of the said land.

During the first quarter of 2015, the Company signed four real estate sales agreements with several landowners for the purchase of land with an aggregate area of 12.2 hectares located in Muui Island in the Republic of Korea. The property is intended to be developed into a leisure and tourism

complex with entertainment facilities and mixed-use developments. The property was acquired under Solaire Korea. Bloomberry also signed a real estate sales agreement for the purchase of the Silmi Island in the Republic of Korea. Silmi Island has an area of 20.96 hectares and is adjacent to the 12.2 hectares property in Muui Island. Silmi Island is also intended to be developed into a leisure and tourism complex with entertainment facilities and mixed-use developments. The Silmi Island property was also acquired by Solaire Korea. On March 8, 2016, Solaire Korea established Muui Agricultural Corporation to hold Solaire Korea's investment interest in agricultural land. As of December 31, 2016, Muui Agricultural Corporation owns a total of 33.16 hectares of agricultural land located in the Muui and Silmi Islands.

In 2015, Sureste purchased from the NHA 15,676 square meters of land in Vertis North, Quezon City Central Business District and was issued Transfer Certificates of the Title on June 24, 2016. This property is the site of BRHI's second integrated resort in the Philippines, "Solaire Resort North", under the same PAGCOR license. The Group started the excavation work for the said project in July 2019 and construction on the resort is ongoing. Solaire Resort North is scheduled for completion and opening in the first half of 2024.

On May 18, 2022, Bloomberry through SPC entered into an agreement with a group of landowners comprising Boulevard Holdings Inc., Puerto Azul Land, Inc., Ternate Development Corporation and Monte Sol Development Corporation (the "Sellers") for the purchase by SPC of a total of 2,797,768 square meters of land in the Paniman area in Ternate, Cavite at the average price of P2,700 per square meter. In addition to the land purchased from the Sellers, SPC has also purchased additional parcels of land in Ternate, Cavite from other sellers. As of December 31, 2024, SPC has purchased 223 lots with a total land area of 2,036,665 square meters. SPC intends to develop the Paniman property into an integrated resort and entertainment complex with a world class casino, hotel, golf course, commercial, residential and mixed-use development. The development timeline for this project is yet to be finalized.

ITEM 3: LEGAL PROCEEDINGS

BRHI & Sureste vs. GGAM

Sureste and BRHI 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 their dispute. GGAM denied having breached the MSA and alleged that it was BRHI and Sureste who breached the MSA. The parties have submitted their dispute to arbitration before a 3-member arbitral tribunal 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 an option over the shares of BRHI and Sureste. After the backdoor listing of Bloomberry the option was granted under an Equity Option Agreement to purchase up to 921.2 million shares, equivalent to 9.91% of Bloomberry's outstanding shares (prior to Bloomberry's top-up equity offering) from PSHI 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 of Bloomberry from PSHI at the agreed option strike price of 1.67 per share and was crossed through the Philippine Stock Exchange on December 28, 2012. On February 25, 2014, the Makati Regional Trial Court (MRTC) granted the application of BRHI, Sureste and PSHI for measures of protection in the form of writs of preliminary attachment and preliminary injunction to restrain GGAM from disposing the Bloomberry shares in order to maintain the status quo. GGAM filed a petition for review on certiorari with the Court of Appeals against the decision of the MRTC.

On December 9, 2014, the tribunal issued its Order in Respect of Claimants' Interim Measures of Protection, declaring among others, that the February 25, 2014 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.

GGAM filed a Manifestation with the MRTC concerning the order of the arbitral tribunal and seeking assistance in the enforcement thereof. BRHI, Sureste and PSHI filed a

Counter-Manifestation on impropriety of GGAM Manifestation given its non-compliance with requirements of the Special Rules of Court on Alternative Dispute Resolution (Special ADR Rules) for enforcement of judgment/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, Sureste and PSHI 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.

In a resolution dated May 29, 2015 and affirmed on November 27, 2015, the Court of Appeals remanded back the case to the MRTC for further proceedings.

On September 20, 2016, the arbitral tribunal issued a partial award on liability. It declared that

1) GGAM has not misled BRHI/Sureste (Respondents) into signing the MSA, and the Respondents were not justified to terminate the MSA because the services rendered by the Respondent's Management Team should be considered as services rendered by GGAM under the MSA,

2) rejected GGAM's claim that GGAM was defamed by the publicized statements of the Chairman of BRHI/Sureste, 3) that there is no basis for Respondents to challenge GGAM's title to the 921,184,056 Bloomberry shares because the grounds for termination were not substantial and fundamental, thus GGAM can exercise its rights in relation to those shares, including the right to sell them; 4) reserved its decision on reliefs, remedies and costs to the Remedies Phase which is to be organized in consultation with the Parties, 5) reserved for another order its resolution on the request of GGAM: (a) for the Award to be made public, (b) to be allowed to provide a copy of the Award to Philippine courts, government agencies and persons involved in the sale of the shares, and (c) to require BRHI/Sureste and Bloomberry to inform Deutsche Bank AG that they have no objection to the immediate release of all dividends paid by Bloomberry to GGAM.

On August 31, 2017, BRHI and Sureste filed a request for reconsideration of the partial award in the light of U.S. DOJ and SEC findings of violations of the Foreign Corrupt Practices Act by GGAM officers Weidner and Chiu, and for false statements and fraudulent concealment by GGAM in the arbitration. GGAM opposed the request on September 29, 2017. In a decision dated November 22, 2017, the tribunal denied the request for reconsideration saying it has no authority to reconsider the partial award under Singapore law. The tribunal said that the courts might be the better forum to look into the allegations of fraud.

On December 21, 2017, BRHI and Sureste filed a petition in the High Court of Singapore to set aside the June 20, 2017 judgment of the Court and to either remit the partial award to the tribunal for correction, or otherwise set aside the partial award based on the fraud allegations previously raised in the request for reconsideration.

In a resolution dated November 23, 2017, the MRTC affirmed the continuing validity of its February 25, 2014 order and the writ of preliminary injunction and attachment issued pursuant thereto. GGAM filed a petition for review with the Court of Appeals to question this MRTC order. The Court of Appeals denied this petition, and GGAM filed a petition in the Supreme Court to question the decision of the Court of Appeals.

On September 27, 2019, BRHI and Sureste received the Final Remedies Award of the arbitration tribunal in the case filed. The Final Award awarded less than half of the damages sought by GGAM. It provides that:

- a) Respondents pay US\$85.2 million as damages for lost management fees to Claimants;
- b) Respondents pay US\$391,224 as pre-termination fees and expense to Claimants;
- c) Respondents pay 10,169,871,978.24 for the (921,184,056) GGAM shares in Bloomberry in exchange for Claimants turning over the Shares after the payment. If Respondents do not pay for the Shares, GGAM may sell the Shares in the market and Respondents are directed to take all steps necessary to facilitate this sale. Respondents will be liable for the difference in the selling price if it is less than the awarded price;
- d) Respondents to take all steps necessary to release to GGAM the cash dividends on the Shares (currently subject of the injunction of the RTC Makati);
- e) Respondents to pay Claimants Cost of US\$14,998,052.
- f) Post-award interest at the annual rate of 6%, compounded annually, or 50 basis per month for the pre-termination expenses in (b), beginning 30 days after the Award.

On November 5, 2019, BRHI and Sureste filed in the Singapore High Court an application to set

aside the Final Award on the grounds of fraud and fraudulent concealment among others.

BRHI and Sureste received a decision of the Singapore High Court dated January 3, 2020 in OS 1432 dismissing their petition to vacate and oppose the enforcement of the Partial Award of the Arbitration Tribunal dated 20 September 2016. The Court said that the FCPA Findings (referring to the U.S. Department of Justice non-prosecution agreement with Las Vegas Sands and the U.S. SEC order on Foreign Corrupt Practices Act involving Weidner and Chiu while they were with Las Vegas Sands) "do not constitute strong and cogent evidence of any species of fraud" raised by Sureste and BRHI against GGAM. On February 3, 2020, BRHI and Sureste appealed this decision to the Court of Appeals in Singapore. In a decision dated February 16, 2021, the Singapore Court of Appeals denied the appeal of BRHI and Sureste.

On May 29, 2020, the Singapore High Court issued a decision dismissing Sureste and BRHI's petition to set aside/resist enforcement of the Final Award of the Arbitration Tribunal dated September 27, 2019.

The Singapore High Court ruled that the "Constructive Remedy," which requires Sureste and BRHI to either (1) pay for the Bloomberry shares held by GGAM in exchange for the Bloomberry shares, or (2) take steps to facilitate GGAM's sale of the Bloomberry shares, was not outside the scope of the parties' arbitration agreement. The Singapore High Court also rejected the challenges based on the FCPA Findings (referring to the findings of the U.S. Department of Justice and the U.S. Securities and Exchange Commission regarding conduct by two of GGAM's four executives during their tenure at Las Vegas Sands that violated the U.S. Foreign Corrupt Practices Act) and GGAM's fraudulent concealment of evidence during the Arbitration. The Singapore High Court likewise denied the argument that GGAM Netherlands, to which the MSA was assigned, was a sham entity established solely to evade U.S. and Philippine taxes, because the Arbitration Tribunal rejected the same argument, and thus, the High Court found that the grant of damages to GGAM Netherlands is not contrary to Singapore public policy. Costs were charged against Sureste and BRHI.

On June 29, 2020, Sureste and BRHI filed a Notice of Appeal to the Singapore Court of Appeals to appeal the Singapore High Court's decision dated May 29, 2020 in case number OS 1385 dismissing Sureste and BRHI's petition to set aside/resist enforcement of the Final Award of the Arbitration Tribunal dated September 27, 2019 docketed as CA98. On October 4, 2021, the Singapore Court of Appeals issued a decision which denied the appeal of BRHI and Sureste against the decision dated May 29, 2020.

BRHI and Sureste were advised by Philippine counsel that an award of the Arbitral Tribunal can only be enforced in the Philippines through an order of a Philippine court of proper jurisdiction after appropriate proceedings taking into account applicable Philippine law and public policy. GGAM has not filed the required petition to enforce the arbitral award in the Philippines.

On March 29, 2021, GGAM (without GGAM Netherlands joining) sued Enrique K. Razon Jr., BRHI, Sureste and other companies in the U.S. associated with Mr. Razon in the U.S. District Court in Southern District of New York. By this suit GGAM wants to enforce in the U.S. against Mr. Razon personally and companies in the U.S. associated with him the arbitral award that was issued only against BRHI and Sureste. On March 21, 2022, the court did not grant the motion to dismiss the complaint of GGAM as against Sureste, BRHI and Mr. Enrique K. Razon Jr. but the court granted the dismissal of the case against all other defendants.

GGAM has amended its complaint to allege trespass to chattels against Mr. Razon, to which Mr. Razon has filed a motion to dismiss. On January 11, 2023, the US District Court denied Mr. Razon's motion to dismiss. BRHI and Sureste maintain their position that the New York court has no jurisdiction over them as they do not do business in New York nor in the U.S. Mr. Razon maintains the position that there is no basis to pierce the corporate veil of BRHI and Sureste to reach him as BRHI and Sureste are owned by Bloomberry, a publicly listed company.

On September 12, 2023, the US District Court granted Mr. Razon's motion for summary judgement on the trespass to chattel and declared that GGAM did not proffer sufficient evidence of Mr. Razon's interference with GGAM's BRC shares. The Court denied the motions and cross-motions for summary judgement of the parties on the issue of personal jurisdiction over BRHI and Sureste and on the issue of the enforcement of the arbitral award against Mr. Razon as the alter ego of BRHI and Sureste. The Court essentially said that the parties have introduced sufficient evidence to allow a reasonable fact finder to find in their favor, hence there is need for a trial to determine which side will prevail. The Court also denied without prejudice GGAM's motion to confirm the Final Award.

On January 22 and 23, 2024, the Court held a hearing on the threshold issue of personal jurisdiction over BRHI and Sureste with the parties presenting their respective witnesses. The Court also encouraged the parties to discuss the possible settlement of this case because a trial on the various issues, if the Court affirms its jurisdiction, will take many years.

In March 2024, Sureste and BRHI reached an agreement for a universal settlement of their dispute with GGAM. The universal settlement will cover all the pending cases between the parties including the following:

- a) Case filed by GGAM in the US District Court of the Southern District of New York against Mr. Enrique K. Razon Jr., SPI and BRHI with docket no. 21-CV-2655(LGS)-(SN) to enforce an arbitral award;
- b) SP. PROC. M-7567, “Bloomberry Resorts and Hotels Inc., Sureste Properties Inc. and Prime Metroline Holdings Inc. vs. Global Gaming Philippines LLC, et al.”, an injunction and attachment case filed by Sureste, BRHI and Prime Metroline Holdings Inc. (now Prime Strategic Holdings Inc., PSHI) before the RTC of Makati Br. 66;
- c) G.R. No. 243314, “Global Gaming Philippines LLC vs. Bloomberry Resorts and Hotels, Inc., Sureste Properties, Inc., PSHI and Deutsche Bank AG, Manila Branch”, a certiorari case filed by GGAM in the Philippine Supreme Court questioning the decision of the Court of Appeals which affirmed the order of the RTC Makati affirming the validity of the writ of preliminary attachment and writ of preliminary injunction that it issued over the shares in Bloomberry held by GGAM;
- d) The Arbitral Award issued against Sureste and BRHI in favor of GGAM and GGAM Netherlands relating to the termination of GGAM’s Management Services Agreement with Sureste and BRHI;
- e) The judgment of various Singapore Courts relating to the confirmation of the Arbitral Award in favor of GGAM and GGAM Netherlands against BRHI and Sureste.

The settlement with GGAM requires Sureste to purchase the 921,184,056 shares in Bloomberry held by GGAM for a total purchase price of USD 300 Million.

On April 30, 2024, Sureste purchased 921,184,056 Bloomberry shares from GGAM at a purchase price of 18.22 per share, at the conversion rate of 55.94 to USD 1.00, through a Special Block Sale on the Philippine Stock Exchange pursuant to the Settlement Agreement. The Settlement Agreement was therefore completed.

Proceedings Related to Money Laundering and the Bangladesh Bank

On March 15, 2016, the Court of Appeals (“CA”) issued a 30-day freeze order on one of BRHI’s bank accounts upon the petition filed by the Anti-Money Laundering Council (AMLC) in relation to their ongoing investigation. The freeze order of the CA on the bank account was lifted on April 14, 2016. Subsequently, on request of the AMLC, the Supreme Court reinstated the freeze order on the account, which contained the amount of 109.3 million that was frozen from the accounts of those patrons subject to the investigation. In a decision dated September 2, 2020, the Supreme Court denied AMLC’s petition for review and lifted the TRO on the bank account of BRHI. As of December 31, 2024 and December 31, 2023, the balance of this bank account amounting to

113.0 million, is presented as “Fund held in trust” under the “Prepayments and other current assets” account in the statement of financial position.

Court denied AMLC’s petition for review and lifted the TRO on the bank account of BRHI. As of December 31, 2024 and December 31, 2023, the balance of this bank account amounting to 113.0 million, is presented as “Fund held in trust” under the “Prepayments and other current assets” account in the statement of financial position.

In February 2019, BRHI received the summons and complaint as one of 16 Philippine companies and individuals that the Bangladesh Bank impleaded in the civil suit that it filed in the US District Court in New York against RCBC for recovery of the US\$81 million allegedly stolen from Bangladesh Bank account with the Federal Reserve Bank in New York that were allegedly laundered through Philippine casinos. BRHI through counsel filed a motion to dismiss the case for lack of subject matter jurisdiction and for forum non-conveniens. On March 20, 2020, the Federal Court of New York granted the motion to dismiss the case. Bangladesh Bank filed an appeal of the dismissal with

the U.S. Court of Appeals which it withdrew later.

On September 23, 2020, BRHI received the summons in the civil complaint filed by Bangladesh Bank against RCBC and 16 other Philippine companies and individuals (including BRHI) in the New York State Court. The complaint in the State Court is for: conversion/ theft/ misappropriation; aiding and abetting the same; conspiracy to commit the same; fraud (against RCBC); aiding and abetting and conspiracy to commit fraud; conspiracy to commit trespass against chattels; unjust enrichment; and return of money received.

On December 9, 2020, BRHI filed its motion to dismiss the case because the Court has no jurisdiction over BRHI, the Philippines is the proper forum for the dispute and plaintiff’s allegation is insufficient to plead any claim against BRHI under New York law. On April 8, 2022, New York Court granted BRHI’s motion to dismiss the complaint filed by Bangladesh Bank for lack of jurisdiction. On May 11, 2022, Bangladesh Bank filed an appeal with the Appellate Division of the New York State Supreme Court, First Judicial Department, on the dismissal of its complaint against BRHI. On May 30, 2023, the Appellate Division of the New York Supreme Court upheld the order of the Supreme Court, New York County which granted BRHI’s motion to dismiss the complaint filed by Bangladesh Bank as against BRHI for lack of jurisdiction

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 January 31, 2025, the share prices of the Company were:

	Price/Share
Opening:	3.98
High:	3.98
Low:	3.43
Closing:	3.43

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

Calendar	Period	High	Low
2003			
	Quarter 1	10.12	8.05
	Quarter 2	11.36	9.06
	Quarter 3	11.98	10.10
	Quarter 4	10.70	9.10
2004			
	Quarter 1	11.78	9.70
	Quarter 2	11.12	9.30
	Quarter 3	9.78	7.25
	Quarter 4	8.25	4.49

5.2 Holders

The number of stockholders of record as of the latest practicable date on December 31, 2024 was 92 excluding shares under PCD Nominees. Shares outstanding as of the same date were 11,458,691,084 shares.

The following are the Company’s top 20 registered stockholders holding listed and unlisted shares as of December 31, 2024:

	Name	No. of Shares Held	% of Total
1	PCD Nominee (Filipino)	5,102,999,987	44.02%
2	Prime Strategic Holdings, Inc. (formerly Prime Metroline Holdings, Inc.)	3,494,472,444	30.15%
3	PCD Nominee (Non-Filipino)	1,835,802,729	15.84%
4	Sureste Properties, Inc.	921,184,056	7.95%
5	Razon & Co. Inc. (formerly Falcon Investco Holdings Inc.)	225,000,000	1.94%
6	Lesothea Management Inc.	2,018,256	0.02%
7	Nossahead Management Inc.	2,018,256	0.02%
8	Ondareta Management Inc.	1,651,588	0.01%
9	Real Sociedad Management Inc.	1,651,588	0.01%
10	Hock Seng Yeo	1,500,000	0.01%
11	Chadbrad Management Inc.	833,400	0.01%

12	Croker Island Management Inc	833,300	0.01%
13	Willy O. Dizon or Nene C. Dizon	640,000	0.01%
14	Medy Chua See	250,000	0.00%
15	Isabel C. Suntay	210,000	0.00%
16	Chaoyong Xu	156,600	0.00%
17	Diosdado M. Peralta	150,000	0.00%
18	Jose Manuel M. De Jesus	100,000	0.00%
19	Anita L. Kaw	91,000	0.00%
20	Anna Vanessa Robles Viola	50,000	0.00%

As of December 31, 2024, the public ownership level of the Company is at 29.47%.

5.3 Dividends

No dividend was declared in 2024 and 2023.

5.4 Recent Sales of Unregistered or Exempt Securities/ Exempt Transactions

The board of directors of Bloomberry in its meeting held on September 28, 2023, authorized an equity fundraising through a placing and subscription transaction.

The first part of the Transaction (the “Offer”) was the offer and sale of 559 million shares with par value of Php1.00 each of Bloomberry (the “Shares”) by Quasar Holdings, Inc. (“Quasar”), one of Bloomberry’s controlling shareholders, (the “Offer Shares”): (a) offshore to investors outside the United States in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”); and (b) domestically in transactions that do not require registration under the Philippine Securities Regulation Code (“SRC”). The Offer Shares are listed on the Philippine Stock Exchange. The Offer Shares are exempt from the registration requirements of the SRC under SRC Rule 10.1(h), (k) and (l).

The second part of the Transaction, which happened concurrently upon the completion of the Offer, was the subscription by Quasar, and the issuance by Bloomberry to Quasar, of 559 million new Shares in the same number and at the same price as the Shares sold in the Offer (the “Subscription”). The Subscription was exempt from the registration requirements of the SRC under SRC Rule 10.1(k).

The offer price in the Offer was Php10.00 per Share (the “Offer Price”) which was determined through a book-building process.

The subscription price for the Subscription Shares was Php10.00 per Share, the same as the Offer Price (the “Subscription Price”). The Subscription was conditional upon the completion of the Offer and receipt by Quasar of the proceeds of the Offer. The proceeds of the Offer were thereafter paid to Bloomberry as payment of the Subscription Price.

The Subscription Shares were issued to Quasar on payment of the Subscription Price. An application for the listing of the Subscription Shares has been filed with and is pending approval by the PSE.

The conduct of an equity fund raising by way of a placing and subscription transaction allowed Bloomberry to raise equity funds in a most expeditious and efficient manner, with the least cost to Bloomberry. The transaction was also intended to strengthen and broaden the capital base of Bloomberry, as well as to promote a wider dispersion of the Shares to a broad spectrum of institutional investors.

The total gross proceeds raised from the Offer and Subscription was ₱5.59 billion. After deducting placing commissions, market charges, lawyers’ fees, and other expenses related to the Offer and the Subscription (which were for the account of the Bloomberry and credited as part of the payment for the subscription to the Subscription Shares), net proceeds was at approximately Php5,488,000,000.

Bloomberry intends to use the net proceeds of the Subscription for debt service. Bloomberry disbursed the proceeds from the Subscription by March 2024.

The placing agreement and the subscription agreement for the placing and subscription transaction were executed, and the Offer Price was fixed, on September 28, 2023. The Offer Shares were crossed through the facilities of the PSE on September 29, 2023. Settlement for the Offer Shares occurred on October 03, 2023, being two (2) trading days after such cross (“Settlement Date”). The Subscription Shares were likewise fully paid on Settlement Date.

PART III – FINANCIAL INFORMATION

Item 6. Management’s Discussion and Analysis or Plan of Operations

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, 2024.

6.1 OVERVIEW

The Parent Company was engaged in the manufacture of printed circuit boards up to 2003. It ceased commercial operations in December 2003 up until 2011. On February 27, 2012, the SEC approved the change in its primary purpose to that of a holding company. The Company has Sureste, BRHI, Bloom Capital B.V., Solaire Korea, G&L, Muui, BCTI, SPC, and SRC as its subsidiaries. BRHI has 49% shareholdings in Falconer Aircraft Management Inc., a company engaged in aircraft management.

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 such, Sureste enjoys certain incentives granted by the government in relation to the hotel component of Solaire Resorts & Casino, including reduced tax rates. 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 an 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. On May 7, 2015, BRHI’s Provisional License was replaced with a regular casino Gaming License upon full completion of the Project, referred to as “Solairé”. The Gaming License has the same terms and conditions as the Provisional License.

Bloomberry Cruise Terminals Inc.

Bloomberry established BCTI to manage and operate its port terminal assets including the proposed Solairé Cruise Center and Yacht Harbor. The proposed Solairé Cruise Center and Yacht Harbor was designated by the Tourism Infrastructure and Enterprise Zone Authority as a Tourism Enterprise Zone.

Bloom Capital B.V.

In 2013, 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 Dutch law on November 21, 2013. On October 23, 2014, Bloomberry acquired the remaining 40% capital stock of Bloom Capital B.V.

Solaire Korea Co., Ltd.

On December 28, 2014, Bloomberry established, through a nominee, a company named Solaire Korea Co., Ltd. (Solairé Korea), to hold the Group’s investment interest in the Republic of Korea. After a series of stock subscriptions, Bloomberry came to own 100% of Solairé Korea.

Golden & Luxury Co., Ltd.

On April 24, 2015, Solairé Korea acquired 77.26% of the outstanding shares of Golden & Luxury Co., Ltd. (G&L). On May 22, 2015, it acquired an additional 18.97% of G&L, bringing Solairé Korea’s ownership in G&L to 96.23%. On August 20, 2015, Bloomberry acquired 10.00% of the outstanding shares of G&L from Solairé Korea. G&L is a hotel and casino operator in Jeju Island in the Republic of Korea.

Muui Agricultural Corporation

On March 8, 2016, Solairé Korea established Muui Agricultural Corporation (Muui) to hold Solairé Korea’s investment interest in agricultural land in the Muui and Silmi islands pending their conversion. Solairé Korea owns 90% of Muui.

Solaire Properties Corporation

On April 29, 2022, Bloomberry established SPC (formerly Solairé Entertainment Properties Holdings, Inc.) to acquire and subsequently develop a property in Paniman, Ternate, Cavite

into an integrated resort and entertainment complex with a casino, hotel, golf course, commercial, residential and mixed-use development.

Solaire Resort Corporation

On October 18, 2022, SRC was incorporated to develop and operate an integrated resort including a casino duly licensed by the Philippine Amusement and Gaming Corporation, and other relevant government regulators.

Solaire Resort Entertainment City

Solaire Resort Entertainment City, is the first premium/luxury hotel and gaming resort in Entertainment City. BRHI, as the license holder, owns and operates the casino while Sureste owns and operates the hotel and other non-gaming business.

Upon completion of Phase 1 of Solairé Resort Entertainment City, now referred to as the Bay Tower, BRHI and Sureste commenced commercial operations on March 16, 2013. Solairé opened with its main gaming area and initial non-gaming amenities, which included the hotel and a number of food and beverage outlets.

Phase 1 of Solairé Resort Entertainment City 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 1,653 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): a 240-seat Chinese restaurant, a

182-seat Korean restaurant (operated by a third party), a 150-seat Japanese restaurant, a

120-seat Italian restaurant, a 322-seat international buffet/coffee shop, a 170-seat noodle shop, a 150-seat live entertainment lounge, a 406-seat food court, a 20-seat lobby bar, and a 50-seat lounge area. It has a spa and fitness center, a bayview promenade, and multilevel parking building with approximately 1,500 parking slots.

On November 22, 2014, Bloomberry opened the Sky Tower, which was previously referred to as Phase 1A development of Solairé. Contiguous to the existing Solairé Resort and Casino, the Sky Tower consists of a 312 all-suite hotel, additional ten VIP gaming salons with 66 gaming tables and 230 slot machines, an exclusive House of Zhou Chinese restaurant and The Macallan Whisky and Cigar Bar for VIP patrons, 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 1,740-seat theatre designed to provide a superior audio-visual experience for a wide range of theatre plays and musicals, concerts, shows and performing arts. The Forum is a 2,000 square-meter meeting facility with eight meeting rooms, two boardrooms and a flexible pre-function area. Sky Tower also features the Sky Range Shooting Club with 5 rifle shooting bays and 15 pistol bays. Sky Tower is accessible through a multi-level parking garage that, to date, can accommodate and secure over 1,050 vehicles. The Shoppes in the Sky Tower features retail stores, including premium brands such as Louis Vuitton, Dior, Cartier, Yves Saint Laurent, and Prada, among others.

On December 7, 2018, Solairé Resort Entertainment City unveiled The Baccarat Room & Bar (previously The Cigar Bar and Poker Room), a high-end poker area with eight gaming tables. On February 11, 2019, Solairé Resort Entertainment City opened the Philippine’s first electronic table games (“ETG”) stadium called “Players Stadium” – an expansive and colorful entertainment space highlighted by a massive 360 square meter surround screen. On March 18, 2021, the Solairé Club

was unveiled in its new location on Level 3, on what was previously the grand ballroom. The updated luxury space sprawls over 4,300 square meters featuring world-class casino facilities, new dining outlets, private salons, and exclusive amenities that make it one of Asia’s finest gaming offerings. On December 1, 2023, the Solaire Grand Ballroom was opened in its new location at The Shoppes. The new ballroom’s main event area is 2,400 sqm and seats up to 2,200 guests.

On June 5, 2018, Sureste acquired the two parcels of land in Entertainment City from PAGCOR with a total area of 160,359 square meters where Solaire Resort Entertainment City is located.

Solaire Resort North

In 2015, Sureste purchased from the National Housing Authority (NHA) 15,676 square meters of land in Vertis North, Quezon City Central Business District and was issued Transfer Certificates of the Title on June 24, 2016. This property is the site of “Solairre Resort North,” BRHI’s second integrated resort in the Philippines under the same PAGCOR license. Solairre Resort North commenced operations on May 25, 2024.

Solairre Resort North has approximately 13,000 square meters of mass and VIP gaming space across 4 levels, 526 guest rooms and suites, 14 dining options ranging from casual cafes, signature restaurants, to premium bars and lounges. It also has an expansive 1,800 sqm pillarless grand ballroom that can accommodate more than 1,600 guests at theatre-style seating, a 1,400-square meter state-of-the-art health club featuring a high-end gym and expansive spa, an outdoor swimming pool with a kids’ waterpark, and an indoor Kids’ Club.

Jeju Sun Hotel & Casino

On April 24, 2015 and subsequently on May 22, 2015, Bloomberry, through its wholly-owned subsidiary, Solairre Korea, acquired majority ownership of G&L. G&L operated a hotel and casino property in Jeju, South Korea under the brand name “T.H.E Hotel” and “LVegas Casino”. Upon takeover of operations by Bloomberry, the property was rebranded as “Jeju Sun Hotel & Casino” (“Jeju Sun”). The property consists of a 202-room hotel with 5 Hibiscus rating, 2,000 square meters of gaming space with 36 tables and 20 electronic gaming machines. The property has four food and beverage outlets to service its hotel guests and casino players. In 2018, a reorganization was implemented to separate hotel and casino operations. In the fourth quarter of 2018, Jeju Sun embarked on a renovation project covering 164 rooms, restaurants, lobby, building façade, sports bar, gym, sauna, back of the house and a new ballroom for the purpose of securing the 5 Hibiscus rating that is required to keep its gaming license. Renovations were completed in December 2019.

Terminated Investment in Lapu-Lapu Leisure, Inc. and Clark Grand Leisure Corp.

On May 6, 2022, Bloomberry signed a term sheet with PH Travel and Leisure Corp., a subsidiary of PH Resorts Group Holdings, Inc. which covers the proposed investment of Bloomberry into Lapu-Lapu Leisure, Inc. and Clark Grand Leisure Corp. which are developing the Emerald Bay Resort Hotel and Casino in Punta Engano, Lapu-Lapu City, Cebu, and The Base Resort Hotel and Casino in Clark, Pampanga, respectively. The term sheet is subject to several Conditions to Closing including: (a) the execution of mutually acceptable definitive agreements; (b) approval of regulators; (c) approval of creditors; (d) completion of audited financial statements; (d) corporate approvals, and cooperation on and satisfactory result of due diligence, among others.

On March 22, 2023, Bloomberry terminated the term sheet after considering the results of due diligence. The parties agreed that the 1.0 billion deposit made under the term sheet shall be returned to Bloomberry through execution of certain transactions. As of December 31, 2024, the outstanding receivable amounted to ₱301.0 million. The parties agreed that the remaining balance shall be returned to Bloomberry on or before March 31, 2025.

Paniman Project

On May 18, 2022, Bloomberry through SPC entered into an agreement with a group of landowners comprising Boulevard Holdings Inc., Puerto Azul Land, Inc., Ternate Development Corporation and Monte Sol Development Corporation (the “Sellers”) for the purchase by SPC of a total of 2,797,768 square meters of land in the Paniman area in Ternate, Cavite at the average price of ₱2,700 per square meter. In addition to the land purchased from the Sellers, SPC has also purchased additional parcels of land in Ternate, Cavite from other sellers. As of December 31, 2024, SPC has purchased 223 lots with a total land area of 2,036,665 square meters.

SPC intends to develop the Paniman property into an integrated resort and entertainment complex with a world class casino, hotel, golf course, commercial, residential and mixed-use development. The development timeline for this project is yet to be finalized.

6.2 RESULTS OF OPERATIONS

The following are the key performance indicators of the Group in 2024 with comparison for 2023:

Table 6.0 Key Performance Indicators

	For the Year Ended December 31	
In thousands except for ratios	2024	2023
EBITDA	16,603,134	19,325,495
Net Debt to Equity Ratio	1.69	1.49
Current Ratio	2.06	1.85
Total Assets	199,696,925	160,169,876
Return on Equity	4.2%	19.7%

EBITDA is earnings before interest, taxes, depreciation and amortization
Net Debt to Equity Ratio is calculated by dividing total liabilities net of cash by shareholder’s equity
Current Ratio is calculated by dividing current assets by current liabilities
Return on Equity is calculated by dividing the Company’s earnings for the applicable period by shareholders’ equity

OPERATING RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024 COMPARED WITH 2023

	For the Year Ended December 31									
	2024					2023				
	Solaire Resort Entertainment City	Solaire Resort North	Jeju Sun	Corporate and Non-operating Subsidiaries*	Consolidated	Solaire Resort Entertainment City	Jeju Sun	Corporate and Non-operating Subsidiaries*	Consolidated	Consolidated % Change
	In thousands, except % change data									
Gross gaming revenues**	53,229,698	8,415,536	43,964	-	61,689,198	58,294,436	30,980	-	58,325,415	5.8
PFRS 15 allocation	(4,681,376)	(988,656)	-	-	(5,670,032)	(4,262,565)	-	-	(4,262,565)	33.0
Contra revenue accounts	(12,328,384)	(1,275,732)	(1,466)	-	(13,605,582)	(14,363,864)	(2,779)	-	(14,366,643)	(5.3)
Net gaming revenues	36,219,939	6,151,147	42,498	-	42,413,584	39,668,006	28,200	-	39,696,207	6.8
Non-gaming & other revenues	8,301,610	1,864,365	469,992	26,912	10,662,880	8,304,476	354,319	32,905	8,691,700	22.7
Hotel, food and beverage	3,930,107	1,125,476	393,250	-	5,448,833	4,156,136	296,290	-	4,452,426	22.4
Retail and others	4,114,142	702,214	76,710	4,178	4,897,244	3,689,474	53,638	2,814	3,745,926	30.7
Interest income	257,361	36,676	33	22,734	316,804	458,866	4,391	30,091	493,348	(35.8)
Net revenues	44,521,549	8,015,513	512,491	26,912	53,076,464	47,972,482	382,520	32,905	48,387,906	9.7
Cash operating expenses	(27,298,891)	(6,755,840)	(761,523)	(1,657,076)	(36,473,330)	(27,085,253)	(620,797)	(1,326,361)	(29,032,411)	25.6
Provision for expected credit losses	-	-	-	-	-	(30,000)	-	-	(30,000)	(100.0)
EBITDA	17,222,658	1,259,673	(249,032)	(1,630,164)	16,603,134	20,857,229	(238,278)	(1,293,456)	19,325,495	(14.1)
Depreciation and amortization	(3,127,068)	(2,715,336)	(117,484)	(36,134)	(5,996,022)	(3,117,830)	(131,298)	(55,152)	(3,304,280)	81.5
Interest expense	(6,631,901)	(1,716,731)	-	(535)	(8,349,167)	(6,522,784)	-	-	(6,522,784)	28.0
Foreign exchange gain (loss)	707,392	11,753	26	2,674	721,844	(176,592)	4,157	(45,522)	(217,957)	n.m.
Others	(482,965)	569	59,600	29,617	(393,180)	(166,715)	368,372	-	201,656	n.m.
Benefit from (provision for) income tax	(1,083)	-	-	(2,825)	(3,908)	(1,283)	41,352	(768)	39,300	n.m.
Net Income (Loss)	7,687,032	(3,160,074)	(306,889)	(1,637,368)	2,582,702	10,872,025	44,305	(1,394,899)	9,521,430	(72.9)
Basic Earnings (Loss) Per Share					0.242				0.867	
Diluted Earnings (Loss) Per Share					0.241				0.863	

REVENUES

Revenues consist of: (1) Gaming; (2) Hotel, food and beverage; (3) Retail and others and (4) Interest income. The table below illustrates the consolidated revenues for the year ended December 31, 2024 and 2023:

In thousands, except % change data	For the Year Ended December 31						% Change 2024 vs. 2023
	2024			2023			
	Philippines	Korea	Consolidated	Philippines	Korea	Consolidated	
Gaming	55,975,202	43,964	56,019,166	54,031,870	30,980	54,062,850	3.6%
Hotel, food and beverage	5,055,583	393,250	5,448,833	4,156,136	296,290	4,452,426	22.4%
Retail and others	4,816,356	80,887	4,897,244	3,689,474	56,452	3,745,926	30.7%
Interest income	315,430	1,373	316,804	488,764	4,584	493,348	(35.8%)
Gross revenues*	66,162,571	519,475	66,682,046	62,366,244	388,305	62,754,550	6.3%
Less contra revenue accounts	13,604,116	1,466	13,605,582	14,363,864	2,779	14,366,643	(5.3%)
Net revenues	52,558,455	518,009	53,076,464	48,002,380	385,526	48,387,906	9.7%

In 2024, consolidated gaming revenue, non-gaming revenues (including hotel, food and beverage, retail and others), and interest income represented 84.0 percent, 15.5 percent and 0.5 percent of gross revenues, respectively. Gaming revenue, non-gaming revenues and interest income in the same period last year accounted for 86.1 percent, 13.1 percent and 0.8 percent of gross revenues, respectively. Contra revenue decreased to P13.6 billion, down by 5.3 percent year-on-year due to lower rebates to junket operators and VIP patrons.

Gaming

Philippines

In 2024, mass table drop and slot coin-in grew by 9.3 percent and 20.1 percent, respectively, while VIP rolling chip volume posted a decline of 28.2 percent.

Gaming revenues after PFRS 15 allocation in 2024 increased by 3.6 percent or P1.9 billion as compared to 2023.

Below is the breakdown of gross gaming revenues:

Amounts in millions	2024			2023			Change in Revenue	
	Volume*	Revenue	Hold	Volume	Revenue	Hold	Amount	%
VIP tables	442,403	15,494	3.5%	616,419	19,495	3.16%	(4,001)	(20.5)
Mass tables	55,903	21,297	38.1%	51,167	18,151	35.5%	3,146	17.3
Slots	428,348	24,854	5.8%	356,710	20,648	5.8%	4,206	20.4
					58,294		3,351	5.7
PFRS 15 Allocation		(5,670)			(4,263)		(1,407)	33.0
*Total volume represents rolling chips; Mass table volume represents mass drop; Slots volume represents coin-in					54,032		1,943	3.6

Solaire Resort Entertainment City

In 2024, VIP rolling chip volume, mass table drop and slot coin-in posted a decline of 29.3 percent, 19.8 percent and 0.1 percent, respectively.

Gaming revenues after PFRS 15 allocation in 2024 decreased by 10.2 percent or P5.5 billion as compared to last year.

Below is the breakdown of gross gaming revenue:

Amounts in millions	2024			2023			Change in Revenue	
	Volume*	Revenue	Hold	Volume	Revenue	Hold	Amount	%
VIP tables	436,052	15,241	3.50%	616,419	19,495	3.16%	(4,254)	(21.8)
Mass tables	41,058	17,628	42.9%	51,167	18,151	35.5%	(524)	(2.9)
Slots	356,360	20,361	5.7%	356,710	20,648	5.8%	(287)	(1.4)
		53,230			58,294		(5,065)	(8.7)
PFRS 15 Allocation		(4,681)			(4,263)		(419)	9.8
Total		48,548			54,032		(5,484)	(10.2)

VIP revenue totaled P15.2 billion, reflecting a decrease of 21.8 percent due to lower VIP volume. The VIP hold rate was 3.50 percent, higher than the 3.16 percent recorded last year and the normal hold rate of 2.85 percent. On a hold-normalized basis, VIP revenue would have decreased by 29.3 percent.

There were 5,054,583 visitors in 2024, lower by 1.4 percent as compared to the same period last year.

Solaire Resort North

In 2024, Solaire Resort North was operational for 221 days starting May 25, 2024. Below is the breakdown of gross gaming revenue:

Amounts in millions	Volume*	Revenue	Hold
VIP	6,351	253	3.99%
Mass tables	14,844	3,669	24.7%
Slots	71,988	4,493	6.2%
		8,416	
PFRS 15 Allocation		(989)	
Total		7,427	

In 2024, Solaire Resort North reported VIP revenue of P253.3 million, mass table revenue of P3.7 billion, and slot revenue of P4.5 billion.

Korea

Jeju Sun reported gross gaming revenue of P44.0 million for 2024, representing a 41.9 percent increase compared to the previous year.

Hotel, Food and Beverage

Philippines

Hotel, food and beverage revenue reached P5.1 billion in 2024, an increase of P899.4 million or 17.8 percent, compared to last year.

Solaire Resort Entertainment City

Hotel, food and beverage revenue totaled P3.9 billion in 2024, down by P226.0 million or 5.4 percent. The decrease was attributed to a lower hotel occupancy rate, REVPAR, and F&B covers. Hotel occupancy rate was 71.3 percent in 2024.

Hotel cash revenues were approximately 38.8 percent in 2024 compared to 38.1 percent for the comparative period in 2023. F&B cash revenues accounted for 61.6 percent of F&B revenues compared to 63.5 percent last year.

Solaire Entertainment City’s F&B outlets served 1,984,840 covers as compared to 2,081,107 covers in 2023, representing a decrease of 4.6 percent. Average checks grew by 1.7 percent to P1,217.

Solaire Resort North

In 2024, Solaire Resort North generated hotel, food and beverage revenue of P556.7 million.

Hotel occupancy rate was 55.9 percent. Hotel cash revenues accounted for approximately 39.2 percent, while F&B cash revenues were approximately 79.3 percent. F&B outlets served 1,037,384 covers, with an average check of P1,022.

Korea

The hotel and F&B operation of Jeju Sun generated revenue of P111.3 million in 2024, representing an increase of 12.1 percent.

Retail and Others

Philippines

Retail and other revenues amounted to P4.8 billion in 2024, an increase of P1.1 billion or 23.4 percent compared to last year.

Solaire Resort Entertainment City

Retail and other revenues amounted to P4.1 billion in 2024, an increase of P424.7 million or 11.5 percent compared to last year.

Solaire Resort North

In 2024, Solaire Resort North generated retail and other revenues of P702.2 million.

Jeju Sun

The retail and other revenues of Jeju Sun increased by P23.1 million year-on-year to P76.7 million.

Interest Income

Consolidated interest income was P316.8 million, lower by 35.8 percent or P176.5 million compared to last year. The decrease was primarily due to a lower average balance of temporary cash investments in 2024.

EXPENSES

Total expenses include: (1) Operating costs and expenses; (2) Interest expense and (3) Foreign exchange gains (losses) - net. (4) Others.

In 2024, total consolidated expenses increased by 29.8 percent to P50.5 billion.

The table below shows the breakdown of total expenses for 2024 and 2023.

Table 6.3

In thousands, except % change data	For the Year Ended December 31						% Change
	2024			2023			
	Philippines	Korea	Consolidated	Philippines	Korea	Consolidated	
Cash operating expenses:							
Taxes and licenses	14,402,444	68,627	14,471,071	13,279,247	71,490	13,350,737	8.4
Salaries and benefits	7,027,394	477,664	7,505,058	5,272,923	446,490	5,719,413	31.2
Advertising and promotions	684,065	146,288	830,354	589,078	13,248	602,326	37.9
Office expenses	2,111,670	17,720	2,129,390	1,463,010	18,220	1,481,230	43.8
Outside services and charges	2,366,305	35,755	2,402,060	1,866,630	65,191	1,931,821	24.3
Utilities	1,599,204	41,944	1,641,148	807,234	42,912	850,146	93.0
Cost of sales	4,959,451	24,695	4,984,145	3,465,037	20,172	3,485,210	43.0
Rent	136,514	1,514	138,028	65,890	1,277	67,167	105.5
Repairs and maintenance	257,168	3,346	260,514	256,341	6,871	263,212	(1.0)
Software and hardware maintenance	636,210	4,981	641,191	481,118	5,026	486,144	31.9
Communication and transportation	285,844	5,439	291,282	219,452	6,106	225,557	29.1
Others	1,160,232	18,856	1,179,088	554,194	15,254	569,448	107.1
	35,626,501	846,828	36,473,330	28,320,154	712,257	29,032,411	25.6
Depreciation and amortization	5,878,539	117,484	5,996,022	3,172,982	131,298	3,304,280	81.5
Provision for doubtful accounts	-	-	-	30,000	-	30,000	(100.0)
Interest expense	8,348,632	535	8,349,167	6,522,784	-	6,522,784	28.0
Foreign exchange losses (gains) - net	(731,198)	9,354	(721,844)	222,095	(4,138)	217,957	n.m.
Others	452,780	(59,600)	393,180	166,715	(368,372)	(201,656)	n.m.
Total Expenses	49,575,254	914,600	50,489,854	38,434,730	471,046	38,905,776	29.8

Cash Operating Expenses

Philippines

Cash operating expenses increased by 25.6 percent from P28.3 billion to P35.6 billion mainly due to pre-operating and operating expenses of Solaire Resort North. Pre-operating expenses associated with Solaire Resort North were P1.1 billion and P302.4 million in 2024 and 2023, respectively.

Korea

Solaire Korea reported operating costs and expenses of P846.8 million in 2024, representing an increase of 18.9 percent or P134.6 million, compared to the same period last year.

Taxes and licenses

Taxes and licenses consist mainly of licenses fees (inclusive of the franchise tax) paid to PAGCOR. The 8.4 percent increase in taxes and licenses is consistent with the increase in gaming revenues.

Salaries and benefits

Salaries and wages increased by 31.2 percent due to a higher headcount required to fill the manpower requirements of Solaire Resort North.

Advertising and promotions

Advertising and promotions expenses increased by 37.9 percent. This account consists of expenses relating to 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 similar expenses.

Office expenses

Office expenses increased by 43.8 percent. This account consists of costs of gaming and office supplies, guest supplies, cleaning supplies, property and other insurance, housekeeping supplies and employee related expenses.

Outside services and charges

Outside services and charges increased by 24.3 percent in 2024 as compared to the prior year. 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.

Utilities

Utilities expenses are composed of electricity cost, water charges, fuel costs, gas, sewerage and cost of air conditioning supplies. Utilities expenses increased by 93.0 percent due 1) reversal in 2023 of accruals made in 2022 for the fuel adjustment cost charged by Solaire's power supplier,

2) utilities expenses incurred by Solaire Resort North after its commencement of operations in May 2024.

Cost of sales

Cost of sales was higher by 43.0 percent due to increased promotional items and complimentary items given to patrons in Solaire Entertainment City and Solaire Resort North.

Rent

Rent pertains to cost incurred for the usage of leased gaming equipment and overseas marketing offices. Rent expense is higher by 105.5 percent mainly due to higher rental charges on leased gaming equipment resulting from increased gaming operations.

Repairs and maintenance

Repairs and maintenance represent cost associated with the upkeep of property and equipment, including casino equipment, furniture and fixtures, curtains and drapery, transportation equipment, electrical and mechanical equipment. Repairs and maintenance expenses decreased by 1.0 percent.

Communication and transportation

Communication and transportation represent the cost of telephone and data communications, valet services, fleet management services and shuttle services. Costs of business travels are also charged to this account. Communication and transportation expenses increased by 29.1 percent.

Others

Other expenses consist of miscellaneous expenses 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. Other expenses increased by 107.1 percent.

Depreciation and Amortization

Depreciation and amortization pertains to the straight-line depreciation and amortization of property and equipment including operating equipment, over the useful lives of these assets which range between 3 years to 40 years. Depreciation and amortization increased by 81.5 percent primarily due to the depreciation of property and equipment at Solaire Resort North following its opening.

Provision for Expected Credit Losses

The Group evaluates provision for expected credit losses 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. In 2023, the Group provided P30.0 million for expected credit losses. No provision for doubtful accounts was provided in 2024.

Interest Expense

Interest expense increased by 28.0 percent from P6.5 billion in 2023 to P8.3 billion in 2024 mainly due to a higher average bank loan balance and the recognition of interest expenses on the P40.0 billion Syndicated Loan Facility which were previously capitalized as Solaire Resort North was being constructed.

Foreign Exchange Losses (Gains) – Net

The Group registered a net foreign exchange gain of P721.8 million in 2024 mainly arising from the translation of foreign currency cash balances, receivables and payables at the period-end closing rate. Net foreign exchange loss in the same period last year was P218.0 million.

Others

Others in 2024 pertains to the loss on loan refinancing, partly offset by the gain from indemnity received and gain on disposal of a subsidiary. Others in 2023 pertains to the gain on sale of property and equipment in Jeju Sun, partly offset by share in net loss of a joint venture.

EBITDA (LBITDA)

Philippines

In 2024, EBITDA was P16.9 billion, down by 13.8 percent or P2.7 billion, compared to the previous year. The EBITDA margin for this period was 32.2 percent, compared to 40.9 percent of the same period last year.

The decline in EBITDA and margin was primarily attributed to lower gaming revenue from Solaire Entertainment City and higher operating expenses, including pre-operating costs associated with

Solaire Resort North. Since its opening, Solaire Resort North has contributed P1.3 billion in EBITDA.

Korea

Solaire Korea posted P328.8 million LBITDA in 2024, up from P326.7 million LBITDA in the previous year as a result of higher cash operating expenses.

CONSOLIDATED

Below is comparison of consolidated reported and hold-normalized EBITDA (LBITDA):

	For the Year Ended December 31		Change
<i>In thousands, except % change data</i>	2024	2023	
Net Revenue	53,076,464	48,387,906	9.7%
EBITDA	16,603,134	19,325,495	(14.1%)
EBITDA Margin	31.3%	39.9%	(8.6 pts)
Hold-Normalized EBITDA*	14,255,903	17,274,669	(17.5%)
Hold-Normalized EBITDA Margin*	28.4%	37.5%	(9.1 pts)

** Hold-normalized EBITDA is based on 2.85% VIP hold.*

The reported VIP hold in 2024 was 3.68 percent, 83 basis points higher than the 2.85 percent normalized hold. This resulted in the reported EBITDA being 16.5 percent higher than hold-normalized EBITDA of P14.3 billion.

PROVISION FOR (BENEFIT FROM) INCOME TAX

In 2024, the Group recognized P3.9 million provision for income tax as compared to P39.3 million benefit from income tax in 2023.

NET INCOME

The Group posted a consolidated net income of P2.6 billion in 2024, reflecting a decline of 72.9 percent or P7.0 billion from the P9.5 billion net income reported in the previous year.

EARNINGS PER SHARE

Basic earnings per share of P0.242 in 2024 was 72.1 percent lower than the P0.867 reported last year. Diluted earnings per share, after considering the shares granted under the stock incentive plan, was P0.241 compared to P0.863 in the same period last year.

OPERATING RESULTS FOR THE YEAR ENDED DECEMBER 31, 2023 COMPARED WITH 2022

The following table shows a summary of the operating results of the Group for the year ended December 31, 2023 and 2022 as derived from the accompanying audited consolidated financial statements.

	For the Year Ended December 31						Consolidated - % Change
	2023			2022			
	Philippines	Korea	Consolidated	Philippines	Korea	Consolidated	
<i>In thousands, except % change data</i>							
Gross gaming revenues*	58,294,436	30,980	58,325,415	50,121,860	(8,530)	50,113,330	16.4
PFRS 15 allocation	(4,262,565)	-	(4,262,565)	(3,737,477)	-	(3,737,477)	14.0
Contra revenue accounts	(14,363,864)	(2,779)	(14,366,643)	(14,162,269)	(287)	(14,162,556)	1.4
Net gaming revenues	39,668,006	28,200	39,696,207	32,222,114	(8,818)	32,213,297	23.2
Non-gaming & other revenues**	8,334,374	357,326	8,691,700	6,663,946	48,664	6,712,610	29.5
Net revenues	48,002,380	385,526	48,387,906	38,886,060	39,847	38,925,907	24.3
Cash operating expenses	(28,320,154)	(712,257)	(29,032,411)	(24,101,417)	(455,167)	(24,556,584)	18.2
Provision for expected credit losses	(30,000)	-	(30,000)	(56,881)	-	(56,881)	(47.3)
EBITDA (LBITDA)	19,652,226	(326,731)	19,325,495	14,727,762	(415,321)	14,312,442	35.0
Depreciation and amortization	(3,172,982)	(131,298)	(3,304,280)	(3,379,907)	(130,530)	(3,510,437)	(5.9)
Interest	(6,522,784)	-	(6,522,784)	(5,781,939)	-	(5,781,939)	12.8
Foreign exchange gain (loss)	(222,095)	4,138	(217,957)	119,341	1,619	120,960	n.m.
Gain (loss) on disposal of property and equipment and others	(166,715)	368,372	201,656	-	-	-	n.m.
Benefit from (provision for) income tax	(2,052)	41,352	39,300	581	573	1,154	n.m.
Net Income (Loss)	9,565,598	(44,168)	9,521,430	5,685,839	(543,659)	5,142,181	85.2
Basic Earnings (Loss) Per Share			0.867			0.476	
Diluted Earnings (Loss) Per Share			0.863			0.474	

* before PFRS 15 allocation
** Includes Interest Income

REVENUES

Revenues consist of: (1) Gaming; (2) Hotel, food and beverage; (3) Retail and others and (4) Interest income. The table below illustrates the consolidated revenues for the year ended December 31, 2023 and 2022:

	For the Year Ended December 31						% Change 2023 vs. 2022
In thousands, except % change data	2023			2022			
	Philippines	Korea	Consolidated	Philippines	Korea	Consolidated	
Gaming	54,031,870	30,980	54,062,850	46,384,384	(8,530)	46,375,853	16.6
Hotel, food and beverage	4,156,136	296,290	4,452,426	3,214,013	41,955	3,255,968	36.7
Retail and others	3,689,474	56,452	3,745,926	3,331,854	6,675	3,338,528	12.2
Interest income	488,764	4,584	493,348	118,080	35	118,115	317.7
Gross revenues*	62,366,244	388,305	62,754,550	53,048,330	40,134	53,088,463	18.2
Less contra revenue accounts	14,363,864	2,779	14,366,643	14,162,269	287	14,162,556	1.4
Net revenues	48,002,380	385,526	48,387,906	38,886,060	39,847	38,925,907	24.3

In 2023, consolidated gross gaming, non-gaming revenues (including hotel, food and beverage, retail and others), and interest income represented 86.1 percent, 13.1 percent and 0.8 percent of gross revenues, respectively. Gross gaming, non-gaming revenues and interest income in the previous year accounted for 87.4 percent, 12.4 percent and 0.2 percent of gross revenues, respectively. Contra revenue increased to P14.4 billion, slightly up by 1.4 percent year-on-year, due to higher rebates to junket operators and VIP patrons.

Gaming

Philippines

In 2023, VIP rolling chip volume, mass table drop and slot coin-in grew by 28.0 percent, 34.7 percent and 15.9 percent year-over-year, respectively.

Gaming revenues after PFRS 15 allocation in 2023 increased by 16.5 percent or P7.6 billion as compared to 2022.

Below is the breakdown of gross gaming revenues:

<i>Amounts in millions</i>	2023			2022			Change in Revenue	
	Volume*	Revenue	Hold	Volume*	Revenue	Hold	Amount	%
VIP tables	616,419	19,495	3.16%	481,697	16,459	3.42%	3,036	18.4
Mass tables	51,167	18,151	35.5%	37,977	16,780	44.2%	1,371	8.2
Slots	356,710	20,648	5.8%	307,886	16,883	5.5%	3,765	22.3
		58,294			50,122		8,173	16.3
PFRS 15 Allocation		(4,263)			(3,737)		(525)	14.0
Total		54,032			46,384		7,647	16.5

*VIP volume represents rolling chips; Mass table volume represents mass drop; Slots volume represents coin-in

VIP revenue was P19.5 billion, representing an increase of 18.4 percent as a result of higher VIP rolling chip volume. The VIP hold rate was 3.16 percent, lower than the 3.42 percent last year but higher than the normal hold of 2.85 percent. On a hold-normalized basis, VIP revenue would have increased by 28.0 percent.

Consistent with the performance of mass table drop and slot coin-in, mass table gaming and slot revenues increased by 8.2 percent and 22.3 percent, to P18.2 billion and P20.6 billion, respectively.

There were 5,127,234 visitors in 2023, higher by 23.2 percent as compared to the prior year.

Korea

Jeju Sun reported P31.0 million in gross gaming revenue for the year. In 2022, Jeju Sun reported gaming revenue of negative P8.5 million covering the October 3 to December 31, 2022 period. Jeju Sun’s operations were suspended in March 2020 and reopened October 3, 2022.

Hotel, Food and Beverage

Philippines

Hotel, food and beverage revenue amounted to P4.2 billion in 2023, representing an increase of P942.1 million or 29.3 percent as compared to last year. The increase was due to higher hotel occupancy rate, F&B covers and increased complimentary items given to patrons which were allocated to hotel and food and beverage revenue to comply with PFRS 15. Hotel occupancy rate was 79.8 percent in 2023.

In 2023, hotel cash revenues were 38.1 percent as compared to 38.9 percent last year. F&B cash revenues accounted for 63.5 percent of F&B revenues as compared to 57.9 percent in the prior year.

Solaire F&B outlets served approximately 2,081,107 covers in 2023 as compared to 1,653,974 covers in 2022, an increase of 25.8 percent. Average checks decreased by 8.6 percent to P1,197.

Korea

The hotel and F&B operations of Jeju Sun generated revenue of P296.3 million in 2023. In 2022, Jeju Sun’s hotel and F&B revenue was P42.0 million for the period covering October 3 to December 31, 2022. Jeju Sun’s operations were suspended in March 2020 and reopened October 3, 2022.

Retail and Others

Philippines

Retail and other revenues amounted to P3.7 billion in 2023, representing an increase of 10.7 percent from P3.3 billion in 2022.

Korea

The retail and other revenues of Jeju Sun increased by P49.8 million year-on-year to P56.5 million.

Interest Income

Consolidated interest income amounted to P493.3 million in 2023, representing an increase of 317.7 percent from P118.1 million in 2022 due to higher average consolidated cash balances during the year.

EXPENSES

Total expenses include: (1) Cash operating expenses; (2) Depreciation and amortization; (3) Provision for doubtful accounts; (4) Interest expense; (5) Foreign exchange losses (gains) - net; and (6) Loss (gain) on disposal of property and equipment and others. In 2023, total expenses of the Group increased by 15.2 percent to P38.9 billion. Total cash operating expenses consist of: (1) Taxes and licenses; (2) Salaries and benefits; (3) Advertising and promotions; (4) Office expenses; (5) Outside services and charges; (6) Utilities; (7) Cost of sales; (8) Rent; (9) Repairs and maintenance; (10) Software and hardware maintenance (11) Communication and transportation and (12) Others.

The table below shows the breakdown of total expenses for 2023 and 2022.

	For the Year Ended December 31						Consolidated - % Change
	2023			2022			
	Philippines	Korea	Consolidated	Philippines	Korea	Consolidated	
<i>In thousands, except % change data</i>							
Cash operating expenses:							
Taxes and licenses	13,279,247	71,490	13,350,737	P11,330,300	P71,428	P11,401,728	17.1
Salaries and benefits	5,272,923	446,490	5,719,413	3,554,691	246,496	3,801,186	50.6
Advertising and promotions	589,078	13,248	602,326	422,327	6,812	429,140	40.4
Office expenses	1,463,010	18,220	1,481,230	1,208,566	5,130	1,213,695	22.0
Outside services and charges	1,866,630	65,191	1,931,821	1,975,674	17,157	1,992,830	(3.1)
Utilities	807,234	42,912	850,146	1,290,009	18,040	1,308,050	(35.0)
Cost of sales	3,465,037	20,172	3,485,210	3,013,255	3,828	3,017,083	15.5
Rent	65,890	1,277	67,167	50,510	1,037	51,546	30.3
Repairs and maintenance	256,341	6,871	263,212	203,627	2,446	206,073	27.7
Software and hardware maintenance	481,118	5,026	486,144	456,684	3,656	460,340	5.6
Communication and transportation	219,452	6,106	225,557	164,902	3,330	168,232	34.1
Others	554,194	15,254	569,448	429,674	75,808	505,482	12.7
	28,320,154	712,257	29,032,411	24,100,219	455,167	24,555,386	18.2
Depreciation and amortization	3,172,982	131,298	3,304,280	56,881	-	56,881	(5.9)
Provision for doubtful accounts	30,000	-	30,000	3,379,907	130,530	3,510,437	(47.3)
Interest expense	6,522,784	-	6,522,784	5,781,939	-	5,781,939	12.8
Foreign exchange losses (gains) - net	222,095	(4,138)	217,957	(119,341)	(1,619)	(120,960)	n.m.
Loss (gain) on disposal of property and equipment and others	166,715	(368,372)	(201,656)	1,198	-	1,198	n.m.
Total Expenses	38,434,730	471,046	38,905,776	P33,200,802	P584,079	P33,784,881	15.2

Cash Operating Expenses

Philippines

Solaire cash operating expenses increased by 17.5 percent from P24.1 billion to P28.3 billion. Majority of the increase in cash operating expenses was due to higher a) gaming taxes which is consistent with the increase in gaming revenues b) salaries and benefits and c) cost of sales due to increased promotional and complimentary items given to patrons.

Korea

Solaire Korea registered P712.3 million of cash operating expenses in 2023 which was higher by 56.5 percent or P257.1 million from last year. The increase was mainly attributed to the expiry of government subsidies and the reopening of Jeju Sun on October 3, 2022.

Taxes and licenses

Taxes and licenses consist mainly of licenses fees (inclusive of the franchise tax) paid to PAGCOR. The 17.1 percent increase in taxes and licenses is consistent with the increase in gaming revenues.

Salaries and benefits

Salaries and wages increased by 50.5 percent due to the accrual of past and current service costs related to the Group’s retirement liability, the expiry of government subsidies in Jeju Sun, and the reopening of Jeju Sun on October 3, 2022.

Advertising and promotions

Advertising and promotions expenses increased by 40.4 percent. This account consists of expenses relating to 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 similar expenses.

Office expenses

Office expenses increased by 22.0 percent. This account consists of costs of gaming and office supplies, guest supplies, cleaning supplies, property and other insurance, housekeeping supplies and employee related expenses.

Outside services and charges

Outside services and charges decreased by 3.1 percent in 2023 as compared to the prior year. 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.

Utilities

Utilities expenses are composed of electricity cost, water charges, fuel costs, gas, sewerage and cost of air conditioning supplies. Utilities expenses decreased by 35.0 percent in 2023 mainly due to the reversal in 2023 of accruals made in 2022 relating to the fuel adjustment cost charged by Solaire’s power supplier.

Cost of sales

Cost of sales was higher by 15.5 percent due to increased promotional items and complimentary items given to patrons.

Rent

Rent pertains to cost incurred for the usage of leased gaming equipment and overseas marketing offices. Rent expense is higher by 30.3 percent mainly due to higher rental charges on leased gaming equipment resulting from increased gaming operations.

Repairs and maintenance

Repairs and maintenance represent cost associated with the upkeep of property and equipment, including casino equipment, furniture and fixtures, curtains and drapery, transportation equipment, electrical and mechanical equipment. Repairs and maintenance expenses increased by 27.7 percent.

Communication and transportation

Communication and transportation represent the cost of telephone and data communications, valet services, fleet management services and shuttle services. Costs of business travels are also charged to this account. Communication and transportation expenses increased by 34.1 percent.

Others

Other expenses consist of miscellaneous expenses 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. Other expenses increased by 12.7 percent.

Depreciation and Amortization

Depreciation and amortization pertains to the straight-line depreciation and amortization of property and equipment including operating equipment, over the useful lives of these assets which range between 3 years to 40 years. Depreciation and amortization decreased by 5.9 percent.

Provision for Expected Credit Losses

The Group evaluates provision for expected credit losses 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. In 2023, the Group provided P30.0 million for expected credit losses.

Interest Expense

Interest expense increased by 12.8 percent from P5.8 billion in 2022 to P6.5 billion in 2023 mainly due to higher average bank loan balance.

Foreign Exchange Losses (Gains) - Net

The Group registered a net foreign exchange loss of P218.0 million in 2023 mainly arising from the translation of foreign currency cash balances, receivables and payables at the period-end closing rate. Net foreign exchange gain in the same period last year was P121.0 million.

Loss (Gain) on Disposal of Property and Equipment and Others

Others primarily pertains to the gain on sale of property and equipment in Jeju Sun, partly offset by the loss of disposal of property and equipment in Solaire and share in net loss of Falconer Aircraft Management, Inc.

EBITDA (LBITDA)

Philippines

In 2023, Solaire’s EBITDA of P19.7 billion was higher by 33.4 percent compared to last year. EBITDA margin in 2023 was 40.9 percent as compared to 37.9 percent previously. The improvement in EBITDA is attributed to higher net revenues.

Korea

Solaire Korea posted P326.7 million LBITDA in 2023, an improvement from P415.3 million LBITDA in the previous year as a result of higher net revenues, partly offset by the increase in cash operating expenses.

CONSOLIDATED

Below is comparison of consolidated reported and hold-normalized EBITDA (LBITDA):

	For the Year Ended December 31		Change
<i>In thousands, except % change data</i>	2023	2022	
Net Revenue	48,387,906	38,925,907	24.3%
EBITDA	19,325,495	14,313,639	35.0%
EBITDA Margin	39.9%	36.8%	310 bps
Hold-Normalized EBITDA*	17,274,669	12,559,515	37.5%
Hold-Normalized EBITDA Margin*	37.5%	34.2%	330 bps

The reported VIP hold in 2023 was 3.16 percent, 31 basis points higher than the 2.85 percent normalized hold. This resulted in the reported EBITDA being 11.9 percent higher than hold-normalized EBITDA of P17.3 billion.

PROVISION FOR (BENEFIT FROM) INCOME TAX

In 2023, the Group recognized P39.3 million benefit from income tax as compared to P1.2 million benefit from income tax in 2022.

NET INCOME

The Group posted a consolidated net income of P9.5 billion in 2023, 85.2 percent or P5.1 billion improvement from the P5.1 billion net income reported last year.

EARNINGS PER SHARE

Basic earnings per share of P0.867 in 2023 was 81.9 percent higher than the P0.476 reported last year. Diluted earnings per share, after considering the shares granted under the stock incentive plan, was P0.863 compared to P0.474 in the same period last year.

OPERATING RESULTS FOR THE YEAR ENDED DECEMBER 31, 2022 COMPARED WITH 2021

The following table shows a summary of the operating results of the Group for the year ended December 31, 2022 and 2021 as derived from the accompanying audited consolidated financial statements.

	For the Year Ended December 31						Consolidated - % Change
	2022			2021			
	Philippines	Korea	Consolidated	Philippines	Korea	Consolidated	
<i>In thousands, except % change data</i>							2022 vs. 2021
Gross gaming revenues*	50,121,860	(8,530)	50,113,330	27,625,113	-	27,625,113	81.4
PFRS 15 allocation	(3,737,477)	-	(3,737,477)	(1,721,635)	-	(1,721,635)	117.1
Contra revenue accounts	(14,162,269)	(287)	(14,162,556)	(7,176,370)	-	(7,176,370)	97.3
Net gaming revenues	32,222,114	(8,818)	32,213,297	18,727,108	-	18,727,108	72.0
Non-gaming & other revenues**	6,663,946	48,664	6,712,610	3,285,931	1,815	3,287,746	104.2
Net revenues	38,886,060	39,847	38,925,907	22,013,038	1,815	22,014,853	76.8
Cash operating expenses	(24,101,417)	(455,167)	(24,556,584)	(15,533,204)	(359,385)	(15,892,588)	54.5
Provision for expected credit losses	(56,881)	-	(56,881)	(908,609)	-	(908,609)	(93.7)
EBITDA (LBITDA)	14,727,762	(415,321)	14,312,442	5,571,226	(357,570)	5,213,656	174.5
Depreciation and amortization	(3,379,907)	(130,530)	(3,510,437)	(3,359,476)	(134,193)	(3,493,669)	0.5
Interest	(5,781,939)	-	(5,781,939)	(5,342,380)	-	(5,342,380)	8.2
Foreign exchange gain (loss)	119,341	1,619	120,960	202,245	1,826	204,071	(40.7)
Gain (loss) on disposal of property and equipment and others	-	-	-	(7,693)	(821,987)	(829,680)	n.m.
Benefit from (provision for) income tax	581	573	1,154	9,094	(10,459)	(1,365)	n.m.
Net Income (Loss)	5,685,839	(543,659)	5,142,181	(2,926,983)	(1,322,383)	(4,249,366)	221.0
Basic Earnings (Loss) Per Share			0.476			(0.387)	
Diluted Earnings (Loss) Per Share			0.474			(0.387)	

REVENUES

Revenues consist of: (1) Gaming; (2) Hotel, food and beverage; (3) Retail and others and

(4) Interest income. The table below illustrates the consolidated revenues for the year ended December 31, 2022 and 2021:

	For the Year Ended December 31						% Change 2022 vs. 2021
In thousands, except % change data	2022			2021			
	Philippines	Korea	Consolidated	Philippines	Korea	Consolidated	
Gaming	46,384,384	(8,530)	46,375,853	25,903,478	-	25,903,478	79.0
Hotel, food and beverage	3,214,013	41,955 6,675	3,255,968	1,430,702	-	1,430,702	127.6
Retail and others	3,331,854 118,080	35	3,338,528	1,811,585 43,644	1,779	1,813,364	84.1
Interest income			118,115		36	43,680	170.4
Gross revenues*	53,048,330	40,134	53,088,463	29,189,408	1,815	29,191,224	81.9
Less contra revenue accounts	14,162,269	287	14,162,556	7,176,370	-	7,176,370	97.3
Net revenues	38,886,060	39,847	38,925,907	22,013,038	1,815	22,014,853	76.8

* as defined under PFRS 15

Revenues in 2022 and 2021 have been impacted by the COVID-19 pandemic which has had negative implications on the global economy and tourism. In 2022, there was a mild recovery as mobility restrictions were sealed back and travel conditions improved. Please see a summary of events that have impacted the business since 2020 on page 30 of this report.

In 2022, consolidated gross gaming, non-gaming revenues (including hotel, food and beverage, retail and others), and interest income represented 87.4 percent, 12.4 percent and 0.2 percent of gross revenues, respectively. Gross gaming, non-gaming revenues and interest income in the previous year accounted for 88.8 percent, 11.1 percent and 0.1 percent of gross revenues, respectively. Contra revenue increased to P14.2 billion, up by 97.3 percent year-on-year, due to higher rebates to junket operators and VIP patrons as well as other customer promotions and incentives provided to mass gaming guests.

Gaming

Philippines

In 2022, VIP rolling chip volume, mass table drop and slot coin-in grew by 95.9 percent, 53.9 percent and 90.7 percent year-over-year, respectively.

Gaming revenues after PFRS 15 allocation in 2022 increased by 79.1 percent or P25.9 billion as compared to 2021.

Below is the breakdown of gross gaming revenues:

Amounts in millions	2022			2021			Change in Revenue	
	Volume*	Revenue	Hold	Volume*	Revenue	Hold	Amount	%
VIP tables	481,697	16,459	3.42%	245,940	6,743	2.74%	9,715	144.1
Mass tables	37,977	16,780	44.2%	24,670	11,335	45.9%	5,445	48.0
Slots	307,886	16,883	5.5%	161,481	9,547	5.9%	7,336	76.8
		50,122			27,625		22,497	81.4
PFRS 15 Allocation		(3,737)			(1,722)		(2,016)	117.1
Total		46,384			25,903		20,481	79.1

VIP revenue was P16.5 billion, representing an increase of 144.1 percent as a result of higher VIP rolling chip volume and hold rate. The VIP hold rate was 3.42 percent, higher than the 2.74 percent last year and normal hold of 2.85 percent. On a hold-normalized basis, VIP revenue would have increased by 95.9 percent.

Consistent with the performance of mass table drop and slot coin-in, mass table gaming and slot revenues increased by 48.0 percent and 76.8 percent, to P16.8 billion and P16.9 billion, respectively.

There were 4,160,935 visitors in 2022, higher by 65.6% percent as compared to last year.

Korea

Jeju Sun reported P8.5 million negative gross gaming revenue in 2022. Jeju Sun reopened on October 3, 2022. In 2021, Jeju Sun reported nil gaming revenue due to the suspension of its operations.

Hotel, Food and Beverage

Philippines

Hotel, food and beverage revenue amounted to P3.2 billion in 2022, representing an increase of P1.8 billion or 124.6 percent as compared to last year. The increase was due to higher hotel occupancy rate, F&B covers and increased complimentary items given to patrons which were allocated to hotel and food and beverage revenue to comply with PFRS 15. Hotel occupancy rate was 53.7 percent in 2022.

In 2022, hotel cash revenues were 38.9 percent as compared to 39.5 percent last year. F&B cash revenues accounted for 57.9 percent of F&B revenues as compared to 45.9 percent in the prior year.

Solaire F&B outlets served approximately 1,653,974 covers in 2022 as compared to 944,739 covers in 2021, an increase of 75.1 percent. Average checks increased by 21.9 percent to P1,310.

Korea

The hotel and F&B operation of Jeju Sun generated 42.0 million revenue in 2022 after the reopening of its operations on October 3, 2022. In 2021, Jeju Sun reported nil hotel F&B revenue due to the suspension of its operations.

Retail and Others

Philippines

Retail and other revenues amounted to P3.3 billion in 2022, representing an increase of 83.9 percent from P1.8 billion in 2021.

Korea

The retail and other revenues of Jeju Sun increased by 267.1 percent year-on-year to P6.5 million.

Interest Income

Consolidated interest income amounted to P118.1 million in 2022, representing an increase of 170.4 percent from P43.7 million in 2021 due to lower average consolidated cash balances during the year.

EXPENSES

Total expenses include: (1) Cash operating expenses; (2) Depreciation and amortization; (3) Provision for doubtful accounts; (4) Interest expense; (5) Foreign exchange losses (gains) - net; and (6) Others. In 2022, total expenses of the Group increased by 28.6 percent to P33.8 billion. Total cash operating expenses consist of: (1) Taxes and licenses; (2) Salaries and benefits; (3) Advertising and promotions; (4) Office expenses; (5) Outside services and charges; (6) Utilities; (7) Cost of sales; (8) Rent; (9) Repairs and maintenance; (10) Software and hardware maintenance (11) Communication and transportation and (12) Others.

The table below shows the breakdown of total expenses for 2022 and 2021.

	For the Year Ended December 31						% Change
	2022			2021			
	Philippines	Korea	Consolidated	Philippines	Korea	Consolidated	2022 vs. 2021
<i>In thousands, except % change data</i>							
Cash operating expenses:							
Taxes and licenses	11,330,300	71,428	11,401,728	P6,341,797	P67,026	P6,408,822	77.9
Salaries and benefits	3,554,691	246,496	3,801,186	3,282,644	212,962	3,495,606	8.7
Advertising and promotions	422,327	6,812	429,140	294,338	-	294,338	45.8
Office expenses	1,208,566	5,130	1,213,695	970,671	462	971,133	25.0
Outside services and charges	1,975,674	17,157	1,992,830	1,663,090	22,823	1,685,914	18.2
Utilities	1,290,009	18,040	1,308,050	714,800	10,387	725,187	80.4
Cost of sales	3,013,255	3,828	3,017,083	1,391,379	-	1,391,379	116.8
Rent	50,510	1,037	51,546	41,377	981	42,358	21.7
Repairs and maintenance	203,627	2,446	206,073	176,474	1,184	177,658	16.0
Software and hardware maintenance	456,684	3,656	460,340	332,836	2,660	335,496	37.2
Communication and transportation	164,902	3,330	168,232	113,283	1,838	115,121	46.1
Others	430,872	75,808	506,680	210,515	39,062	249,577	103.0
	24,101,417	455,167	24,556,584	15,533,204	359,385	15,892,588	54.5
Depreciation and amortization	3,379,907	130,530	3,510,437	3,359,476	134,193	3,493,669	0.5
Provision for doubtful accounts	56,881	-	56,881	908,609	-	908,609	(93.7)
Interest expense	5,781,939	-	5,781,939	5,342,380	-	5,342,380	8.2
Foreign exchange losses (gains) – net	(119,341)	(1,619)	(120,960)	(202,245)	(1,826)	(204,071)	(40.7)
Others	-	-	-	7,693	821,987	829,680	(100.0)
Total Expenses	33,200,802	584,079	33,784,881	P24,949,116	P1,313,739	P26,262,855	28.6

Cash Operating Expenses

Philippines

Solaire cash operating expenses increased by 55.2 percent to P24.1 billion. Majority of the increase in cash operating expenses was due to higher a) gaming taxes which is consistent with the increase in gaming revenues b) cost of sales due to increased promotional and complimentary items given to patrons and c) utilities.

Korea

Solaire Korea registered P455.2 million of cash operating expenses in 2022 which was a higher by 26.7 percent or P95.8 million from last year. The increase was mainly attributed to the reopening of Jeju Sun on October 3, 2022.

Taxes and licenses

Taxes and licenses consist mainly of licenses fees (inclusive of the franchise tax) paid to PAGCOR. Higher taxes and licenses is consistent with the increase in gaming revenues.

Salaries and benefits

Salaries and wages increased by 8.7 percent which is attributable to additional manpower requirements in Solaire and Jeju Sun.

Advertising and promotions

Advertising and promotions expenses increased by 45.8 percent. This account consists of expenses relating to 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 similar expenses.

Office expenses

Office expenses increased by 25.0 percent. This account consists of costs of gaming and office supplies, guest supplies, cleaning supplies, property and other insurance, housekeeping supplies and employee related expenses.

Outside services and charges

Outside services and charges increased by 18.2 percent in 2022 as compared to the prior year. 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.

Utilities

Utilities expenses are composed of electricity cost, water charges, fuel costs, gas, sewerage and cost of air conditioning supplies. Utilities expenses increased by 80.4 percent in 2022.

Cost of sales

Cost of sales was higher by 116.8 percent due to increased promotional items and complimentary items given to patrons.

Rent

Rent pertains to cost incurred for the usage of leased gaming equipment and overseas marketing offices. Rent expense is higher by 21.7 percent mainly due to higher rental charges on the leased gaming equipment as a result of increased gaming operations.

Repairs and maintenance

Repairs and maintenance represent cost associated with the upkeep of property and equipment, including casino equipment, furniture and fixtures, curtains and drapery, transportation equipment, electrical and mechanical equipment. Repairs and maintenance expenses increased by 16.0 percent.

Communication and transportation

Communication and transportation represent the cost of telephone and data communications, valet services, fleet management services and shuttle services. Costs of business travels are also charged to this account. Communication and transportation expenses increased by 46.1 percent.

Others

Other expenses consist of miscellaneous expenses 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.

Depreciation and Amortization

Depreciation and amortization pertains to the straight-line depreciation and amortization of property and equipment including operating equipment, over the useful lives of these assets which range between 3 years to 40 years. Depreciation and amortization slightly increased by 0.5 percent.

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. In 2022, the Group provided P56.9 million for doubtful accounts.

Interest Expense

Interest expense increased by 8.2 percent from P5.3 billion in 2021 to P5.8 billion in 2022 mainly due to higher average bank loan balance.

Foreign Exchange Losses (Gains) – Net

The Group registered a net foreign exchange gain of P121.0 million in 2022 mainly arising from the translation of foreign currency cash balances, receivables and payables at the period-end closing rate. Net foreign exchange gain in the same period last year was P204.1 million.

Gain (Loss) on Disposal of Property and Equipment and Others

Others in 2021 pertains to the impairment of casino license and goodwill at Jeju Sun, share in net loss of Falconer Aircraft Management, Inc., and gain as a result of the compromise agreement with the previous owner of Jeju Sun.

EBITDA (LBITDA)

Philippines

In 2022, Solaire’s EBITDA of P14.7 billion was higher by 164.3 percent compared to last year. EBITDA margin in 2022 was 37.9 percent as compared to 25.3 percent previously. The improvement in EBITDA is attributed to higher net revenues.

Korea

Solaire Korea posted P415.3 million LBITDA in 2022, higher by 16.2 percent as a result of higher cash operating expenses, partly offset by the increase in net revenues.

CONSOLIDATED

Below is comparison of consolidated reported and hold-normalized EBITDA (LBITDA):

	For the Year Ended December 31		Change
	2022	2021	
<i>In thousands, except % change data</i>			
Net Revenue	38,925,907	22,014,853	76.8%
EBITDA (LBITDA)	14,313,639	5,213,656	174.5%
EBITDA (LBITDA) Margin	36.8%	23.7%	1,310 bps
Hold-Normalized EBITDA*	12,559,515	5,487,149	128.9%
Hold-Normalized EBITDA Margin*	34.2%	24.6%	960 bps

** Hold-normalized EBITDA is based on 2.85% VIP hold.*

The reported VIP hold in 2022 was 3.42 percent, 57 basis points higher than the 2.85 percent normalized hold. This resulted in the reported EBITDA being 14.0 percent higher than hold-normalized EBITDA of P12.6 billion.

PROVISION FOR (BENEFIT FROM) INCOME TAX

In 2022, the Group recognized a P1.2 million benefit from income tax as compared to P1.4 million provision for income tax in 2021.

NET INCOME (LOSS)

The Group posted a consolidated net income of P5.1 billion in 2022, a turn-around from the consolidated net loss of P4.2 billion last year. The reversal was brought about by the 174.5 percent increase in EBITDA.

EARNINGS (LOSS) PER SHARE

The basic income per share of P0.476 in 2022 was a reversal from the P0.387 basic loss per share reported last year. The diluted income per share in the second quarter of 2022, after considering the shares granted under the stock incentive plan, was P0.474 compared to P0.387 diluted loss per share last year.

TRENDS, EVENTS OR UNCERTAINTIES AFFECTING RECURRING REVENUES AND PROFITS

The Group is exposed to a number of trends, events, and uncertainties which affect recurring revenues and profits of 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 or HK dollar and other major currencies against the Philippine peso, may have a negative impact on the Group’s reported levels of revenues and profits.

FINANCIAL CONDITION

The table below shows the consolidated balance sheets as of December 31, 2024, 2023 and 2022:

	As of December 31			% Change	% Change
In thousands, except % change data	2024	2023	2022	2024 vs 2023	2024 vs 2023
Current assets	38,289,930	43,824,782	P41,411,374	(12.6%)	5.8%
Total assets	199,696,925	160,169,876	141,125,599	24.7%	13.5%
Current liabilities	18,587,956	23,752,185	20,769,503	(21.7%)	14.4%
Total interest-bearing debt	110,187,640	94,867,242	91,335,220	16.1%	3.9%
Total liabilities	137,285,042	111,913,571	107,970,501	23.1%	3.7%
Total equity*	61,911,604	48,376,572	33,268,698	28.0%	45.4%

*Total equity attributable to Equity Holders of the Parent Company

	As of December 31		
In thousands, except % change data	2024	2023	2022
Current assets/total assets	19.0%	27.4%	27.36%
Current ratio	2.06	1.85	1.99
Debt-equity ratio ¹	2.23	2.31	3.25
Net debt-equity ratio ²	1.69	1.49	2.11

¹Debt includes all liabilities. Equity includes paid-up capital, equity reserves, share-based payment plan and retained earnings/deficit.
²Net Debt includes all liabilities less cash and cash equivalents and restricted cash (current and noncurrent portion).

Current assets decreased by 13.6 percent to P38.3 billion as of December 31, 2024, primarily due to lower levels of cash and cash equivalents. The decline in cash and cash equivalents was related to the completion of the Settlement Agreement, detailed in item 18.d. of the Notes to Audited Consolidated Financial Statements.

The following summarizes the aging of the Group’s receivables as of December 31, 2024:

In thousands	
Current	2,121,872
90 Days	237,204
Over 90 Days	571,043
Total	2,930,119

Total assets increased by 24.7 percent, from P160.2 billion to P199.7 billion. This increase was attributed to the revaluation of land, and higher operating equipment and input VAT classified as noncurrent asset. It was partly offset by lower levels of cash and cash equivalents and advances to contractors.

Current liabilities decreased by 21.7 percent, driven by the lower current portion of long-term debt, reduced payables to contractors and suppliers, and a decrease in outstanding chips and other gaming liabilities. This was partly offset by an increase in gaming taxes liabilities and customers’ deposits.

Total liabilities grew by 23.1 percent, due to an additional drawdown on the P40.0 billion Syndicated Loan Facility, higher customers’ deposits, increased gaming tax liabilities, and the accrual of retirement liability in 2024. This increase was partly offset by scheduled principal repayments on the amended P73.5 billion Syndicated Loan Facility and lower payables to contractors and suppliers, along with a decrease in outstanding chips and other gaming liabilities.

Total equity rose by 28.0 percent, primarily due to the revaluation increment generated from the revaluation of land and net income earned in 2024. This was partly offset by a subsidiary’s acquisition of Bloomberry shares.

MATERIAL VARIANCES AFFECTING THE BALANCE SHEET

FOR THE YEAR ENDING DECEMBER 31, 2024

Balance sheet accounts as of December 31, 2024 with variances of plus or minus 5.0 percent against December 31, 2023 balances are discussed, as follows:

1. Cash and cash equivalents decreased by 16.7 percent due to a subsidiary’s acquisition of Bloomberry shares (see note 18.d. in the Notes to Audited Consolidated Financial Statements). The movement in cash and cash equivalents will be further discussed in the liquidity section.
2. Receivables increased by 9.4 percent primarily due to higher casino receivables, in line with the increase in gross gaming revenues.
3. Inventories rose by 83.4 percent due to increased inventory needs driven by the commencement of Solaire Resort North’s operations.
4. Prepayments and other current assets grew by 41.2 percent due to higher prepaid rent and taxes.

Noncurrent Assets

5. Property and equipment increased by 41.2 percent due to the additional costs incurred for the construction of Solaire Resort North and an increase in land value from property revaluation.
6. Advances to contractors decreased by 68.1 percent primarily due to a reduction in advances related to the construction of Solaire Resort North.
7. Other noncurrent assets increased by 39.0 percent, mainly attributed to higher input VAT classified as noncurrent and additions to operating equipment.

Liabilities

8. Long-term debt rose by 16.1 percent due to additional drawdown on the
9. 40.0 billion Syndicated Loan Facility, partly offset by the scheduled principal repayments on the amended 73.5 billion Syndicated Loan Facility.
10. Lease liabilities increased by 111.0 percent mainly due to the lease modification and interest accretion, partly offset by lease payments.
11. Income tax payable decreased by 11.9 percent due to lower taxable income.
12. Retirement liability grew by 23.2 percent due to the accrual of current service cost for 2024.
13. Other noncurrent liabilities decreased by 80.1 percent due to lease termination and
14. pre-termination, resulting in lower security deposits and unearned rent balances.

Equity

15. Treasury shares decreased by 18.2 percent due to the transfer of Bloomberry shares for vested stock awards.
16. Cost of shares held by a subsidiary pertains to the cost of Bloomberry shares acquired by a subsidiary.
17. Share-based payment plan increased by 47.2 percent due to the recognition of current period’s compensation expense, partially offset by the issuance of shares for vested stock awards.
18. Other comprehensive income includes the land revaluation increment and the cumulative translation adjustment on the financial statements of Solaire Korea and its subsidiaries.
19. Retained earnings increased by 12.3 percent mainly due to net income earned in 2024.

MATERIAL VARIANCES AFFECTING THE BALANCE SHEET FOR THE YEAR ENDING DECEMBER 31, 2023

Balance sheet accounts as of December 31, 2023 with variances of plus or minus 5.0 percent against December 31, 2022 balances are discussed, as follows:

Current Assets

1. Cash and cash equivalents increased by 5.1 percent as a result of higher cash generated from operations in Solaire and net proceeds from additional drawdowns on the P40.0 billion Syndicated Loan Facility. The movement in cash and cash equivalents will be further discussed in the liquidity section.
2. Receivables increased by 6.4 percent mainly due to the reclassification of deposits relating to future stock purchase and subscription to current receivables. The increase was partially offset by the higher collection of casino receivables and receivable from related parties.
3. Prepayments increased by 30.0 percent due to higher advances to suppliers and input VAT classified as current.

Noncurrent Assets

4. Property and equipment increased by 19.1 percent due to additional costs incurred relating to the construction of Solaire Resort North.
5. Advances to contractors declined by 37.8 percent mainly due to lower advances made in relation to the construction of Solaire Resort North.
6. Other noncurrent assets increased by 16.7 percent primarily attributed to additions in operating equipment and input VAT classified as noncurrent.

Liabilities

7. Payables and other current liabilities decreased by 5.0 percent due to lower outstanding chips and other gaming liabilities and the reclassification of unearned rent and tenant's security deposit to noncurrent after the renewal of lease agreement for another 5 years.
8. Long-term debt increased by 3.9 percent due to the additional drawdown on the 40.0 billion Syndicated Loan Facility, partly offset by the scheduled principal repayments on the 73.5 billion Syndicated Loan Facility and 20.0 billion additional loan facility.
9. Lease liabilities decreased by 57.9 percent mainly due to lease payments made, partly offset by the accretion of interest.
10. Retirement liability increased by 126.7 percent due to the accrual of past and current service costs in 2023.
11. Other noncurrent liabilities increased by 845.9 percent due to the reclassification of unearned rent and tenant's security deposit from current liabilities.

Equity

12. Capital stock increased by 5.1 percent due to the issuance of 559,000,000 new shares of Bloomberry.
13. Additional paid-in capital increased by 37.5 percent which is accounted for by the amount of proceeds in excess of the par value of the Bloomberry shares issued.
14. Treasury shares decreased by 18.5 percent due to the sale of treasury shares for vested stock awards.
15. Other comprehensive loss is mainly due to the net effect of the translation of the financial statements of Solaire Korea and its subsidiaries.
16. Retained earnings increased by 89.1 percent primarily due to the 9.5 billion net income earned attributable to equity holders of the parent entity.

MATERIAL VARIANCES AFFECTING THE BALANCE SHEET FOR THE YEAR ENDING DECEMBER 31, 2022

Balance sheet accounts as of December 31, 2022 with variances of plus or minus 5.0 percent against December 31, 2021 balances are discussed, as follows:

Current Assets

1. Cash increased by 50.6 percent due to higher cash generated by Solaire operations and the additional drawdowns on the P20.0 billion additional loan facility and P40.0 billion Syndicated Loan Facility. The movement in cash and cash equivalents will be further discussed in the liquidity section.
2. Receivables increased by 70.4 percent, primarily due to higher casino receivables which is consistent with the increase in gross gaming revenues.
3. Inventories increased by 21.0 percent due to higher inventory levels of food and beverage supplies.

Noncurrent Assets

4. Property and equipment increased by 8.4 percent due to additional costs incurred during the period relating to the construction of Solaire Resort North.
5. Other noncurrent assets grew by 224.4 percent due to the deposits made for land acquisition and future stock subscription and increase in advances to contractors relating to the construction of Solaire Resort North.

Liabilities

6. Payables and other current liabilities increased by 51.9 percent due to higher outstanding chips and other gaming liabilities and gaming taxes payable.
7. Long-term debt increased by 20.5 percent due to the full drawdown of the undrawn portion of the P20.0 billion additional loan facility and additional drawdown on the P40.0 billion Syndicated Loan Facility.
8. Lease liabilities increased by 66.2 percent due to the renewal of lease contract and accretion of interest, partly offset by the lease payments.
9. Retirement liability increased by 4.3 percent primarily due to the accrual of service costs in 2022.

Equity

10. Treasury shares increased by 14.5 percent due to the acquisition of Bloomberry shares from the secondary market, partly offset by the issuance of treasury shares for vested stock awards.
11. Share-based payment plan increased by 27.2 percent due to the recognition of current period's compensation expense, partially offset by the issuance of shares for vested stock awards.
12. The decrease in other comprehensive loss by 24.7 percent pertains to the net effect of the translation of the financial statements of Solaire Korea and its subsidiaries.
13. Retained earnings increased by 98.7 percent mainly due to the 5.2 billion net income recognized in 2022.

LIQUIDITY AND CAPITAL RESOURCES

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

Liquidity

The table below shows the Group’s consolidated cash flows for the years ended December 31, 2024, 2023 and 2022:

	For the Year Ended December 31			% Change	
<i>In thousands, except % change data</i>	2024	2023	2022	2024 vs 2023	2024 vs 2023
Net cash provided by operating activities	P16,521,948	P20,539,583	P18,519,810	(19.6)	10.9
Net cash used in investing activities	(13,141,017)	(20,902,174)	(15,433,293)	(37.1)	35.4
Net cash provided by (used in) financing activities	(10,777,040)	2,545,138	9,527,831	n.m.	(73.3)
Effect of exchange rate changes on cash	740,373	(238,725)	117,514	n.m.	(303.1)
Net increase in cash and cash equivalents	(6,655,736)	1,943,823	12,731,861	n.m.	(84.7)
Cash and cash equivalents, beginning	39,834,360	37,890,537	25,158,676	5.1	50.6
Cash and cash equivalents, end	P33,178,625	P39,834,360	P37,890,537	(16.7)	5.1

In 2024, the Group registered positive cash flows from operating activities of 16.5 billion, 19.6 percent lower than the previous year, mainly due to a decline in earnings before interest, depreciation and amortization.

Net cash used in investing activities in 2024 comprised of payments related to the construction of Solaire Resort North, including advances to contractors and ongoing construction projects at Solaire Resort Entertainment City.

In 2024, net cash used in financing activities consists primarily of the subsidiary's acquisition of Bloomberry shares, interest payments and the scheduled principal repayment on the amended 73.5 billion Syndicated Loan Facility. This was partly offset by the additional drawdown on the 40.0 billion Syndicated Loan Facility.

Capital Resources

The table below shows the Group’s capital sources as of December 31, 2024, 2023 and 2022:

	As of December 31			% Change	
<i>In thousands, except % change data</i>	2024	2023	2022	2024 vs 2023	2023 vs 2022
Long-term debt - net	110,187,640,474	94,867,242	P91,335,220	16.1	3.9
Equity*	61,911,603,928	48,376,572	33,268,698	28.0	45.4
Total Capital	172,099,244,402	143,243,814	P124,603,918	20.1	15.0

*Attributable to equity holders of the Parent Company

Total capital increased by 20.1 percent year-on-year to 172.1 billion, driven by the land revaluation increment, net income earned in 2024, and an additional drawdown on the 40.0 billion Syndicated Loan Facility. This was partly offset by the subsidiary’s acquisition of Bloomberry shares and scheduled principal repayments on the amended 73.5 billion Syndicated Loan Facility.

Please refer to Note 11 of the Notes to Audited Consolidated Financial Statements for the discussion on debt financing, covenants and collaterals.

RISKS

The future operations of the Group shall be exposed to various market risks, particularly foreign exchange risk, liquidity risk and credit 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 within the treasury operations.

The Russian invasion of Ukraine and Israel-Hamas war, and recent tensions in the Red Sea have caused significant disruptions in global trade resulting in a supply shortage and a surge in food, fuel and commodity prices. These events, along with recent typhoons, have driven global inflation to higher levels. Persistently high inflation will likely lead to a reduction in disposable income and elevated input costs which could adversely affect the business of the Company.

Please refer to Note 20 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 April 18, 2024, the Stockholders of Bloomberry re-appointed SGV & Co. as principal accountant to audit its financial statements

Information on Independent Accountant

The external auditor in 2024 is the firm SGV & Co. The Company has engaged Ms. Maria Pilar Hernandez, partner of SGV & Co., for the audit of the Company’s books and accounts in 2024.

External Audit Fees and Services

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

	For the Year Ended December 31		
<i>In thousands pesos</i>	2024	2023	2022
Audit	20,952.6	P17,120.6	P14,521.6
Tax and others	3,964.1	3,185.1	3,097.1
Total	P24,916.7	P20,305.7	P17,618.7

Tax fees paid to the auditors are for tax compliance and tax advisory services. In 2024, 2023 and 2022, 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.

PART IV- MANAGEMENT AND CERTAIN SECURITY HOLDERS

Item 9. Directors and Executive Officers of the Issuer

The members of the Board of Directors and executive officers of the Group as of March 4, 2025 are:

Office	Name	Citizenship	Age
Chairman of the Board & Chief Executive Officer	Enrique K. Razon Jr.	Filipino	64
Vice Chairman	Jose Eduardo J. Alarilla	Filipino	73
Vice Chairman, Construction and Regulatory Affairs	Donato C. Almeda	Filipino	70
Acting Chief Operating Officer*	Gregory Francis Hawkins	American	61
Director	Christian R. Gonzalez	Filipino	49
Independent Director	Octavio Victor R. Espiritu	Filipino	81
Independent Director	Diosdado M. Peralta	Filipino	72
Executive Vice President, Chief Financial Officer & Treasurer	Estella Tuason-Occaña	Filipino	55
Executive Vice President, Head of Gaming	Cyrus Sherafat	American	42
Executive Vice President, VIP Marketing & Services	Laurence Upton	New Zealander	55
Corporate Secretary and Compliance Officer	Silverio Benny J. Tan	Filipino	68
Assistant Corporate Secretary	Jonas S. Khaw	Filipino	46

a appointed as acting COO on December 19, 2024

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 has been the Chairman and CEO of Bloomberry Resorts Corporation* since 2011.

Mr. Razon is currently the Chairman and President of International Container Terminal Services, Inc. (ICTSI)*, Chairman and CEO of Razon & Co. Inc., Prime Strategic Holdings, Inc. (PSHI), Collingwood Investment Company Ltd., Bravo International Port Holdings, Inc., Alpha International Port Holdings Inc., Provident Management Group, Inc., Trident Water Company Holdings Inc., Razon Industries, Inc., Sureste Realty Corporation, and Quasar Holdings, Inc. ICTSI Warehousing, Inc., IW Container Terminal Holdings Inc., and Achillion Holdings, Inc. He is Chairman of Manila Water Company, Inc.*, Sureste Properties, Inc. (Sureste), Bloomberry Resorts & Hotels, Inc. (BRHI), Prime Infrastructure Capital Inc. and its subsidiaries, including WawaJVCo Inc., ICTSI Foundation, Inc., Prime Infrastructure Foundation, Inc., Pilipinas Golf Tournament Inc., and Australian Terminal Ltd.; the President of Contecon Manzanillo S.A., Tecon Suape, S.A., Tecplata S.A., ; Director of various ICTSI subsidiaries including Contecon Guayaquil S.A., ICTSI Capital B.V., ICTSI (Hongkong) Ltd., Yantai International Container Terminals, Limited, Australian Container Terminals, Ltd., Pentland International Holdings Ltd., Monte Oro Resources and Energy, Inc. (MORE), and AB Capital and Investment Corporation.

Mr. Razon is a member of the US-Philippines Society, the ASEAN Business Club, and Philippines, Inc. The De La Salle University in the Philippines has conferred on Mr. Razon the degree of Doctor of Science in Logistics honoris causa

*Publicly-listed Corporation

Jose Eduardo J. Alarilla — Vice Chairman

Mr. Alarilla has been a director of the Company since 2011. Mr. Alarilla is also currently the President of Lakeland Village Holdings, Inc., Devoncourt Estates Inc., Alpha Allied Holdings Ltd., Sureste, WawaJVCo Inc., and Fremont Holdings Inc. He is the Chairman and CEO of Mega Subic Terminal Services, Inc., CEO of Eiffle House, Inc., President of Mega Equipment International Corp., and President and CEO of Manila Holdings and Management, Inc. He is Chairman of Apex Mining Co. Inc.* Mr. Alarilla is a director of BRHI, PSHI, MORE, MORE Electric & Power Corporation, International Cleanenvironment Systems Inc., Manila Harbor Center Port Services Inc., The Country Club Inc., and is a director and treasurer of Bloomberry Cultural Foundation Inc. and Prime Metro Power Holdings Corp. 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.

*Publicly-listed Corporation

Donato C. Almeda — Vice Chairman for Construction and Regulatory Affairs

Mr. Almeda has been a director of the Company since 2011. Mr. Almeda is also currently the Vice

Chairman for Construction and Regulatory Affairs for BRHI, Sureste Properties Inc. and Bloomberry Cruise Terminals Inc. Mr. Almeda is also currently the Chief Regulatory Officer for Manila Water Company Inc.*, Chairman of Manila Water Foundation and the President of Bloomberry Cultural Foundation Inc. He served as President and CEO of Waterfront Philippines Inc. He also served as: President and CEO of Waterfront Philippines, Inc., 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.

*Publicly-listed Corporation

Christian Martin R. Gonzalez - Director

Mr. Gonzalez has been a director of the Company since 2011. Mr. Gonzalez is the Executive Vice President, Compliance Officer and Chief Sustainability Officer of ICTSI*. He is the Global Corporate Head of ICTSI Group. Prior to his current role, he was appointed as the Vice President and Head of Asia Pacific Region and MICT. Concurrently, he is the Chairman and President of Intermodal Terminal Holdings, Inc., IW Cargo Handlers, Inc., Manila Harbor Center Port Services, Inc., SBI, and Subic Bay International Terminal Holdings, Inc.; Chairman of Asiastar Consultants Limited, ICTSI Georgia Corp., ICTSI Honduras Ltd., ICTSI Ltd., ISI, International Container Terminal Holdings, Inc., MICTSI, SBITC, VICT, YICT; Director and President of BIPI, Cordella Property Holdings, Inc., ICTSI Asia Pacific Business Services, Inc.; Director of Abbotsford Holdings, Inc., DIPSSCOR, ICTSI (Hong Kong) Limited, ICTSI Africa Headquarters (PTY) Ltd., ICTSI DR Congo S.A., ICTSI Far East Pte. Ltd., ICTSI Project Delivery Services Pte. Ltd., ICTSI South Asia Pte. Ltd. , ICTSI South Pacific Limited, MTS, SPIA, and SCIPSI; Vice Chairman and President of MNHPI; Director and Vice President of ICTSI Rio; and the President Commissioner of PT ICTSI Jasa Prima Tbk*.

He was also appointed as the President of ICTSI Foundation, Inc. on April 15, 2016. He is a director of Sureste Properties, Inc., and Prime Infrastructure Capital, Inc.

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 Master’s in Business Administration. He is also a graduate of Business Administration from Pepperdine University in California, USA.

Octavio Victor R. Espiritu — Independent Director

Mr. Espiritu has been an independent director of the Company since 2021. He was appointed Chairman of the Audit Committee and Related Party Transactions Committee of the Company. He is also a member of the Compensation Committee and Stock Incentive Plan Committee of the Company. He is an independent director of Manila Water Co. Inc.* since April 16, 2021 and a director Philippine Dealing System Holdings Corp. and Subsidiaries since 2022. He is currently a director of Philippine Stratbase Consultancy, Inc., Pueblo de Oro Golf and Country Club and The Country Club, Inc. He is also currently the Chairman of GANESP Ventures, Inc. and MAROV Holding Company, Inc. and a trustee board member of the Carlos P. Romulo Foundation.

Mr. Espiritu was President for three-term of the Bankers Association of the Philippines (March 25, 1991 to March 28, 1994), the President and Chief Executive Officer of Far East Bank and Trust Company (March 1, 1987 to April 7, 2000), and Chairman of the Board of Trustees of the Ateneo de Manila University (from 1991 to 2003).

Justice Diosdado M. Peralta – Independent Director

Retired Chief Justice Peralta was appointed as Independent Director of the Company in 2023. He is also an Independent Director of ICTSI*since 2021. In ICTSI, he was likewise appointed Chairman of the Environmental, Social and Governance Sub-Committee, and Member of the Corporate Governance Committee, the Board Risk Oversight Committee, and the Related Party Transactions Committee. Chief Justice Peralta was appointed by President Rodrigo Roa Duterte as the Chief Justice of the Supreme Court from October 23, 2019, until his retirement on March 27, 2021. He served as Associate Justice of the Philippines from 2009 to 2019; Presiding Justice of the Sandiganbayan from 2008 to 2009; Associate Justice of the Sandiganbayan on from 2002 to 2008; Judge in the Regional Trial Court – Branch 95 Quezon City from 1994 to 2000; and Public Prosecutor of Laoag City and Manila City from 1987 to 1994. He presently teaches Law and writes law books for students, members of the Bar and the Bench.

Retired Chief Justice Peralta finished his Bachelor of Science degree in San Juan de Letran in 1974 and his Bachelor of Laws Degree in University of Santo Tomas in 1979. He passed the Bar

Examination in 1980. On April 9, 2010, he received his Doctor of Laws Degree, honoris causa, from Northwestern University, Laoag City, Ilocos Norte, and his Doctor of Laws Degree, honoris causa, from the Tarlac State University in February 2021.

Gregory Francis Hawkins* - Acting Chief Operating Officer

Gregory Hawkins is currently Acting Chief Operating Officer for Bloomberry Resorts. Prior to this he was Chief Operating Officer of Solaire Resort North, having commenced in November of 2023. Working with the Solaire metro and site management teams, he was primarily responsible for the pre-launch program at Solaire North, establishing site-wide operations, the successful public launch of the property and now, within his broader responsibility, continues to focus on the delivery of the property’s commercial objectives.

Greg has deep hospitality and gaming sector experience in multiple jurisdictions, including the Philippines, Macau, Australia, and New Zealand. This experience includes the opening of new resorts, capital expansion projects and site wide team and commercial leadership. Prior to the Philippines, he was Chief Casino Officer for Star Entertainment overseeing that group’s multi-site gaming strategy. Greg’s depth of experience also includes time as Chief Executive Officer of Crown Melbourne, General Manager at SkyCity in NZ, as well as executive leadership roles with Melco Resorts in Macau as President of City of Dreams, a large IR located on the Cotai strip and as Chief Executive Officer of Altira, a luxury boutique hotel casino. Both properties in Macau he steered through pre-opening and operational execution.

* appointed as acting COO on December 17, 2024

Estella Tuason-Occeña — Executive Vice President, Chief Financial Officer and Treasurer

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

*Publicly-listed Corporation

Cyrus Sherafat — Executive Vice President, Head of Gaming

Mr. Sherafat has 18 years’ experience in the gaming industry working in various marketing roles both at local casinos and international integrated resorts. Prior to working Solaire, he was the Vice President of Casino Marketing in Marina Bay Sands in Singapore from 2010 to 2014. 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.

Laurence Upton — Executive Vice President, VIP Marketing & Services

Mr. Upton was previously with Crown Ltd, Melbourne as Senior Vice President, VIP International Marketing from 2006 to 2013. He was also previously connected with Star City Pty Ltd in a variety of senior management roles from 2001 to 2006. He is a graduate of the New South Wales Vocational and Education and Training Accreditation Board in Australia with a diploma in Business Management.

Silverio Benny J. Tan — Corporate Secretary & Compliance Officer

Atty. Tan is a retired partner, former managing partner, and now Of Counsel of the law firm of Picazo Buyco Tan Fider & Santos. He is a director and corporate secretary of Razon & Co. Inc., PSHI, Bravo International Port Holdings Inc., Alpha International Port Holdings Inc., Eiffle House Inc., Cyland Corp., Trident Water Company Holdings, Inc., and Negros Perfect Circles Food Corp. He is also a director of the following companies: MORE Electric and Power Corporation, Celestial Corporation, Skywide Assets Ltd., and Dress Line Holdings Inc. and its subsidiaries. He is the corporate secretary of several corporations including: Apex Mining Company Inc.* and its subsidiaries Itogon Suyoc Resources Inc. and Monte Oro Resources and Energy Inc., Sureste, BRHI, Bloomberry Cultural Foundation Inc., Bloomberry Cruise Terminals Inc., Prime Infrastructure Capital Inc., Manila Water Company, Inc.,* Lakeland Village Holdings Inc., Devoncourt Estates Inc., Pilipinas Golf Tournaments, Inc., and several subsidiaries of Razon & Co. Inc. and Prime Strategic Holdings Inc., and is an Assistant Corporate Secretary of ICTSI*. He is a trustee of the University of the Philippines Visayas Foundation Inc Atty. Tan holds a Bachelor of Laws (Cum Laude), from the University of the Philippines College of Law and a Bachelor of Arts 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

Jonas S. Khaw — Assistant Corporate Secretary

Atty. Khaw is a partner in the law firm Picazo Buyco Tan Fider & Santos. He is the corporate secretary of Medco Holdings, Inc.* and assistant corporate secretary of Apex Mining Co., Inc.* Atty. Khaw holds a Juris Doctor and Bachelor of Science in Management Engineering degrees both from the Ateneo de Manila University.

*Publicly-listed Corporation

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.

10 Executive Compensation

The Group paid compensation in 2024 to the Chief Executive Officer (CEO) and executive officers named below, as a group, amounting to P282.1 million.

Name	Office
Enrique K. Razon Jr.	Chairman of the Board & CEO
Jose Eduardo J. Alarilla	Vice Chairman
Donato C. Almeda	Vice Chairman, Construction and Regulatory Affairs
Thomas Arasi ^a	President & Chief Operating Officer
Gregory Francis Hawkins ^b	Acting Chief Operating Officer
Estella Tuason-Occeña	Executive Vice President, Chief Financial Officer & Treasurer
Cyrus Sherafat	Executive Vice President, Head of Gaming
Laurence Upton	Executive Vice President, VIP Marketing & Services

^a resigned on December 17, 2024

^b appointed as acting COO on December 19, 2024

The following is the breakdown of the aggregate amount of compensation paid to the CEO and top four (4) highest paid executive officers in 2023 and 2024, and estimated to be paid to the CEO and top four (4) highest paid executive officers in 2024 named above (amounts in millions):

	Year	Salary	Other Compensation	Total
President and Top 4 Executive Officers, as group: Enrique K. Razon, Jr. – <i>Chairman & Chief Executive Officer</i> Thomas Arasi – <i>President & Chief Operating Officer</i> Gregory Francis Hawkins - <i>Acting Chief Operating Officer</i> Cyrus Sherafat – <i>Executive Vice, Head of Gaming</i> Laurence Upton – <i>Executive Vice President, VIP Marketing & Services</i> Estella Tuason-Occeña – <i>Executive Vice President, Chief Financial Officer & Treasurer</i> ^a resigned on December 17, 2024 ^b appointed as acting COO on December 19, 2024	2025 (Estimate)	62.1	22.4	84.5
	2024 (Actual)	71.0	144.4	215.4
	2023 (Actual)	41.0	181.7	222.7
All Other Officers and Directors, as a group unnamed	2025 (Estimate)	38.4	20.0	58.4
	2024 (Actual)	34.4	32.3	66.7
	2023 (Actual)	28.1	51.2	79.7

The members of the Board are not expected to receive any compensation in 2025. 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 2023, 2024 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, and was amended and extended by the BOD for another 10 years on April 21, 2022. 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 except non-executive directors of Parent Company; 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”) composed of three directors or officers to be appointed by the BOD. The SIC shall determine 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, together with shares already granted under the SIP, which are equivalent to seven percent (7%) of the resulting total outstanding shares of the Group, 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. Shares awarded shall vest in three years: 25% on the first anniversary date of the award; 25% on the second anniversary date of the award; and the remaining 50% on the third anniversary date of the award. Vesting grants the participant absolute beneficial title and rights over the shares, including full dividend and voting rights.

Unless the SIC determines otherwise, when dividends are declared by Bloomberry, the number of shares subject to an award shall be increased by the number equal in value to the dividends the awardee would have received in respect of an award had the shares awarded to the awardee vested at the time of the dividend declaration. This is designated as the Dividend Re-investment Plan (“DRIP”).

Below is a summary of SIP grants and their corresponding schedule of vesting:

Grant Date	Details		2023		2024		Balance as of December 31, 2024
	No. of Shares	Price per Share	Cancelled	Vested	Cancelled	Vested	
2022							
April 13	33,689,758	6.3	-	8,422,445	967,969	11,134,908	13,164,436
2023							
June 5	43,556,122	10.59	-	-	842,020	17,126,052	25,588,050
2024							
April 16	34,345,660	10	-	-	-	-	34,345,660
Total	111,591,540		-	8,422,445	1,809,989	28,260,960	73,098,146

* includes DRIP shares

The stock incentive obligation amounting to 343.3 million and 231.6 million for 2024 and 2023, 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, 2024, 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:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
Unclassified Shares	PCD Nominee Corporation (Filipino) Makati Stock Exchange Bldg.,Ayala Avenue, Makati City No relationship with Issuer	Enrique K. Razon, Jr. ⁽¹⁾ No relationship with Record Owner	Filipino	35,953,232	0.31%
Unclassified Shares	Enrique K. Razon, Jr. Controlling Shareholder of Issuer	Enrique K. Razon, Jr. ⁽¹⁾	Filipino	100	0.00%
Unclassified Shares	Prime Strategic Holdings, Inc. (formerly named “Prime Metroline Holdings, Inc.”) 2288 Chino Roces Avenue, Makati City Controlling Shareholder of Issuer	Enrique K. Razon, Jr. ⁽¹⁾ Controlling Shareholder of Record Owner Prime Strategic Holdings, Inc	Filipino	3,494,472,444	30.50%
Unclassified Shares	PCD Nominee Corporation (Filipino) Makati Stock Exchange Bldg.,Ayala Avenue, Makati City No relationship with Issuer	Enrique K. Razon, Jr. ⁽¹⁾ Controlling Shareholder of Prime Strategic Holdings, Inc. whose shares herein are lodged with PCD Nominee Corporation (Filipino)	Filipino	2,441,500,000	21.31%
Unclassified Shares	PCD Nominee Corporation (Filipino) Makati Stock Exchange Bldg.,Ayala Avenue, Makati City No relationship with Issuer	Enrique K. Razon, Jr. ⁽¹⁾ Controlling Shareholder of Quasar Holdings, Inc. whose shares herein are lodged with PCD Nominee Corporation (Filipino)	Filipino	921,184,056	8.04%
Unclassified Shares	Sureste Properties, Inc. The Executive Offices, Solaire Resort & Casino, 1 Asean Avenue, Entertainment City, Tambo, Parañaque City Controlling Shareholder of Issuer	Enrique K. Razon, Jr. ⁽¹⁾ Controlling Shareholder of Record Owner Sureste Properties, Inc.	Filipino	921,184,056	8.04%
Unclassified Shares	Razon & Co Inc. 2288 Chino Roces Avenue, Makati City Controlling Shareholder of Issuer	Enrique K. Razon, Jr. ⁽¹⁾ Controlling Shareholder of Record Holder Razon & Co Inc.	Filipino	225,000,000	1.96%
Unclassified Shares	PCD Nominee Corporation (Filipino) Makati Stock Exchange Bldg.,Ayala Avenue, Makati City No relationship with Issuer	Various parties	Filipino	1,677,627,498	14.67%
Unclassified Shares	PCD Nominee Corporation (Non-Filipino) Makati Stock Exchange Bldg., Ayala Avenue, Makati City No relationship with Issuer	Various parties	Foreign	1,819,666,767	15.88% ^s

⁽¹⁾ Enrique K. Razon Jr. is the controlling stockholder of Prime Strategic Holdings, Inc., Quasar Holdings, Inc., Sureste Properties, /Inc., and Razon & Co., Inc. Enrique K. Razon, Jr. directly and indirectly owns a total of 8,039,293,888 shares or 69.35%.

11.1 Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2024, the aggregate beneficial ownership of all Directors and Executive Officers’ totals to 8,080,732,751 shares, equivalent to 70.52% with details set forth below:

Title of Class	Name of beneficial owner	Number of shares and nature of beneficial ownership		Citizenship	Percentage
Unclassified Shares	Enrique K. Razon, Jr. ⁽¹⁾	100	Direct	Filipino	
		8,039,293,788	Indirect – Held by PCD Nominee and various entities controlled by the beneficial owner		
	Total	8,039,293,888			69.35%
Unclassified Shares	Jose Eduardo J. Alarilla	100	Direct	Filipino	
		6,658,188	Indirect – Held by PCD Nominee		
	Total	6,658,288			0.06%

Unclassified Shares	Jose Eduardo J. Alarilla	100	Direct	Filipino	
		6,658,188	Indirect – Held by PCD Nominee		
	Total	6,658,288			0.06%
Unclassified Shares	Donato C. Almeda	100	Direct	Filipino	
		8,227,461	Indirect – Held by PCD Nominee		
	Total	8,227,561			0.07%
Unclassified Shares	Christian R. Gonzalez	100	Direct	Filipino	
Unclassified Shares		100,833	Indirect – Held by PCD Nominee		
	Total	100,933			0.00%
Unclassified Shares	Octavio Victor R. Espiritu	43,200	Direct	Filipino	
Unclassified Shares		430,500	Indirect – Held by PCD Nominee		
	Total	473,700			0.00%
Unclassified Shares	Diosdado M. Peralta	150,000	Direct	Filipino	0.00%
Unclassified Shares	Estella Tuason-Occaña	100	Direct	Filipino	
Unclassified Shares		9,279,700	Indirect – Held by PCD Nominee		
	Total	9,279,800			0.10%
Unclassified Shares	Laurence Upton	7,226,512	Indirect – Held by PCD Nominee	New Zea-lander	0.06%
Unclassified Shares	Cyrus Sherafat	8,909,450	Indirect – Held by PCD Nominee	American	0.08%
Unclassified Shares	Silverio Benny J. Tan	412,619	Indirect – Held by PCD Nominee	Filipino	0.00%
Unclassified Shares	Jonas S. Khaw	None		Filipino	None

⁽¹⁾ Enrique K. Razon, Jr. directly and indirectly owns 35,953,332 shares and indirectly owns: through Prime Strategic Holdings, Inc., 5,935,972,444 (51.80%) shares, through Quasar Holdings, Inc., 921,184,056 (8.04%) shares, through Sureste Properties, Inc., 921,184,056 (8.04%) shares and through Razon & Co. Inc., 225,000,000 (1.96%) shares;

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 12, *Related Party Transactions*, to the Annual Audited Consolidated Financial Statements.

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

PART V – 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 May 30, 2017, 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. Octavio Victor R. Espiritu and Retired Chief Justice Diosdado M. Peralta and except for Mr. Enrique K. Razon, Jr. Mr. Jose Eduardo J. Alarilla and Mr. Donato C. Almeda 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 2024 Board Meetings are as follows:

The directors and key officers of the Company attended the corporate governance seminar held on 15 November 2024.

	January 24, 2024	February 27, 2024	March 1, 2024	March 18, 2024	April 18, 2024	April 29, 2024	May 13, 2024	July 23, 2024	July 29, 2024	August 13, 2024	November 12, 2024	December 17, 2024
Name												
Enrique K. Razon, Jr	P	P	P	P	P	P	P	P	P	P	P	P
Jose Eduardo J. Alarilla	P	P	P	P	P	P	P	P	P	P	P	P
Donato C. Almeda	P	P	P	P	P	P	P	P	P	P	P	P
Thomas Arasi ¹	P	P	P	P	P	P	P	P	P	P	P	NA
Christian R. Gonzalez	P	P	P	P	P	P	P	P	P	P	P	P
Octavio R. Espiritu	P	P	P	P	P	P	P	P	P	P	P	P
Diosdado M. Peralta	P	P	P	P	P	P	P	P	P	P	P	P

¹Retired on 17 December 2024.

P – Present
A – Absent
NA – Not Applicable

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 two (2) independent directors, one of whom 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. Octavio Victor R. Espiritu who serves with Mr. Christian R. Gonzalez and Ret. Justice Diosdado M. Peralta as members.

The 2024 attendance of the Audit committee are as follows:

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.

Name	March 1, 2024	May 13, 2024	August 13, 2024	November 12, 2024	November 28, 2024
Octavio R. Espiritu (Chairman)	P	P	P	P	P
Diosdado M. Peralta (Member)	P	P	P	P	P
Christian R. Gonzalez (Member)	P	P	P	P	P

Alarilla and Mr. Christian R. Gonzalez as members.

The 2024 attendance of the Nominations committee are as follows:

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,

Name	March 13, 2024
Enrique K. Razon Jr. (Chairman)	P
Jose Eduardo J. Alarilla (Member)	P
Christian R. Gonzalez (Member)	P

strategy and the business environment in which it operates. As of the date of this report, the Compensation and Remuneration Committee Chairman is Mr. Jose Eduardo J. Alarilla, who serves with Mr. Octavio R. Espiritu and Ms. Estella Tuason-Occeña as members. The Chairman and members of the Compensation and Remuneration Committee are likewise the chairman and members of the Stock Incentive Plan Committee.

The 2024 attendance of the Compensation Committee and Stock Incentive Plan committee are as follows:

The 2024 attendance of the Environmental, Social, Governance (ESG) committee are as

follows:

6. Sustainability/Environment, Social and Governance Committee

A Sustainability/Environment, Social and Governance Committee (ESG) Committee was organized to determine compliance with sustainability reporting guidelines, and help the Board assess and manage the Company’s economic, environmental and social impacts. As of the date of this report, the ESG Committee Chairman is Ret. Justice. Diosdado M.

Name	March 13, 2024
Enrique K. Razon Jr. (Chairman)	P
Jose Eduardo J. Alarilla (Member)	P
Christian R. Gonzalez (Member)	P

P – Present
A – Absent
NA – Not Applicable

Peralta, and Mr. Eduardo J. Alarilla as member.

The 2024 attendance of the Environmental, Social, Governance (ESG) committee are as follows:

7. Executive Officers

Bloomberry’s Management Team in its operating subsidiaries are 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 Resort

Name	March 1, 2024	May 21, 2024	August 13, 2024	November 12, 2024
Diosdado M. Peralta (Chairman)	P	P	P	P
Jose Eduardo J. Alarilla (Member)	P	P	P	P
Thomas Arasi (Member)	P	P	P	P

& Casino, Asean Avenue, Entertainment City, Tambo, Parañaque City, Philippines.

8. Related Party Transaction Committee

The Related Party Transactions Committee ensures transparency, fairness, and compliance in all material Related Party Transactions of the Corporation. The Related Party Transaction Committee identifies, evaluates, and monitors related party relationships, assesses transactions for fairness and potential risks, oversees the implementation of RPT policies, and ensures proper disclosure and reporting to the Board and regulatory agencies. The Committee is composed of three (3) Board members, including two (2) independent directors, one of whom serves as the committee chairman.The Related Party Transaction Committee Chairman is Mr. Octavio Victor R. Espiritu who serves with Mr. Thomas Arasi and Ret. Justice Diosdado M. Peralta as members.

The 2024 attendance of the Related Party Transactions committee are as follows:

9. Independent Audit

Part of the Company’s organizational structure is the Internal Audit Department (IAD).

	March 1, 2024	May 13, 2024	August 13, 2024	November 12, 2024
Name				
Octavio R. Espiritu (Chairman)	P	P	P	P
Diosdado M. Peralta (Member)	P	P	P	P
Thomas Arasi (Member)	P	P	P	P

P – Present
A – Absent
NA – Not Applicable

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.

10. 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.

11. 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.

The Board has conducted an annual self-assessment of its performance, including the performance of its individual members for the year 2024. It has also established an internal self-rating and evaluation system. For the rating system, rates follow a scale of 1 to 5, 1 being the lowest and 5 being the highest. Questionnaires were provided to each of the Directors wherein they check for each item the rating that corresponds to their personal assessment. An additional portion for comments and/or suggestions is also allotted at the end of the Questionnaire.

HOTEL ROOM CORRIDOR
Solaire Resort North





Shape the future
with confidence

Adequacy of Allowance for Expected Credit Losses on Gaming Receivables

The Group applies simplified approach in calculating expected credit loss (ECL). Under this approach, the Group establishes a provision matrix that is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. Allowance for ECL as of December 31, 2024 amounted to P=587.7 million. The Group's application of the ECL model in calculating the allowance for ECL of its gaming receivables is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: segmenting the Group's credit risk exposures; defining default; determining assumptions to be used in the ECL model such as timing and amounts of expected net recoveries from defaulted accounts; and incorporating forward-looking information (called overlays) in calculating ECL.

The disclosures in relation to allowance for ECL using the ECL model are included in Notes 3 and 5 to the consolidated financial statements.

Audit Response

We obtained an understanding of the methodologies and model used for the Group's different credit exposures and assessed whether these considered the requirements of PFRS 9 to reflect the best available forward-looking information.

We (a) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default against historical analysis of accounts and credit risk management policies and practices in place, (c) tested historical loss rates by inspecting historical recoveries and write-offs; (d) compared the classification of outstanding exposures to their corresponding aging buckets; and (e) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's receivable portfolios and industry.

Further, on a sampling basis, we traced the data used in the ECL model, such as the historical collection analysis and default and recovery data, to the supporting documents for credits granted to patrons and their subsequent settlement and the analysis of gaming receivables' aging buckets. For the selected samples, we traced the receivables to subsequent collections and performed inquiry with the Casino Accounting representatives on the status of collections.

We recalculated impairment provisions on a sample basis.

Valuation of land at revalued amounts

Effective January 1, 2024, the Group accounts for its land classified as property and equipment using the revaluation model. The land accounts for 45% of the total consolidated assets as at December 31, 2024. The determination of the fair values of the land involves significant management judgement and estimates. The valuation also requires the assistance of external appraisers whose calculations also depend on certain assumptions such as sales listing of comparable properties registered within the vicinity and adjustments to sales price based on internal and external factors. Thus, we considered the valuation of the land as a key audit matter.

The disclosures relating to land are included in Notes 3 and 8 to the consolidated financial statements.

Audit Response

We evaluated the competence, capabilities and objectivity of the external appraisers by considering their qualifications, experience and reporting responsibilities. We compared the property-related data in the appraisal reports against the Group's property records. We

involved our internal specialist in the evaluation of the methodology and assumptions used in the valuation of the properties. We assessed the methodology adopted by referencing common valuation models and verified the relevant information supporting the sales and listing of comparable properties. We also inquired from the external appraisers the basis of the adjustment factors made to the sales price.

Other Information

Management is responsible for the other information. The other information comprises the SEC Form 17 A for the year ended December 31, 2024 but does not include the consolidated financial statements and our auditor’s report thereon, which we obtained prior to the date of this auditor’s report, and the SEC Form 20 IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2024, which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor’s report is Maria Pilar B. Hernandez.

SYCIP GORRES VELAYO & CO.

Maria Pilar B. Hernandez
Partner
CPA Certificate No. 105007
Tax Identification No. 214-318-972
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-116-2025, January 8, 2025, valid until January 7, 2028
PTR No. 10465313, January 2, 2025, Makati City

March 4, 2025

INDEPENDENT AUDITOR’S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Bloomberry Resorts Corporation
The Executive Offices, Solaire Resort & Casino
1 Asean Avenue, Barangay Tambo, Entertainment City
Parañaque City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Bloomberry Resorts Corporation and its subsidiaries (the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 4, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group’s management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Maria Pilar B. Hernandez
Partner
CPA Certificate No. 105007
Tax Identification No. 214-318-972
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-116-2025, January 8, 2025, valid until January 7, 2028
PTR No. 10465313, January 2, 2025, Makati City

March 4, 2025





AUDITED FINANCIAL STATEMENTS

BLOOMBERRY RESORTS CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
ASSETS		
Current Assets	33,178,624,731	39,834,360,418
Cash and cash equivalents (Notes 4 and 20)	2,342,401,792	2,141,243,705
Receivables (Notes 5 and 20)	626,078,988	341,308,246
Inventories (Note 6)	2,128,766,539	1,507,869,871
Total Current Assets	38,275,872,050	43,824,782,240
Noncurrent Assets		
Property and equipment (Notes 2, 8, 11 and 17)		
At cost	66,140,887,070	110,076,185,673
At revalued amount	89,303,258,193	-
Advances to contractors (Note 9)	818,754,074	2,567,417,015
Other noncurrent assets (Notes 9 and 20)	5,158,153,955	3,701,491,224
Total Noncurrent Assets	161,421,053,292	116,345,093,912
	199,696,925,342	160,169,876,152
LIABILITIES AND EQUITY		
Current Liabilities		
Payables and other current liabilities (Notes 10, 15, and 20)	16,492,170,150	14,891,891,343
Current portion of long-term debt (Notes 11 and 20)	2,073,925,580	8,854,220,932
Current portion of lease liabilities (Notes 2 and 17)	18,709,105	2,496,401
Income tax payable	3,151,616	3,576,700
Total Current Liabilities	18,587,956,451	23,752,185,376
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 11 and 20)	108,113,714,894	86,013,020,671
Lease liabilities - net of current portion (Notes 2 and 17)	7,858,221	10,092,505
Retirement liability (Note 13)	1,973,673,057	1,601,920,378
Deferred tax liabilities - net (Note 19)	9,014,438,004	96,747,913
Other noncurrent liabilities (Notes 18 and 20)	87,680,787	439,603,994
Total Noncurrent Liabilities	119,197,364,963	88,161,385,461
Total Liabilities	137,785,321,414	111,913,570,837
Equity Attributable to Equity Holders of the Parent Company		
Capital stock (Note 14)	11,591,998,225	11,591,998,225
Additional paid-in capital (Note 14)	18,096,248,605	18,020,568,583
Equity reserve (Note 2)	(27,138,558)	(27,138,558)
Cost of shares held by a subsidiary (Notes 14 and 18)	(17,347,954,485)	(653,457)
Treasury shares (Note 14)	(794,841,929)	(971,296,016)
Share-based payment plan (Note 14)	365,945,741	248,545,108
Other comprehensive income (loss) (Note 14)	27,682,307,619	(457,916,766)
Retained earnings (Note 14)	22,430,179,097	19,972,464,880
Total Equity Attributable to Equity Holders of the Parent Company	61,996,744,315	48,376,571,999
Equity Attributable to Non-controlling Interests	(85,140,387)	(120,266,684)
Total Equity	61,911,603,928	48,256,305,315
	199,696,925,342	160,169,876,152

BLOOMBERRY RESORTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31			
REVENUES	2024	2023	2022
Gaming (Notes 3, 15 and 18)	42,413,584,152	39,696,206,599	32,213,296,640
Hotel, food and beverage (Notes 3 and 15)	5,448,832,612	4,452,425,742	3,255,967,522
Retail and others (Notes 3, 15 and 17)	4,897,243,637	3,745,925,875	3,338,528,155
	52,759,660,401	47,894,558,216	38,807,792,317
OPERATING COSTS AND EXPENSES (Note 16)	42,469,351,924	32,366,691,113	28,123,902,654
INCOME BEFORE OTHER INCOME (EXPENSES) AND INCOME TAX	10,290,308,477	15,527,867,103	10,683,889,663
OTHER INCOME (EXPENSES)			
Interest expense (Notes 10, 11, 16 and 17)	(8,349,167,203)	(6,522,784,163)	(5,781,938,580)
Foreign exchange gains (losses) - net (Note 20)	721,844,207	(217,957,211)	120,960,464
Interest income (Notes 4, 5 and 16)	316,803,621	493,348,082	118,114,706
Others - net (Notes 8, 9, 11 and 16)	(393,179,537)	201,656,365	-
	(7,703,698,912)	(6,045,736,927)	(5,542,863,410)
INCOME BEFORE INCOME TAX	2,586,609,565	9,482,130,176	5,141,026,253
PROVISION FOR (BENEFIT FROM) INCOME TAX (Notes 18 and 19)	3,907,829	(39,300,201)	(1,154,322)
NET INCOME	2,582,701,736	9,521,430,377	5,142,180,575
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that will be reclassified to profit or loss in subsequent years - Exchange difference on translation of foreign operations	(529,208,310)	(39,791,122)	138,803,316
Items that will not be reclassified to profit or loss in subsequent years -			
Revaluation increment (Note 8)	37,696,995,999	-	-
Remeasurement gain (loss) on retirement liability (Note 13)	(164,355,973)	(122,549,922)	76,507,427
Unrealized gain (loss) on equity instrument designated at fair value			
Through other comprehensive income (Note 9)	(6,000,000)	30,000,000	7,875,000
Income tax effect	(8,947,068,553)	(1,101,113)	(6,467,703)
	28,579,571,473	(93,651,035)	77,914,724
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	28,050,363,163	(133,442,157)	216,718,040
TOTAL COMPREHENSIVE INCOME	30,633,064,899	9,387,988,220	5,358,898,615
Net Income Attributable To			
Equity holders of the Parent Company	2,620,920,285	9,527,193,809	5,171,888,105
Non-controlling interests	(38,218,549)	(5,763,432)	(29,707,530)
	2,582,701,736	9,521,430,377	5,142,180,575
Total Comprehensive Income Attributable To			
Equity holders of the Parent Company	30,597,938,602	9,394,654,411	5,389,484,433
Non-controlling interest	35,126,297	(6,666,191)	(30,585,818)
	30,633,064,899	9,387,988,220	5,358,898,615
Earnings Per Share on Net Income Attributable to Equity Holders of the Parent Company (Note 21)			
Basic	0.242	0.867	0.476
Diluted	0.241	0.863	0.474

See accompanying Notes to Consolidated Financial Statements.

BLOOMBERRY RESORTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE YEARS IN THE PERIOD ENDED DECEMBER 31, 2024

Equity Attributable to Equity Holders of the Parent Company											
	Capital Stock (Note 14)	Additional Paid-in Capital (Note 14)	Equity Reserve (Note 2)	Cost of Shares Held by a Subsidiary (Note 14)	Treasury Shares (Note 14)	Share-based Payment Plan (Note 14)	Other Comprehensive Income (Loss) (Notes 9 and 13)	Retained Earnings (Note 14)	Total	Equity Attributable to Non-controlling Interests	Total Equity
Balances at January 1, 2024	11,591,998,225	18,020,568,583	(27,138,558)	(653,457)	(971,296,016)	248,545,108	(457,916,766)	19,972,464,880	48,376,571,999	(120,266,684)	48,256,305,315
Net income	-	-	-	-	-	-	-	2,620,920,285	2,620,920,285	(38,218,549)	2,582,701,736
Remeasurement loss on defined benefit plan (Note 13)	-	-	-	-	-	-	(163,206,069)	-	(163,206,069)	(1,149,904)	(164,355,973)
Exchange difference on translation of foreign operations	-	-	-	-	-	-	(529,208,310)	-	(529,208,310)	-	(529,208,310)
Unrealized loss on equity instrument designated at fair value through other comprehensive income (Note 9)	-	-	-	-	-	-	(4,500,000)	-	(4,500,000)	-	(4,500,000)
Revaluation surplus (Note 8)	-	-	-	-	-	-	28,673,932,696	-	28,673,932,696	74,494,750	28,748,427,446
Total comprehensive income	-	-	-	-	-	-	27,977,018,317	2,620,920,285	30,597,938,602	35,126,297	30,633,064,899
Share-based payments (Note 14)	-	-	-	-	-	369,534,742	27,977,018,317	2,620,920,285	30,597,938,602	35,126,297	30,633,064,899
Acquisition of shares by a subsidiary (Note 18)	-	-	-	(17,347,301,028)	-	-	-	-	-	-	369,534,742
Issuance of treasury shares for share-based payments (Note 14)	-	75,680,022	-	-	-	176,454,087	(252,134,109)	-	-	-	-
Remeasurement loss on defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	163,206,068	(163,206,068)	-	-
Balances at December 31, 2024	11,591,998,225	18,096,248,605	(27,138,558)	(17,347,954,485)	(794,841,929)	365,945,741	27,682,307,619	22,430,179,097	61,996,744,315	(85,140,387)	61,911,603,928
Balances at January 1, 2023	11,032,998,225	13,101,956,111	(27,138,558)	(653,457)	1,191,685,068	233,327,457	(440,625,644)	10,560,519,347	33,268,698,413	(113,600,493)	33,155,097,920
Net income	-	-	-	-	-	-	-	9,527,193,809	9,527,193,809	(5,763,432)	9,521,430,377
Remeasurement gain on defined benefit plan (Note 13)	-	-	-	-	-	-	(115,248,276)	-	(115,248,276)	(902,759)	(116,151,035)
Exchange difference on translation of foreign operations	-	-	-	-	-	-	(39,791,122)	-	(39,791,122)	-	(39,791,122)
Unrealized gain on equity instrument designated at fair value through other comprehensive income (Note 9)	-	-	-	-	-	-	22,500,000	-	22,500,000	-	22,500,000
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Share-based payments (Note 14)	-	-	-	-	-	-	-	-	9,394,654,411	(6,666,191)	9,387,988,220
Issuance of new shares (Note 14)	559,000,000	4,922,613,951	-	-	-	231,605,224	-	-	231,605,224	-	231,605,224
Issuance of treasury shares for share-based payments (Note 14)	-	(4,001,479)	-	-	220,389,052	(216,387,573)	-	-	5,481,613,951	-	5,481,613,951
Remeasurement gain on defined benefit plan transferred to retained earnings	-	-	-	-	-	-	115,248,276	(115,248,276)	-	-	-
Balances at December 31, 2023	11,591,998,225	18,020,568,583	(27,138,558)	(653,457)	(971,296,016)	248,545,108	(457,916,766)	19,972,464,880	48,376,571,999	(120,266,684)	48,256,305,315

BLOOMBERRY RESORTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	2,586,609,565	9,482,130,176	5,141,026,253
Adjustments for:			
Interest expense (Notes 10, 11, 16 and 17)	8,349,167,203	6,522,784,163	5,781,938,580
Depreciation and amortization (Notes 8, 9, 16 and 17)	5,996,022,209	3,304,279,880	3,510,437,414
Unrealized foreign exchange losses (gains) - net	(740,372,748)	238,724,937	(117,513,743)
Loss on loan refinancing (Notes 11 and 16)	469,444,694	-	-
Share-based payment expense (Note 14)	369,534,742	231,605,224	132,859,212
Interest income (Notes 4, 5 and 16)	(316,803,621)	(493,348,082)	(118,114,706)
Net change in retirement liability (Note 13)	227,843,060	895,382,138	29,033,923
Loss (gain) on sale of property and equipment - net (Notes 8 and 16)	12,951,746	(294,561,034)	1,197,722
Decrease (increase) in:			
Receivables	(916,897,856)	(104,340,879)	(820,406,152)
Inventories	(284,770,742)	8,218,639	(60,715,543)
Prepayments and other current assets	(620,896,668)	916,618,713	(19,575,070)
Increase (decrease) in:			
Payables and other current liabilities	1,433,680,938	(981,031,809)	5,274,613,424
Other noncurrent liabilities	(351,923,207)	378,421,576	(312,556,300)
Net cash generated from operations	16,213,589,315	20,104,883,642	18,422,225,014
Interest received	333,495,390	467,979,434	107,228,695
Income taxes paid	(25,136,958)	(33,279,586)	(9,643,876)
Net cash provided by operating activities	16,521,947,747	20,539,583,490	18,519,809,833
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment (Notes 8 and 22)	(13,765,205,159)	(21,078,971,007)	(10,394,860,537)
Decrease (increase) in:			
Other noncurrent assets	(1,826,232,045)	(1,795,152,612)	(1,986,159,980)
Advances to contractors	1,748,662,941	1,559,169,298	(3,070,155,703)
Collection of receivable from a third party (Note 5)	699,048,000	-	-
Proceeds from sale of property and equipment	2,709,738	412,780,725	17,882,884
Net cash used in investing activities	(13,141,016,525)	(20,902,173,596)	(15,433,293,336)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of loans (Note 11)	20,736,726,463	8,506,090,722	17,451,425,772
Acquisition of shares by a subsidiary (Note 18)	(17,347,301,028)	5,481,613,951	-
Payments of:			
Interest (Notes 17 and 22)	(7,873,005,843)	(6,083,469,134)	(5,440,456,244)
Long-term debt principal (Notes 11 and 22)	(6,275,000,000)	(5,340,000,000)	(2,205,000,000)
Lease liabilities principal (Note 17)	(18,459,249)	(19,097,250)	(17,667,315)
Purchase of treasury shares (Note 14)	-	-	(260,471,030)
Net cash provided by (used in) financing activities	(10,777,039,657)	2,545,138,289	9,527,831,183
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	740,372,748	(238,724,937)	117,513,743
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,655,735,687)	1,943,823,246	12,731,861,423
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 4)	39,834,360,418	37,890,537,172	25,158,675,749
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	33,178,624,731	39,834,360,418	37,890,537,172

BLOOMBERRY RESORTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Business

a. Corporate Information

Bloomberry Resorts Corporation (referred to as “Bloomberry” or “Parent Company”), was incorporated in the Philippines and registered with the Securities and Exchange Commission (“SEC”) on May 3, 1999. The Parent Company’s primary purpose is to subscribe, acquire, hold, sell, assign or dispose shares of stock and other securities of any corporation, including those engaged in hotel and/or gaming and entertainment business, without engaging in dealership in securities or in the stock brokerage business or in the business of an investment company, to the extent permitted by law, and to be involved in the management and operations of such investee companies; and to guarantee the obligations of its subsidiaries or affiliates or any entity in which the Parent Company has lawful interest.

The Parent Company’s registered office address is at The Executive Offices, Solaire Resort & Casino, 1 Asean Avenue, Barangay Tambo, Entertainment City, Parañaque City.

Bloomberry’s shares of stock are publicly-traded in the Philippine Stock Exchange (“PSE”) under the ticker BLOOM.

Bloomberry is a subsidiary of Prime Strategic Holdings Inc. (“PSHI”), the intermediate parent company. Bloomberry’s ultimate parent company is Razon & Co. Inc. These entities are domiciled in the Philippines.

The consolidated financial statements have been approved and authorized for issuance by the Board of Directors (“BOD”) on March 4, 2025.

b. Subsidiaries of Bloomberry

Sureste Properties, Inc. (“Sureste”) and Bloomberry Resorts and Hotels, Inc. (“BRHI”)

On February 6, 2012, PSHI sold 100% of its ownership interest in Sureste to Bloomberry for 5.9 billion. Sureste owns 100% of BRHI.

Sureste was incorporated in the Philippines and was registered with the SEC on April 16, 1993. Its wholly-owned subsidiary, BRHI, was incorporated in the Philippines and registered with the SEC on February 27, 2008. BRHI holds 9.34% of the shares of Sureste. The primary purpose of Sureste and BRHI is to develop and operate tourist facilities, including hotel-casino entertainment complexes with hotel, retail, amusement areas and themed development components.

Solaire Korea Co., Ltd. (“Solaire Korea”), Golden & Luxury Co., Ltd. (“G&L”) and Muui Agricultural Corporation (“Muui”)

In December 2014, Solaire Korea was established by Bloomberry to hold the Parent Company’s investment in the leisure and entertainment business in the Republic of Korea. On

April 24, 2015, Solaire Korea acquired 77.26% of the outstanding shares of G&L. Subsequently on May 22, 2015, Solaire Korea acquired an additional 18.97% of G&L, bringing its ownership in G&L to 96.23%. On August 20, 2015, Bloomberry acquired 10.00% of the outstanding shares of G&L from Solaire Korea. On March 8, 2016, Muui was established with a total capitalization of Korean Won (₩)200.0 million (8.2 million). Solaire Korea owns 80% of the outstanding shares of Muui. In 2019, Solaire Korea acquired additional 10% ownership in Muui for a consideration amounting to 9.3 million bringing its ownership in Muui to 90%.

Bloom Capital B.V.

On November 21, 2013, 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 October 23, 2014, Bloomberry acquired the remaining 40% of the capital stock of Bloom Capital B.V.

Bloomberry Cruise Terminals, Inc. (“BCTI”)

Bloomberry established BCTI to manage and operate its port terminal assets including the proposed Solaire Cruise Center and Yacht Harbor. The proposed Solaire Cruise Center and Yacht Harbor was designated by the Tourism Infrastructure and Enterprise Zone Authority as a Tourism Enterprise Zone.

Bloomberry Resorts Japan, Inc. (“BRJI”)

In November 2019, Bloomberry acquired 100% of the capital stock of BRJI. The primary purpose of BRJI is to engage in the business of Integrated Resorts in Japan including planning, construction and operation as well as other related activities. In June 2024, BRJI was fully liquidated.

Solaire Properties Corporation (“SPC”)

On April 29, 2022, Bloomberry established SPC (formerly Solaire Entertainment Properties Holdings, Inc.) to acquire and subsequently develop a property in Paniman, Ternate, Cavite into an integrated resort and entertainment complex with a casino, hotel, golf course, commercial, residential and mixed-use development.

Solaire Resorts Corporation (“SRC”)

SRC, a wholly-owned subsidiary of Bloomberry, was incorporated in the Philippines and registered with SEC on October 18, 2022. The primary purpose of SRC is to develop and operate an integrated resort including a casino duly licensed by the Philippine Amusement and Gaming Corporation (“PAGCOR”), and other relevant government regulators. It has not commenced operations.

c. Status of Operations

Sureste and BRHI

PAGCOR granted BRHI the Provisional License on April 8, 2009 to develop an integrated casino, hotel and entertainment complex within Entertainment City (the “Project”). BRHI is one of four licensees for Entertainment City. The Provisional License, as well as the regular license issued to replace it, is concurrent with PAGCOR’s congressional franchise. PAGCOR’s franchise will expire on July 11, 2033, and may be renewed when PAGCOR’s franchise is renewed by law. On May 7, 2015, BRHI’s Provisional License was replaced with a regular casino Gaming License upon full completion of the Project, referred to as “Solaire Resort Entertainment City”. The Gaming License has the same terms and conditions as the Provisional License.

Solaire Resort Entertainment City

Solaire Resort Entertainment City is one of the Philippines’ first premium/luxury hotel and gaming resorts. The gaming and integrated resort complex on 16-hectare land along Asean Avenue in Parañaque City is the first casino to operate within Entertainment City. BRHI, as the license holder, owns and operates the casino while Sureste owns and operates the hotel and non-gaming business.

On March 16, 2013, BRHI and Sureste commenced commercial operations upon completion of Phase 1 of Solaire Resort Entertainment City, now referred to as the Bay Tower, along with the opening of the main gaming area and initial non-gaming amenities, such as Solaire Resort Entertainment City’s hotel, food and beverage outlets.

On November 22, 2014, Bloomberry opened the Sky Tower, which was previously referred to as Phase 1A development of Solaire Resort Entertainment City. Contiguous to the existing Solaire Resort and Casino, the Sky Tower consists of a 312 all-suite hotel, additional 10 VIP gaming salons with 66 gaming tables and 230 slot machines, an exclusive House of Zhou Chinese restaurant and The Whisky Bar (previously The Macallan Whisky and Cigar Bar) for VIP patrons, 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 1,740-seat theatre designed to provide a superior audio-visual experience for a wide range of theatre plays and musicals, concerts, shows and performing arts. The Forum is a 2,000 square-meter meeting facility with eight meeting rooms, two boardrooms and a flexible pre-function area. Sky Tower also features the Sky Range Shooting Club with five rifle shooting bays and 15 pistol bays. Sky Tower is accessible through a multi-level parking garage that, to date, can accommodate and secure over 1,050 vehicles. The Shoppes in the Sky Tower features retail stores, including premium brands such as Louis Vuitton, Dior, Cartier, Yves Saint Laurent, and Prada, among others.

On December 7, 2018, Solaire Resort Entertainment City unveiled The Baccarat Room & Bar (previously The Cigar Bar and Poker Room), a high-end poker area with eight gaming tables. On February 11, 2019, Solaire Resort Entertainment City opened the Philippine’s first electronic table games (“ETG”) stadium called “Players Stadium” – an expansive and colorful entertainment space highlighted by a massive 360 square meter surround screen. On

March 18, 2021, the Solaire Club was unveiled in its new location on Level 3, on what was previously the grand ballroom. The updated luxury space sprawls over 4,300 square meters featuring world-class casino facilities, new dining outlets, private salons, and exclusive amenities that make it one of Asia’s finest gaming offerings. On December 1, 2023, the Solaire Grand Ballroom was opened in its new location at The Shoppes. The new ballroom’s main event area is 2,400 sqm and seats up to 2,200 guests.

On June 5, 2018, Sureste acquired the two parcels of land in Entertainment City from PAGCOR with a total area of 160,359 square meters where Solaire Resort Entertainment City is located.

Solaire Resort North

In 2015, Sureste purchased from the National Housing Authority (NHA) 15,676 square meters of land in Vertis North, Quezon City Central Business District and was issued Transfer Certificates of the Title on June 24, 2016. This property is the site of “Solaire Resort North,” BRHI’s second integrated resort in the Philippines under the same PAGCOR license. Solaire Resort North commenced operations on May 25, 2024.

Solaire Resort North has approximately 13,000 square meters of mass and VIP gaming space across four levels, 526 guest rooms and suites, 14 dining options ranging from casual cafes, signature restaurants, to premium bars and lounges. It also has an expansive 1,800 square meters pillarless grand ballroom that can accommodate more than 1,600 guests at theatre-style seating and divided into three event halls. Solaire Resort North features a 1,400-square meter state-of-the-art health club with a high-end gym and expansive spa, an outdoor swimming pool with a kids’ waterpark, and an indoor Kids’ Club.

G&L

G&L operated a hotel and casino property in Jeju, Korea under the brand name “T.H.E Hotel” and “Las Vegas Casino”. Upon takeover of operation by Bloomberry, the property was rebranded as “Jeju Sun Hotel & Casino” (“Jeju Sun”). The property consists of a 202-room hotel with 5 Hibiscus rating, 2,000 square meters of gaming operations with 36 tables and 20 electronic gaming machines. The property has four food and beverage outlets to service its hotel guest and casino players. In 2018, a reorganization was implemented separating hotel and casino operations. In the fourth quarter of 2018, Jeju Sun embarked on a renovation project covering 164 rooms, restaurants, lobby, building facade, sports bar, gym, sauna, back of the house and a new ballroom for the purpose of securing the 5 Hibiscus rating that is required to keep its

gaming license. Renovations were completed in December 2019.

Jeju Sun resumed operations after the COVID-19 pandemic last October 3, 2022. The property continues to operate with limited gaming capacity, full hotel operations and two restaurants.

Contemplated Investment in Lapu-Lapu Leisure, Inc. and Clark Grand Leisure Corp.

On May 6, 2022, Bloomberry signed a term sheet with PH Travel and Leisure Corp., a subsidiary of PH Resorts Group Holdings, Inc. which covers the proposed investment of Bloomberry into Lapu-Lapu Leisure, Inc. and Clark Grand Leisure Corp. which are developing the Emerald Bay Resort Hotel and Casino in Punta Engano, Lapu-Lapu City, Cebu, and The Base Resort Hotel and Casino in Clark, Pampanga, respectively. The term sheet is subject to several Conditions to Closing including: (a) the execution of mutually acceptable definitive agreements; (b) approval of regulators; (c) approval of creditors; (d) completion of audited financial statements; (d) corporate approvals, and cooperation on and satisfactory result of due diligence, among others.

On March 22, 2023, Bloomberry terminated the term sheet after considering the results of due diligence. The parties agreed that the 1.0 billion deposit made under the term sheet shall be returned to Bloomberry through execution of certain transactions. As of December 31, 2024, the outstanding receivable amounted to 301.0 million. The parties agreed that the remaining balance shall be returned to Bloomberry on or before March 31, 2025.

Paniman Project

On May 18, 2022, Bloomberry through SPC entered into an agreement with a group of landowners comprising Boulevard Holdings Inc., Puerto Azul Land, Inc., Ternate Development Corporation and Monte Sol Development Corporation (the “Sellers”) for the purchase by SPC of a total of 2,797,768 square meters of land in the Paniman area in Ternate, Cavite at the average price of 2,700 per square meter. In addition to these, SPC has also purchased additional parcels of land in Ternate, Cavite from other sellers. As of December 31, 2024, SPC has purchased 223 lots with a total land area of 2,036,665 square meters.

SPC intends to develop the Paniman property into an integrated resort and entertainment complex with a world class casino, hotel, golf course, commercial, residential and mixed-use development. The development timeline for this project is yet to be finalized.

2. Material Accounting Policy Information

Basis of Preparation

The consolidated financial statements of Bloomberry and its subsidiaries (collectively referred to as the “Group”) have been prepared in conformity with Philippine Financial Reporting Standards (“PFRS”) Accounting Standards.

The consolidated financial statements have been prepared under the historical cost basis except for investment in club shares which have been measured at fair value and land classified as part of “Property and equipment” which is carried at revalued amount beginning January 1, 2024. The consolidated financial statements are presented in Philippine Peso, the functional currency of the Parent Company, and all values are rounded to the nearest peso, except when otherwise indicated.

Basis of Consolidation

The consolidated financial statements include the financial statements of Bloomberry and its subsidiaries as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024.

As of December 31, 2024 and 2023, direct and indirect subsidiaries of Bloomberry include:

	2024		2023	
	Effective Percentage of Ownership		Effective Percentage of Ownership	
	Direct	Indirect	Direct	Indirect
Sureste	91	9	91	9
BRHI (through Sureste)	-	100	-	100
Bloomberry Cruise Terminal, Inc.	100	-	100	-
Bloomberry Resorts Japan, Inc.*	-	-	100	-
Bloom Capital B.V.	100	-	100	-
Solaire Korea	100	-	100	-
G&L (through Solaire Korea)	10	86	10	86
Muui (through Solaire Korea)**	-	90	-	90
Solaire Properties Corporation (SPC)	100	-	100	-
Solaire Resorts Corporation (SRC)**	100	-	100	-

*Was liquidated in June 2024.

**Has not started commercial operations.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the change in accounting policy for land from cost to revaluation model effective December 31, 2024 and the adoption of new standards effective beginning January 1, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the parent company financial statements.

• *Revaluation of Land Classified as Property and Equipment*

The Group reassessed its accounting for property and equipment with respect to the measurement of land after initial recognition. The Group had previously measured all property and equipment using the cost model whereby, after initial recognition, the assets were carried at cost less accumulated depreciation and accumulated impairment losses.

In 2024, the Group elected to change the method of accounting for land from cost to revaluation model as the Group believes that the revaluation model provides more relevant information to the users of its financial statements. As allowed by Philippine Accounting Standards (PAS) 16, Property, Plant and Equipment, the Group applied the revaluation model prospectively.

After initial recognition, land is measured at fair value at the date of the revaluation (see Note 8).

• Amendments to PAS 1, Classification of Liabilities as Current or Noncurrent

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments had no impact on the consolidated financial statements because the Group's accounting policies are aligned with the amendments to PAS 1.

- Amendments to PFRS 16, Lease Liability in a Sale and Leaseback

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

The amendments had no impact on the consolidated financial statements because the Group's accounting policies are aligned with the amendments to PFRS 16.

- Amendments to PAS 7 and PFRS 7, Disclosures: Supplier Finance Arrangements

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the consolidated financial statements because the Group's accounting policies are aligned with the amendments to PAS 7 and PFRS 7.

Standards Issued But Not Yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the consolidated financial statements.

Effective beginning on or after January 1, 2025

- PFRS 17, Insurance Contracts
- Amendments to PAS 21, Lack of exchangeability

Effective beginning on or after January 1, 2025

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

Effective beginning on or after January 1, 2027

- PFRS 18, Presentation and Disclosure in Financial Statements
- PFRS 19, Subsidiaries without Public Accountability

Deferred effectivity

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

Material Accounting Policies

Financial Assets

The Group's financial assets are classified as financial assets at amortized cost. The Group applies the simplified approach in measuring expected credit losses (ECL) for trade receivables which uses a lifetime expected loss allowance for all trade receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Group uses its historical experience, external indicators and forward-looking information using a provision matrix. The Group also assesses impairment of trade receivables on an individual and collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due. Meanwhile, impairment of other financial assets is assessed using the general approach which considers available financial information of counterparties.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Cash includes cash on hand and in banks, including bank accounts maintained by the Group as collateral for its long-term debt. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from the date of acquisition, and for which there is an insignificant risk of change in value. Cash and cash equivalents include demand deposits whose terms and conditions do not prevent the entity from accessing the amounts held in it.

As of December 31, 2024 and 2023, financial assets at amortized cost includes cash and cash equivalents, receivables, security deposits and funds held in trust.

Financial Liabilities

The Group's financial liabilities are classified as loans and borrowing and payables. These are recognized initially at fair value, net of directly attributable transaction costs, and subsequently measured at amortized cost. A financial liability is derecognized when the obligation under the liability is discharged or canceled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original

liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Group's profit or loss.

As of December 31, 2024 and 2023, financial liabilities include payables and other current liabilities, long-term debt and lease liabilities.

Inventories

Inventories are valued at the lower of cost and net realizable value ("NRV"). The cost is determined using the moving average method except for table card inventories (presented as part of operating supplies) where the first in, first out method ("FIFO") is being utilized. The NRV is based on estimated selling prices less estimated costs to be incurred on completion and disposal. The NRV of operating and other supplies is the current replacement cost.

Promo Merchandise

Promo merchandise pertains to items to be provided by the Group to its patrons as giveaways at different marketing events. These are carried at lower of cost and NRV and charged to “Cost of sales” once distributed to the patrons. The cost of the promo merchandise is determined using the FIFO method. The NRV of promo merchandise is the current replacement cost.

Property and Equipment

The Group’s property and equipment, except land, is initially recognized at cost and subsequently recognized at cost less accumulated depreciation and amortization and any impairment in value. Prior to January 1, 2024, land is carried at cost, less any accumulated impairment.

Effective January 1, 2024, land is measured at fair value recognized at the date of revaluation. Changes in fair value of land, net of related deferred income tax, are recorded in other comprehensive income (“OCI”) and credited to the “Revaluation increment” account in equity.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of the assets:

Land improvements	10 years
Building and improvements	40 years
Machineries	10 years
Gaming equipment	5 years
Office furniture and fixtures	5 years
Transportation equipment	5 years
Leasehold improvements	3 years or lease term, whichever is shorter
Office and communication equipment	5 years

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land	10 to 20 years
Building	3 years
Gaming equipment	3 years

Operating Equipment

Operating equipment (shown as part of “Other noncurrent assets” account) is initially recognized at cost and subsequently recognized at cost less accumulated amortization, as applicable.

Impairment of Nonfinancial Assets

The Group’s investments in property and equipment, right-of-use assets, joint ventures and other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset’s recoverable amount is determined for an individual asset, unless the asset does not generate inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset of cash generating unit (“CGU”) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount of the assets is the higher of fair value less costs of disposal and value-in-use (“VIU”).

In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group’s CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Share-based Payment Plan

Certain qualified officers and employees of the Group and subsidiaries receive remuneration for their services in the form of equity shares of the Group (“equity-settled transactions”).

The cost of equity-settled transactions with officers and employees is measured by reference to the fair value of the stock at the date on which these are granted. Fair value was determined based on the quoted market price of the underlying stocks.

Revenue from Contracts with Customers

The Group’s revenue from contracts with customers primarily consist of gaming, hotel accommodation services, food and beverage, and retail and other revenue. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

Gaming revenue

Gaming revenue is recognized when the control of the service is transferred to the patron upon execution of a gaming play. The Group accounts for its gaming revenue contracts collectively on a portfolio basis versus an individual basis as all patrons have similar characteristics. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Accordingly, for gaming transactions that include complimentary goods and services provided by the Group to incentivize future gaming, the Group allocates the stand-alone selling price of each good or service to the appropriate revenue type. In determining the transaction price, gaming revenue is measured by the aggregate net difference between gaming wins and losses and the effect of consideration payable to a patron (if any) is considered. Amounts rebated to junket operators and premium patrons for rolling play, cash discounts and other cash incentives to patrons related to gaming play are recognized as a reduction from gross gaming revenue.

Hotel, food and beverage, retail and other operating revenues

Hotel, food and beverage, retail and other operating revenues are recognized when the control of the goods or service is transferred to the customer, generally when the services are performed or the retail goods are delivered.

Retail and other revenue includes sale of various merchandise, communication and transportation services to Solaire guests and patrons.

Customer Loyalty Program

The Group has a loyalty points program which allows customers to accumulate points that can be redeemed for free hotel accommodation, food and beverage, retail goods and other services. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. The Group’s customer is able to use the points as a currency (i.e., currency value has been fixed and can no longer be changed by the Group). A portion of the transaction price is

allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognized as a financial liability until the points are redeemed. The number of points redeemed through third parties is recognized as reduction in gaming revenue.

Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan and other employee benefits.

The Group's defined benefit post-employment plan covers all regular full-time employees.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Defined benefit costs comprise the following:

- a) service cost;
- b) interest on the net defined benefit liability; and
- c) remeasurements of defined benefit liability

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Interest on the defined benefit liability is the change during the period in the net defined benefit liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability.

Interest on the defined benefit liability is recognized as expense or income in the profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are reclassified to retained earnings in the current period.

Leases

Group as a Lessee

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Subsequent to initial recognition, the Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term which is from 3 to 20 years.

Short-term leases and leases of low-value assets

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

Group as a Lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in "Retail and others" account in the consolidated statements of comprehensive income. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Treasury Shares

Treasury shares, including cost of shares held by a subsidiary, are the Group's own equity instruments which are reacquired by the Group and are recognized at cost and presented as reduction in equity. No gain or loss is recognized in profit or loss on the purchase, sale, reissuance or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration upon reissuance or cancellation of shares is recognized as additional paid-in capital ("APIC").

Earnings Per Share

The Group presents basic and diluted earnings per share rate for its shares.

Basic earnings per share ("EPS") is calculated by dividing net income for the year attributable to equity holders of the Group by the weighted average number of shares outstanding during the year after giving retroactive effect to any stock dividend declarations.

Diluted earnings per share is computed in the same manner, adjusted for the effect of the shares issuable to qualified officers and employees under the Group's stock incentive plan which are assumed to be exercised at the date of grant. Where the effect of the vesting of stock under the stock incentive plan is anti-dilutive, basic and diluted earnings per share are stated at the same amount.

Foreign Currency Transactions and Translations

The Groups' financial statements are presented in Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Group operates.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into Philippine Peso at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at the average exchange rates for the year. The exchange differences arising on translation for consolidation are recognized in OCI and taken directly to a separate component of equity as translation adjustments. On disposal of these subsidiaries, the amount of deferred cumulative translation adjustments recognized in equity relating to subsidiaries shall be recognized in profit or loss.

Taxes

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the financial reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

Deferred Income Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the financial reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences except: (1) when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or (2) in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused excess of minimum corporate income tax ("MCIT") over regular corporate income tax ("RCIT") and unused net operating loss carry-over ("NOLCO") to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carryforward benefits of unused tax credits and unused tax losses can be utilized except: (1) when the deferred income tax asset relating to deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or (2) in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each financial reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at financial reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value-Added Tax ("VAT"). Revenues, expenses and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; or
- Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of the "Prepayments and other current assets" or "Payables and other current liabilities" accounts in the consolidated statement of financial position.

3. Management's Use of Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements requires the Group to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the reporting date. The uncertainties inherent in these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future years.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments apart from those including estimations and assumptions, which has the most material effect on the amounts recognized in the consolidated financial statements.

Contingencies. The Group is involved in certain legal proceedings. The Group's judgment and estimate of the probable cost for the implication of these matters has been developed in consultation with its legal counsels and is based upon an analysis of potential results. Management and its legal counsels do not believe these will have a material adverse effect on its financial position or performance. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of strategies relating to this matter (see Note 18).

Identification of Contract with Customers under PFRS 15. The Group applied PFRS 15 guidance to a portfolio of contracts with similar characteristics as the Group reasonably expects that the effects on the consolidated financial statements of applying this guidance to the portfolio would not differ materially from applying this guidance to the individual contracts within that portfolio. Hence, the Group viewed a gaming day as one contract.

Identifying Performance Obligations. The Group identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Group's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

The Group provides promotional merchandise items to its patrons as giveaways at different marketing events and grants certain complimentaries in the form of free hotel accommodation; food and beverages; and retail merchandise from outlets to incentivize future gaming. The Group determined that the promotional merchandise items and complimentary incentives given to the patrons are capable of being distinct and therefore considered as separate performance obligations.

Determination and Allocation of the Transaction Price. The Group considers whether there are other promises in the contracts with customers that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effect of rebates paid through gaming promoters. As the information necessary for the Group to apply judgment and determine the consideration to which it is entitled are proprietary to the gaming promoters and are not communicated by the gaming promoters to the Group, the Group recognized the full amount paid to gaming promoters as reduction in revenue. In allocating the transaction price, the Group considers the amount at which the entity would sell or purchase the promotional merchandise or complimentary incentives separately as the stand-alone selling price of the performance obligations.

Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed as follows:

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

Quantitative Criteria. The borrower is more than 90 days past due on its contractual payments, which is consistent with the Group’s definition of default.

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

- a. The borrower is experiencing financial difficulty or is insolvent;
- b. Concessions have been granted by the Group, for economic or contractual reasons relating to the borrower’s financial difficulty; or
- c. It is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

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

General Approach for Nontrade Receivables. The Group applies a general approach in calculating ECLs of nontrade receivables. The Group recognizes a loss allowance based on either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition.

Simplified Approach for Trade Receivables. The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various patron segments that have similar loss patterns. The provision matrix is initially based on the Group’s historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every financial reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Grouping of instruments for losses measured on collective basis

For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. The characteristics and any supplementary data used to determine groupings are outlined below.

Trade receivables - Groupings for collective measurement

- a. Currency
- b. Type of patron

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

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

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 9 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The carrying values of receivables and the related allowance for ECL of the Group are disclosed in Note 5 to the consolidated financial statements.

Estimating Useful Lives of Property and Equipment. Management determines the estimated useful lives and the related depreciation and amortization charges for its property and equipment based on the period over which the property and equipment are expected to provide economic benefits. Management’s estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. These estimations are reviewed periodically and could change significantly due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. Management will increase the depreciation and amortization charges where useful lives are less than the previously estimated useful lives.

Valuation of Land at Revalued Amount. In 2024, the Group carries its land at fair value, with changes in fair value being recognized in OCI. The Group engaged external appraisers to estimate the fair values of the land. The value of the land was estimated using the “Market Approach”. This approach is based on sales and listings of comparable properties registered within the vicinity. The technique of this approach requires the establishment of comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. Significant increase (decrease) in estimated price per square meter would result in a significantly higher (lower) fair value. The key assumptions used to determine the fair value of the properties are provided in Note 8.

The fair values of the land are disclosed in Note 8 to the consolidated financial statements.

Determining Retirement Benefits Liability. The determination of the Group’s obligation and cost for retirement benefits is dependent on the selection of certain assumptions used by the Group’s actuaries in calculating such amounts. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. While it is believed that the Group’s assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Group’s retirement liabilities.

Retirement liability as of December 31, 2024 and 2023 are disclosed in Note 13.

Recognition of Deferred Tax Assets. The Group reviews the carrying amounts at the end of each reporting period and reduces the deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. The Group’s assessment on the recognition of deferred tax assets on NOLCO, MCIT and deductible temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting periods. The forecast is based on past results and future expectations on revenues and expenses as well as future tax planning strategies. However, there is no assurance that the Group will generate sufficient taxable income to allow all or part of its deferred income tax assets to be utilized.

Recognized and unrecognized deferred tax assets are disclosed in Note 19 to the consolidated financial statements.

4. Cash and Cash Equivalents

	2024	2023
Cash on hand	4,999,189,009	4,742,555,310
Cash in banks	22,659,093,291	24,536,094,875
Temporary cash investments	268,838,217	4,292,122,797
Debt collateral accounts (see Note 11)	5,251,504,214	6,263,587,436
	33,178,624,731	39,834,360,418

Cash in banks earn interest at their prevailing bank deposit rates. Temporary cash investments are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at their prevailing short-term investment rates.

Debt collateral accounts are bank accounts maintained by the Group as collateral for its long-term debt (see Note 11).

Interest income earned from cash and cash equivalents amounted to 315.7 million, 492.2 million and 117.7 million in 2024, 2023 and 2022, respectively (see Note 16).

5. Receivables

	2024	2023
Gaming (see Notes 15 and 18)	2,052,145,722	1,381,052,374
Receivable from a third party (see Note 1)	300,952,000	1,000,000,000
Hotel (see Note 15)	152,934,200	116,671,775
Receivables from officers and employees (see Note 12)	123,140,880	102,966,169
Receivables from related parties (see Note 12)	65,100,222	75,019,690
Receivable from insurance	42,407,821	132,840
Rent receivable (see Note 17)	33,656,745	21,537,436
Receivable from supplier	26,523,489	21,982,369
Interest receivable	1,977,648	43,434,135
Others (see Note 17)	131,280,368	141,400,870
	2,930,119,095	2,904,197,658
Less allowance for ECL	587,717,303	762,953,953
	2,342,401,792	2,141,243,705

Gaming receivables mainly include casino markers issued to gaming promoters and VIP premium casino patrons. Casino markers pertain to credits granted to registered casino patrons. These markers are noninterest-bearing and are normally collected within 90 days.

Contemplated Investment in Lapu-Lapu Leisure, Inc. and Clark Grand Leisure Corp.

On May 6, 2022, Bloomberry signed a term sheet with PH Travel and Leisure Corp., a subsidiary of PH Resorts Group Holdings, Inc. which covers the proposed investment of Bloomberry into Lapu-Lapu Leisure, Inc. and Clark Grand Leisure Corp. which are developing the Emerald Bay Resort Hotel and Casino in Punta Engano, Lapu-Lapu City, Cebu, and The Base Resort Hotel and Casino in Clark, Pampanga, respectively. The term sheet is subject to several Conditions to Closing including: (a) the execution of mutually acceptable definitive agreements; (b) approval of regulators;

(c) approval of creditors; (d) completion of audited financial statements; (d) corporate approvals, and cooperation on and satisfactory result of due diligence, among others.

On March 22, 2023, Bloomberry terminated the term sheet after considering the results of due diligence. The parties agreed that the P1.0 billion deposit made under the term sheet shall be returned to Bloomberry through execution of certain transactions.

As of December 31, 2024 and 2023, the outstanding receivable amounted to P301.0 million and

P1.0 billion, respectively. The parties agreed that the remaining balance as of December 31, 2024 shall be returned to Bloomberry on or before March 31, 2025 (see Note 1).

Hotel receivables pertain to various food, beverage, and hotel service fees receivable from hotel guests which are collected upon check-out. This includes credit card transactions, which are normally collected within one month.

Receivables from officers and employees primarily pertain to cash advances which are normally settled within one year through salary deduction (see Note 12). Interest income earned from receivables from officers and employees amounted to 1.1 million, 1.2 million and 0.4 million in 2024, 2023 and 2022, respectively (see Note 16).

Receivables from related parties pertain to aircraft maintenance reimbursements. These receivables are non-interest bearing and are normally settled within one year.

Interest receivable pertains to interest from temporary cash investments which are normally received within one year.

Other receivables consist of payments made on behalf of another entity for airfare ticket and other administrative expenses which are normally collected within one year.

Allowance for ECL pertain to casino markers that the Group assessed as doubtful on an individual and collective basis.

The movements in the allowance for ECL on gaming receivables are summarized below:

	2024	2023
Balance at beginning of year	762,953,953	764,539,721
Provision (see Note 16)	-	30,000,000
Write-off	(178,691,036)	(27,463,090)
Revaluation	3,454,386	(4,122,678)
Balance at end of year	587,717,303	762,953,953

6. Inventories

	2024	2023
At cost:		
Food and beverage	318,013,906	170,919,967
Operating supplies	276,306,953	143,250,896
Retail merchandise	31,758,129	27,137,383
	626,078,988	(4,122,678)

As of December 31, 2024 and 2023, the Group's inventories are carried at cost which is lower than the NRV. Inventories charged to cost of sales amounted to 4,984.1 million, 3,485.2 million and 3,017.1 million for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 16).

7. Prepayments and Other Current Assets

	2024	2023
Input VAT - net	594,768,385	617,679,493
Advances to suppliers	283,693,149	204,894,100
Prepaid insurance	269,950,785	185,032,817
Prepaid rent	220,011,954	15,985,736
Security deposits (see Note 17)	180,589,236	52,756,034
Prepaid maintenance	149,189,686	60,552,728
Prepaid taxes	139,968,723	2,696,278
Fund held in trust (see Note 18)	113,015,130	112,958,283
Promo merchandise	81,119,310	75,182,541
Advances to Bloomberry Cultural Foundation (see Notes 12 and 18)	414,566	458,712
Prepaid marketing	-	68,137,200
Others	96,045,615	111,535,949
	2,128,766,539	1,507,869,871

Net input VAT pertains to the amount of indirect taxes for purchase of goods or services in excess of the output VAT from sale of goods or services.

Advances to suppliers pertain to advance payments made by the Group for goods and services such as table playing cards, events production, guaranteed flight services and aircraft maintenance.

Security deposits mainly pertain to deposits made by the Group for guaranteed flight services. It also includes security deposit for the Group’s various lease agreements (see Note 17).

Prepaid taxes represent the advance payments made by the Group for withholding taxes, real property taxes and other taxes.

Funds held in trust pertains to the bank account subject of a freeze order on request of the Anti-Money Laundering Council (“AMLC”) ordered by the Supreme Court but which it lifted in a decision dated September 2, 2020 (see Note 18).

Promo merchandise pertains to items to be provided by the Group to its patrons as giveaways at different marketing events.

Prepaid marketing pertains to advance payments made by the Group for various sponsorship activities as part of its marketing activities.

Others include advances for dues and subscription, consulting services and other prepayments.

8. Property and Equipment

At Cost

	2024										
	Land and Land Improvements	Building and Improvements	Machineries	Gaming Equipment	Office Furniture and Fixtures	Transportation Equipment	Leasehold Improvements	Office and Communication Equipment	Right-of-Use Asset (see Note 17)	Construction in Progress	Total
Cost											
Balances at beginning of year	51,509,735,948	34,294,394,739	10,214,362,637	4,815,261,099	5,076,481,558	1,334,533,994	15,311,125	11,123,985,080	46,954,410	28,825,662,928	147,256,683,518
Additions	-	1,465,162,969	619,618,806	1,023,501,137	761,379,625	260,697,686	-	3,799,145,816	29,785,271	5,364,842,936	13,324,134,246
Additions	-	(3,346,927)	(27,357,171)	(105,867,656)	(43,296,125)	(30,489,916)	(506,787)	(212,993,912)	(29,578,016)	-	(453,436,510)
Reclassification	-	16,712,289,132	5,713,701,547	5,184,077,029	1,995,322,047	110,197,472	-	4,034,895,186	-	(33,750,482,413)	-
Reclassification to land at revalued amount (see Note 2)	(51,496,832,623)	-	-	-	-	-	-	-	-	-	(51,496,832,623)
Translation adjustment	-	(199,021,218)	(16,201,334)	(20,206,707)	(40,914,963)	(1,337,268)	(8,631)	(527,142)	-	440,023,451	(278,217,263)
Balances at end of year	12,903,325	52,269,478,695	16,504,124,485	10,896,764,902	7,748,972,142	1,673,601,968	14,795,707	18,744,505,028	47,161,665	-	108,352,331,368
Accumulated Depreciation											
Balances at beginning of year	11,647,851	10,008,490,907	8,500,316,259	3,828,673,178	4,722,108,044	778,066,016	13,491,112	9,281,339,976	36,364,502	-	37,180,497,845
Depreciation (see Notes 16 and 17)	881,935	1,153,157,415	1,038,676,190	1,124,488,159	459,611,506	139,989,226	1,775,367	1,695,205,443	18,667,654	-	5,632,452,895
Disposal/retirement	-	(687,042)	(16,954,156)	(105,844,903)	(42,946,038)	(30,340,616)	(506,787)	(210,917,469)	(29,578,016)	-	(437,775,027)
Translation adjustment	-	(91,231,401)	(15,772,486)	(20,205,998)	40,258,064)	(1,310,476)	(4,924)	5,051,934	-	-	(163,731,415)
Balances at end of year	12,529,786	11,069,729,879	9,506,265,807	4,827,110,436	5,098,515,448	886,404,150	14,754,768	10,770,679,884	25,454,140	-	42,211,444,298
	373,539	41,199,748,816	6,997,858,678	6,069,654,466	2,650,456,694	787,197,818	40,939	7,973,825,144	21,707,525	440,023,451	66,140,887,070
2024											
Cost											
Balances at beginning of year	51,055,294,322	33,851,309,461	9,953,796,431	4,682,916,839	4,951,550,542	1,234,992,277	15,313,591	10,591,017,048	46,954,410	10,697,931,608	127,081,076,529
Additions	570,444,357	397,854,754	161,429,205	578,371,807	134,748,943	130,509,413	-	700,407,270	-	18,498,024,375	21,171,790,124
Disposal/retirement	(33,785,278)	(78,530,351)	(41,545,904)	(440,254,202)	(41,794,673)	(30,475,641)	-	(167,562,070)	-	-	(833,948,119)
Reclassification	-	181,047,966	145,374,197	-	43,673,481	-	-	197,411	-	(370,293,055)	-
Translation adjustment	(82,217,453)	(57,287,091)	(4,691,292)	(5,773,345)	(11,696,735)	(492,055)	(2,466)	(74,579)	-	-	(162,235,016)
Balances at end of year	51,509,735,948	34,294,394,739	10,214,362,637	4,815,261,099	5,076,481,558	1,334,533,994	15,311,125	11,123,985,080	46,954,410	28,825,662,928	147,256,683,518
Accumulated Depreciation											
Balances at beginning of year	10,629,967	9,179,917,029	7,784,359,307	3,821,975,301	4,585,838,769	705,735,672	6,401,393	8,551,057,116	19,644,784	-	34,665,559,338
Depreciation (see Notes 16 and 17)	1,017,884	873,965,683	751,997,335	452,725,223	187,674,024	103,227,613	7,090,943	8,787,915,48	16,719,718	-	3,273,209,971
Disposal/retirement	-	(23,963,665)	(31,729,237)	(440,254,202)	(40,918,778)	(30,475,636)	-	(148,386,910)	-	-	(715,728,428)
Translation adjustment	-	(21,428,140)	(4,311,146)	(5,773,144)	(10,485,971)	(421,633)	(1,224)	(121,778)	-	-	(42,543,036)
Balances at end of year	11,647,851	10,008,490,907	8,500,316,259	3,828,673,178	4,722,108,044	778,066,016	13,491,112	9,281,339,976	36,364,502	-	37,180,497,845
	51,498,088,097	24,285,903,832	1,714,046,378	986,587,921	354,373,514	556,467,978	1,820,013	1,842,645,104	10,589,908	28,825,662,928	110,076,185,673

Construction in progress represents costs incurred in the development of Solaire Resort North. The costs incurred mainly include construction materials procurement, general construction works, architectural design services, engineering consultancy and construction supervision services, interior design services, excavation costs and capitalized interest charges on long-term debt. The Group reclassified construction in progress to various property and equipment accounts upon commencement of operations of Solaire Resort North.

Capitalized as part of “Property and equipment” account includes amortization of debt issue costs amounting to 56.5 million and 92.8 million in 2024 and 2023, respectively; and interest charges amounting to 756.8 million and 976.8 million in 2024 and 2023, respectively (see Note 11). Average interest capitalization rate used ranges from 6.0% to 10.4% in 2024 and 2023 which is the EIR of the specific borrowings.

Land at Revalued Amounts

Land carried at cost at the beginning of the year	51,496,832,623
Addition during the year	526,874,776
Revaluation surplus recognized in other comprehensive income	37,696,995,999
Translation adjustment	(417,445,205)
Balance at end of the year	89,303,258,193

Revaluation increment on land as of December 31, 2024 are as follows:

Balance at beginning of the year, net of tax	-
Revaluation increment during the year	37,696,995,999
Deferred tax liability (see Note 19)	(8,943,033,074)
Translation adjustment	(5,535,479)
Balance at end of the year	28,748,427,446

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

Valuation technique	Significant unobservable input	Range
Market Approach	Selling price of identical piece of land	5,989 to 550,000 per square meter
	External factor adjustments	-30% to 15%
	Internal factor adjustments	-15% to 15%
	Average fair value after internal and external factor adjustments	2,800 to 506,880 per square meter

The fair values of the Group’s land as at December 31, 2024 is categorized under Level 3 of the fair value hierarchy, which takes into account significant unobservable inputs as presented in the table above.

Management determined that the land properties of the Group constitute a separate class of property, plant and equipment, based on the nature, characteristics and risks of the properties.

The fair values of the land were estimated using the “Market Approach” and were determined by external appraisers based on valuation performed as of December 31, 2024. The value of the land was estimated by using the “Market Approach”. The aforesaid approach is based on sales and listings of comparable property registered within the vicinity. The technique of this approach requires the establishment of comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property. The unobservable inputs to determine the market value of the property are the following: location characteristics, size, improvements and developments, and time element.

Significant increases (decreases) in estimated price per square meter in isolation would result in a significantly higher (lower) fair value on a linear basis.

As of December 31, 2024 and 2023, the Group’s property and equipment under mortgage have carrying values of 140.0 billion and 99.0 billion, respectively (see Note 11).

9. Intangible Assets and Other Noncurrent Assets

a. Intangible Assets

	Casino License	Goodwill	Total
Cost			
As at December 31, 2023 and 2024	1,644,120,800	403,060,559	2,047,181,359
Accumulated impairment loss			
As at December 31, 2023 and 2024	1,644,120,800	403,060,559	2,047,181,359
Net book value			
As at December 31, 2024	-	-	-
As at December 31, 2023	-	-	-

The Group’s goodwill and casino license with indefinite useful life acquired through a business combination (Solaire Korea’s acquisition of G&L in 2015) are allocated to a single CGU, i.e., casino-hotel business in Jeju, Republic of Korea.

b. Advances to contractors amounting to 818.8 million and 2,567.4 million as of December 31, 2024 and 2023, respectively, pertain to advance payments to various contractors for gaming equipment, hotel furniture and fixtures, operating equipment and other gaming and hotel equipment related to the development of hotel and gaming facility of Solaire properties.

c. Other Noncurrent Assets

	2024	2023
Input VAT -net		
Operating equipment	1,644,120,800	403,060,559
Creditable withholding tax		
Investment in joint ventures	1,644,120,800	403,060,559
Deposit to landowners and others		
Security deposits	-	-
Investment in club shares	56,000,000	60,000,000
Prepaid debt issue costs (see Note 11)	-	308,259,293
Restricted cash (see Note 13)	164,057,810	-
Others	8,439,009	11,003,370
	5,158,153,955	3,701,491,224

Operating equipment pertains to linen, china, glassware, kitchen wares and uniforms purchased by the Group to be amortized over a period of two to three years. Purchases in 2024, 2023 and 2022, amounted to 1,003.9 million, 351.6 million and 5.1 million, respectively. Amortization amounted to 363.6 million, 31.1 million and 15.2 million for the years ended

December 31, 2024, 2023 and 2022, respectively (see Note 16).

Creditable withholding tax (“CWT”) represents the amount withheld in relation to sales. These are recognized upon collection and are utilized as tax credits against income tax due as allowed by the Philippine taxation laws and regulations.

Investment in joint ventures represents the Group’s 49% ownership in Aviation Concepts Technical Services, Inc. (“ACTSI”) and 49% ownership in Falconer Aircraft Management, Inc (“FAMI”). Additional investment amounting to 108.1 million in FAMI was made in 2023. In

December 2023, the Group’s advances to ACTSI were converted to equity thus resulting in the Group’s 49% effective ownership in ACTSI. In 2024, 2023 and 2022, the share in the net loss of FAMI amounting to nil, 108.1 million and nil, respectively, was recorded as part of “Others” under other income (expenses) account in the consolidated statements of comprehensive income (see Note 16).

Deposit to landowners and others represents noncurrent advance payments made to the landowners and other parties in relation with the Company’s plans for property development and future stock purchase and subscription.

Security deposits classified as noncurrent primarily pertain to deposits to utility companies which are refundable upon service termination.

Investment in club shares represents the Group’s investment in quoted Manila Polo Club shares which is classified as equity instrument designated at FVOCI.

Prepaid debt issue costs primarily pertain to documentary stamp tax on the undrawn balance of the loan facility. Such amount will be presented in the consolidated statement of financial position as reduction from long-term debt upon drawdown and will be amortized over the term of the loan.

10. Payables and Other Current Liabilities

	2024	2023
Outstanding chips and other gaming liabilities (see Note 15)	3,505,921,684	3,979,100,697
Payable to contractors and suppliers (see Note 20)	3,087,023,964	3,581,040,146
Customers’ deposits (see Note 15)	2,950,409,351	2,578,428,605
Gaming taxes payable (see Notes 12 and 18)	1,891,697,639	791,891,395
Retention payable	1,292,698,343	1,169,381,372
Accrued expenses:		
Interest	1,316,182,200	1,197,473,765
Accrued bonus and points	518,094,484	142,288,847
Salaries and benefits (see Notes 13 and 14)	254,543,200	157,668,902
Outside services and charges	240,060,111	274,366,472
Advertising and promotions	186,339,268	239,370,646

(Forward)

	2024	2023
Utilities	122,311,774	77,811,600
Rent (see Note 17)	54,756,317	42,316,755
Repairs and maintenance	45,734,311	49,084,342
Communication and transportation	15,107,817	14,649,074
Others	1,292,698,343	530,567,399
Tenants’ security deposits classified as current (see Note 17)	213,132,571	-
Statutory payables	201,859,635	66,451,326
Leasehold deposits received	118,800	-
	16,492,170,150	14,891,891,343

Outstanding chips and other gaming liabilities include outstanding chips, slot tickets as well as provision for progressive jackpot on slots and for points earned from customer loyalty programs. Outstanding chips liability represents the collective amounts owed to junket operators and patrons in exchange for gaming chips in their possession. Outstanding chips are expected to be recognized as revenue or redeemed for cash within one year of purchase. Outstanding chips as of December 31, 2024 and 2023 amounting to 2,385.8 million and 2,875.7 million, respectively, pertain to chips purchased by the patrons which are not yet converted into cash (see Note 15). Other gaming liabilities mainly include liability for points earned from customer loyalty programs amounting to 244.6 million and 290.3 million as of December 31, 2024 and 2023, respectively; junket program rebates amounting to 276.7 million and 330.9 million as of December 31, 2024 and 2023, respectively; progressive jackpot liability amounting to 451.5 million and 369.7 million as of December 31, 2024 and 2023, respectively; and slot payout voucher amounting to 147.0 million and 112.0 million as of December 31, 2024 and 2023, respectively.

Payable to contractors and suppliers represents obligations of the Group to suppliers or creditors for goods or services received or services performed. These obligations are not secured by liens on assets, security interest, or other collateral unless otherwise indicated. These include payments to contractors, suppliers and purchase of inventory and equipment.

Customers’ deposits pertain to casino patrons’ funds deposited directly to the casino’s bank accounts or over the cage cashier counter for future purchase of chips or redemption of credit markers and advance payments for retail space lease, hotel accommodations and events services. Customers’ deposits pertaining to casino patrons’ deposit as of December 31, 2024 and 2023 amounted to

2,728.6 million and 2,391.3 million, respectively (see Note 15). Customer’s deposits are expected to be recognized as revenue or refunded to the patrons within one year from the date the deposit was received.

Gaming taxes payable mainly pertains to license fees payable to PAGCOR, which are normally settled within one month.

Retention payable represents the portion of the contract price that is withheld to ensure completion of service. It is expected to be paid within one year.

Other accrued expenses include accrual for insurance, various subscriptions and other expenses.

Payables and other current liabilities are normally settled within one year.

11. Long-term Debt

	2024	2023
Principal:		
72.0 billion syndicated loan facility	71,962,500,000	-
40.0 billion syndicated loan facility	40,000,000,000	18,227,481,992
73.5 billion syndicated loan facility	-	60,637,500,000
20.0 billion syndicated loan facility	-	17,600,000,000
	111,962,500,000	96,464,981,992
Less unamortized debt discount	1,774,859,526	1,597,740,389
	110,187,640,474	94,867,241,603
Less current portion of long-term debt*	2,073,925,580	8,854,220,932
	108,113,714,894	86,013,020,671

The movements in unamortized debt discount follow:

	2024	2023
Balance at beginning of year	1,597,740,389	1,739,879,873
Additions	1,035,791,545	223,791,271
Loss on loan refinancing (see Note 16)	(469,444,694)	-
Amortization	(389,227,714)	(365,930,755)
Balance at end of year	1,774,859,526	1,597,740,389

Future repayment of the principal follows:

	2024	2023
Within one year	2,358,875,000	9,112,500,000
After one year but not more than five years	35,988,750,000	71,950,259,709
Beyond five years	73,614,875,000	15,402,222,283
	111,962,500,000	96,464,981,992

a. 72.0 Billion Syndicated Loan Facility

On October 24, 2024, BRHI (the “Borrower”) entered into an aggregate of 72.0 billion,

ten-year term loan facilities (“Syndicated Loan Facility”) with BDO Unibank, Inc., Bank of the Philippine Islands, China Banking Corporation, and Philippine National Bank (each a “Lender”, and collectively, the “Lenders”) to fully settle the outstanding principal balance of the

73.5 billion Syndicated Loan Facility and 20.0 billion additional facility.

The 72.0 billion Syndicated Loan Facility is payable over 10 years in 40 consecutive quarterly installments on each repayment date commencing on the 3rd month from the initial drawdown date as follows:

	Amount
Year 1	2,158,875,000
Year 2	2,158,875,000
Year 3	6,476,625,000
Year 3	6,476,625,000
Year 5	6,476,625,000
Year 6	6,476,625,000
Year 7	6,476,625,000
Year 8	6,476,625,000
Year 9	10,794,375,000
Year 10	17,990,625,000
	71,962,500,000

BRHI shall pay interest on the unpaid principal amount of each advance at the applicable interest rate on each interest payment date for the period then ending. The loan bears a floating interest rate based on higher of the average of closing PHP BVAL reference rate with a tenor of three months and the prevailing BSP 28-day term deposit facility rate, plus a spread of 1.75%. BRHI has a one-time option to convert the floating interest rate to the fixed interest rate exercisable at any time after the full drawdown.

BRHI is obliged to pay, on each date of drawdown, for the first year of the facilities, a commitment fee equivalent to 0.5% per annum, based on the undrawn portion of the commitment.

The 72.0 billion Syndicated Loan Facility provides that BRHI is permitted to make optional prepayments anytime until maturity. Upon prepayment, BRHI shall pay the principal, accrued interest and 0.50% penalty based on the amount prepaid for years 1 to 5. No prepayment penalty shall be imposed after the 5th year up to the last repayment date.

The embedded prepayment option on the 72.0 billion Syndicated Loan Facility was assessed as clearly and closely related to the loan, thus, not subject for bifurcation.

As of December 31, 2024, this facility has been fully drawn. Outstanding long-term debt, net of unamortized debt discount, amounted to 71,364.7 million as at December 31, 2024.

b. 73.5 billion and 20.0 billion Syndicated Loan Facility

On April 10, 2018, BRHI (the “Borrower”) entered into an aggregate of 73.5 billion,

ten-year term loan facilities (“Syndicated Loan Facility”) with Banco De Oro Unibank, Inc. (BDO), BDO Private Bank, Inc., China Banking Corporation, Philippine National Bank, PNB Savings Bank, Robinsons Bank Corporation and United Coconut Planters Bank (each a “Lender”, and collectively, the “Lenders”) to: (i) finance the Borrower’s advances to Sureste for the latter’s investments; (ii) finance the Borrower’s working capital requirements; (iii) refinance the principal amount of all the existing outstanding term loans of the Borrower; and (iv) finance the Borrower’s advances to Sureste for refinancing of the principal amount of all of Sureste’s existing outstanding term loans.

The 73.5 billion Syndicated Loan Facility is payable over 10 years in 40 consecutive quarterly installments on each repayment date commencing on the 3rd month from the initial drawdown date as follows:

	Amount
Year 1	2,205,000,000
Year 2	2,205,000,000
Year 3	2,205,000,000
Year 3	2,205,000,000
Year 5	2,205,000,000
Year 6	3,675,000,000
Year 7	7,350,000,000
Year 8	7,350,000,000
Year 9	22,050,000,000
Year 10	22,050,000,000
	73,500,000,000

The interest on the unpaid principal amount shall be paid in quarterly payments from the initial drawdown date. The loan bears a fixed interest per annum from initial drawdown date to the 60th month from the initial drawdown date of 7.5% divided by 0.99 and from the 61st month from the initial drawdown date up to the final repayment date of 7.5% divided by 0.95.

BRHI is obliged to pay, on each date of drawdown, for the first year of the facilities, a commitment fee equivalent to 0.5% per annum, based on the undrawn portion of the commitment.

On December 21, 2020, BRHI and Sureste signed with the lenders an amendment to the

73.5 billion Syndicated Loan Facility for an additional facility in the principal amount of

20.0 billion. The additional facility will be available for two years from the signing of the amendment agreement and can be drawn as needed to save on interest payments.

Any amount borrowed will be payable quarterly within five years from initial drawdown, as follows:

Repayment Date (Quarter from Initial Drawdown Date)	Principal Repayment on each Repayment Date (Percentage of the Principal Amount of the Drawdown)
8th to 12th	4.0%
13th to 16th	5.0%
17th to 20th	15.0%

The additional funding, if drawn, will be used to support the cash flow requirements of Solaire, partially finance capital expenditures for the improvement and refurbishment of existing facilities at Solaire, and partially finance BRHI's working capital requirements and other general corporate purposes. Interest payments on the loan will be based on a higher of the average of PHP BVAL three-month reference rates plus spread of 2.25% which will be reduced to 1.75% if the benchmark rate is 1.5% per annum or higher and minimum interest rate of 4.0% per annum divided by 0.95, calculated on a quarterly basis.

The 73.5 billion Syndicated Loan Facility provides that BRHI is permitted to make optional prepayments anytime until maturity. In case of prepayment, BRHI shall pay the principal, accrued interest and 0.50% based on the amount prepaid as penalty in the first year. No prepayment penalty shall be imposed after the first year up to the last repayment date.

The embedded prepayment option on the 73.5 billion Syndicated Loan Facility was assessed as clearly and closely related to the loan, thus, not subject for bifurcation.

Outstanding long-term debt, net of unamortized debt discount, amounted to 77,555.5 million as at December 31, 2023.

On October 24, 2024, BRHI entered into an aggregate of 72.0 billion Syndicated Loan Facility to fully settle the outstanding principal balance of the 73.5 billion Syndicated Loan Facility and

20.0 billion additional facility. BRHI accounted for the refinancing as an extinguishment of the 73.5 billion Syndicated Loan Facility and 20.0 billion additional facility and the recognition of the 72.0 billion Syndicated Loan Facility. In 2024, BRHI recognized loss on loan refinancing amounting to 469.4 million presented as part of "Other expenses" account in the consolidated statements of comprehensive income (see Note 16).

c. 40.0 Billion Syndicated Loan Facility

On February 11, 2019, Sureste and BRHI (the "Borrower") entered into an aggregate of

40.0 billion (27.0 billion for BRHI and 13.0 billion for Sureste) 10-year combined loan facility in the principal amount of 40.0 billion (27.0 billion for BRHI and 13.0 billion for Sureste) with Philippine National Bank, BDO Unibank, Inc., Metropolitan Bank & Trust Company, Union Bank of the Philippines, Bank of Commerce, China Banking Corporation, and Robinsons Bank Corporation (now merged with Bank of the Philippine Islands) (each a "Lender", and collectively, the "Lenders"). BDO Unibank, Inc. - Trust and Investments Group is the security trustee, facility agent and paying agent for the loan facility, while BDO Capital & Investment Corporation acted as the lead arranger and sole bookrunner. The proceeds of the loan will be used by Sureste and BRHI to partially finance the engineering, design, procurement, construction fit-out costs, interest during construction, taxes and duties, financing fees and costs, legal and consulting costs related to development, financing, construction and fit-out of the gaming facilities and hotel, entertainment, convention, dining and retail facilities, together with related support facilities of Solaire Resort North.

The 40.0 Billion Syndicated Loan Facility is payable over ten years in 28 consecutive quarterly installments commencing on the 39th month from the initial drawdown date as follows:

Repayment Date (Month from Initial Drawdown Date)	Installment Date for Each Facility Payment Date (Percentage of the Total Principal Amount Drawn)
39 th , 42 nd , 45 th and 48 th	0.25%
51 st , 54 th , 57 th and 60 th	0.25%
63 rd , 66 th , 69 th and 72 nd	1.25%
75 th , 78 th , 81 st and 84 th	2.50%
87 th , 90 th , 93 rd and 96 th	3.25%
99 th , 102 nd , 105 th and 108 th	7.50%
111 th , 114 th , 117 th and 120 th	10.00%

BRHI and Sureste shall pay interest on the unpaid principal amount of each advance at the applicable interest rate on each interest payment date for the period then ending. The loan bears a floating interest rate based on higher of the average of closing PHP BVAL reference rate with a tenor of three months and the prevailing BSP 28-day term deposit facility rate, plus spread of 1.75%. BRHI and Sureste have a one-time option to convert the floating interest rate to the fixed interest rate exercisable at any time after the full drawdown. BRHI and Sureste exercised their option and converted the floating interest rate to the fixed interest rate.

BRHI and Sureste are obliged to pay on each date of drawdown a commitment fee equivalent to 0.5% per annum based on the undrawn portion of the commitment.

The 40.0 billion Syndicated Loan Facility provides that BRHI and Sureste are permitted to make optional prepayments anytime until maturity. Upon prepayment, BRHI and Sureste shall pay the principal, accrued interest and penalty based on the amount prepaid in the following percentages: (i) 1% for years 1 to 3 from the initial borrowing date; (ii) 0.5% for year 4; and

(iii) 0.25% for year 5.

On February 13, 2023, BRHI and Sureste signed with the lenders an amendment to the P40.0 billion Syndicated Loan Facility. The amendment agreement covers revisions to “Availability Period” and “Repayment Term”. The Group has assessed that such amendment is not a significant modification.

Availability period means the period beginning on the date of the agreement and ending on the earliest of (i) date occurring seventy (70) months thereafter, or (ii) the date the Commitment is fully drawn, or (iii) the date the Commitment is cancelled or terminated in accordance with the provisions of the agreement.

Repayment of the principal loan in quarterly installments on each of the repayment dates indicated in the repayment schedule is set out in the table below:

Repayment Date (Month from Initial Drawdown Date)	Installment Date for Each Facility Payment Date (Percentage of the Total Principal Amount Drawn)
60 th , 63 nd , 63 th , 69 th and 72 th	0.50%
75 st , 78 th , 81 th and 84 th	1.75%
87 rd , 90 th , 93 th and 96 nd	3.00%
99 th , 102 th , 105 st and 108 th	3.75%
111 th , and 114 th	7.75%
117 th	8.00%
120 th	40.00%

As of December 31, 2024, this facility has been fully drawn. Outstanding long-term debt, net of unamortized debt discount, amounted to 38,823.0 million and 17,311.7 million as of December 31, 2024 and 2023, respectively. Related prepaid debt issue costs representing documentary stamp tax on the undrawn balance of the loan facility, amounting to nil and 308.3 million as of December 31, 2024 and 2023, respectively, is presented as part of “Prepaid debt issue costs” under “Other noncurrent assets” account in the consolidated statements of financial position (see Note 9). 308.3 million as of December 31, 2024 and 2023, respectively, is presented as part of “Prepaid debt issue costs” under “Other noncurrent assets” account in the consolidated statements of financial position (see Note 9).

All legal and professional fees, including commitment fee, incurred in relation to the loan totaling 2,158.1 million and 2,835.3 million as of December 31, 2024 and 2023, respectively, were recognized as debt issue costs. Debt issue costs were amortized using the EIR method. Capitalized as part of “Property and equipment” account includes amortization of debt issue costs amounting to 56.5 million and 92.8 million in 2024 and 2023, respectively; and interest charges amounting to 756.8 million and 976.8 million in 2024 and 2023, respectively (see Note 8).

In 2024, 2023 and 2022, borrowing costs related to the Group’s loan facilities recognized as expense in the consolidated statements of comprehensive income amounted to 8,324.4 million, 6,503.4 million and 5,763.1 million, respectively. This comprises interest expense amounting to 7,991.7 million, 6,230.2 million and 5,527.9 million and amortization of debt discount amounting to 332.7 million, 273.1 million and 235.2 million in 2024, 2023 and 2022, respectively (see Note 16).

Unamortized debt discount, representing capitalized debt issue costs, is presented as deduction from the Group’s long-term debt.

Debt Covenant

The Group’s 73.5 billion, 20.0 billion and 40.0 billion Syndicated Loan Facilities contain certain restrictive covenants that requires BRHI and Sureste to comply with specified financial ratios and other financial tests at quarterly measurement dates. The Group’s loan agreements include compliance with certain financial ratios such as debt-to-equity ratio (computed as total liabilities, net of liabilities backed by cash divided by total equity) and debt service coverage ratio (originally computed as net income, excluding non-cash other income, plus interest expense; depreciation and amortization divided by current portion of long-term debt and interest expense).

The debt covenants on the extinguished 73.5 billion and 20.0 billion Syndicated Loan Facility will apply to the 72.0 billion Syndicated Loan Facility obtained by the Group on October 24, 2024.

In 2020, BRHI’s and Sureste’s lenders granted the: (a) deferment of financial covenant testing on the audited annual financial statements until the full year 2025; (b) amendment of definition of debt service coverage ratio to net income (excluding non-cash other income) plus interest expense; depreciation and amortization and cash and cash equivalents less liabilities backed by cash divided by current portion of long-term debt and interest expense; and (c) waiver of the negative covenant on incurrence of additional liens.

As of December 31, 2024 and 2023, BRHI and Sureste are in compliance with these debt covenants.

Collateral

Under the 72.0 billion Syndicated Loan Facilities, collateral includes the following:

i) Assignment of Debt Service Reserve Account
To ensure the payment by Sureste/BRHI of the Loan, Sureste/BRHI shall convey, assign, transfer, set over and confirmed unto the Security Trustee the rights, title and interest of Sureste/BRHI in its Debt Service Reserve Account (“DSRA”) required to be maintained by Sureste/BRHI. The level of funds standing in the DSRA on any date commencing on the initial drawdown date shall be at least the amount of the principal due on the immediately succeeding repayment date and at least twice the amount of the interest due on the immediately succeeding interest payment date. In case Sureste/BRHI fails to transfer funds to the Paying Agent, or transfers an amount not sufficient to cover the payment of debt service due, on a payment date, the Security Trustee shall debit from the DSRA such amounts as may be necessary to meet such Debt Service and transfer the same to BDO Unibank, Inc. - Trust and Investment Group (Paying Agent). In the event the funds in the DSRA fall below the DSRA maintaining balance, the Borrower shall replenish the DSRA from its own funds in order that the DSRA maintaining balance shall be met not later than the five Banking days from the date the funds fell below the DSRA Maintaining Balance.

As of December 31, 2024, the Group’s debt collateral account related to the 72.0 billion Syndicated Loan Facility amounted to 3,869.0 million (see Note 4).

ii) Assignment of Vertis Project Agreements
Sureste/BRHI shall assign, convey, set over and transfer absolutely to the Security Trustee, for the benefit of the Secured parties, all of its rights, title and interest, present and future, in and into the Future Project Agreements, the (a) benefit of all claims for damages for the breach by any Counterparty of any term of any of the Project Agreements and all warranties and indemnities contained therein; (b) right to terminate any of the Project Agreements or agree to the suspension thereof; (c) right to compel performance of any of the Project Agreements; (d) the right to agree to any variation of the terms of any of the Project Agreements; and (e) the right to pursue any action, proceeding, suit or arbitration arising in relation to any of the rights assigned and to enforce such rights in the name of Sureste/BRHI.

iii) Mortgage
As a security for timely payment, discharge, observance and performance of the loan, Sureste/BRHI (a) establishes in favor of the Security Trustee for the benefit of the Lenders, a first ranking real estate mortgage on the present real assets, i.e. leasehold rights over the phase 1 PAGCOR land covered by the PAGCOR lease (now owned by Sureste), and future real assets, i.e. the hotel and gaming facilities and Land; and (b) establish in favor of the Security Trustee for the benefit of the Lender, a first ranking chattel mortgage on the present and future chattels.

iv) Continuing Suretyship
In consideration of the loan and for other valuable consideration receipt of which the Surety, i.e., Sureste/BRHI, acknowledges, Sureste/BRHI agrees that it shall be solidarily liable with BRHI/ Sureste to the Lender and the Security Trustee for the payment of the loan.

v) Pledge

The Pledgor, i.e., Sureste/BRHI shareholders, shall assign, transfer, deliver, set over and grant to the Security Trustee, a continuing security interest of first priority in, all of its right, title and interest in and to the Pledged Shares, i.e., Sureste/BRHI shares, and the Additional Pledged Shares, whether now owned or existing or hereafter acquired.

Under the 73.5 billion Syndicated Loan Facilities, collateral includes the following:

i) Assignment of Debt Service Reserve Account

To ensure the payment by Sureste/BRHI of the Loan, Sureste/BRHI shall convey, assign, transfer, set over and confirmed unto the Security Trustee the rights, title and interest of Sureste/BRHI in its DSRA required to be maintained by Sureste/BRHI.

In case Sureste/BRHI fails to transfer funds to the Paying Agent, or transfers an amount not sufficient to cover the payment of debt service due, on a payment date, the Security Trustee shall debit from the DSRA such amounts as may be necessary to meet such Debt Service and transfer the same to BDO Unibank, Inc. - Trust and Investment Group (Paying Agent).

The level of funds standing in the DSRA on any date commencing on the initial drawdown date shall be at least the amount of the principal due on the immediately succeeding repayment date and at least twice the amount of the interest due on the immediately succeeding interest payment date.

In the event the funds in the DSRA fall below the DSRA maintaining balance, the Borrower shall replenish the DSRA from its own funds in order that the DSRA maintaining balance shall be met not later than the five Banking days from the date the funds fell below the DSRA Maintaining Balance.

As of December 31, 2023, the Group's debt collateral account related to the 73.5 billion Syndicated Loan Facility amounted to 4,914.2 million (see Note 4).

ii) Assignment of Vertis Project Agreements

Sureste/BRHI shall assign, convey, set over and transfer absolutely to the Security Trustee, for the benefit of the Secured parties, all of its rights, title and interest, present and future, in and into the Future Project Agreements, the (a) benefit of all claims for damages for the breach by any Counterparty of any term of any of the Project Agreements and all warranties and indemnities contained therein; (b) right to terminate any of the Project Agreements or agree to the suspension thereof; (c) right to compel performance of any of the Project Agreements; (d) the right to agree to any variation of the terms of any of the Project Agreements; and (e) the right to pursue any action, proceeding, suit or arbitration arising in relation to any of the rights assigned and to enforce such rights in the name of Sureste/BRHI.

iii) Mortgage

As a security for timely payment, discharge, observance and performance of the loan, Sureste/BRHI (a) establishes in favor of the Security Trustee for the benefit of the Lenders, a first ranking real estate mortgage on the present real assets, i.e. leasehold rights over the phase 1 PAGCOR land covered by the PAGCOR lease (now owned by Sureste), and future real assets, i.e. the hotel and gaming facilities and Land; and (b) establish in favor of the Security Trustee for the benefit of the Lender, a first ranking chattel mortgage on the present and future chattels.

iv) Continuing Suretyship

In consideration of the loan and for other valuable consideration receipt of which the Surety, i.e., Sureste/BRHI, acknowledges, Sureste/BRHI agrees that it shall be solidarily liable with BRHI/ Sureste to the Lender and the Security Trustee for the payment of the loan.

v) Pledge

The Pledgor, i.e., Sureste/BRHI shareholders, shall assign, transfer, deliver, set over and grant to the Security Trustee, a continuing security interest of first priority in, all of its right, title and interest in and to the Pledged Shares, i.e., Sureste/BRHI shares, and the Additional Pledged Shares, whether now owned or existing or hereafter acquired.

Under the 40.0 billion Syndicated Loan Facilities, collateral includes the following:

i) Assignment of Debt Service Reserve Account

To ensure the payment by Sureste/BRHI of the Loan, Sureste/BRHI shall convey, assign, transfer, set over and confirmed unto the Security Trustee the rights, title and interest of Sureste/BRHI in its DSRA required to be maintained by Sureste/BRHI.

The level of funds standing in the DSRA on any date commencing on the initial drawdown date shall be at least the amount of the principal due on the immediately succeeding repayment date and at least twice the amount of the interest due on the immediately succeeding interest payment date.

In case Sureste/BRHI fails to transfer funds to the Paying Agent, or transfers an amount not sufficient to cover the payment of debt service due, on a payment date, the Security Trustee shall debit from the DSRA such amounts as may be necessary to meet such Debt Service and transfer the same to BDO Unibank, Inc. - Trust and Investment Group (Paying Agent).

In the event the funds in the DSRA fall below the DSRA maintaining balance, the Borrower shall replenish the DSRA from its own funds in order that the DSRA maintaining balance shall be met not later than the five Banking days from the date the funds fell below the DSRA Maintaining Balance.

As of December 31, 2024 and 2023, the Group's debt collateral account related to the

40.0 billion Syndicated Loan Facility amounted to 1,382.5 million and 808.0 million, respectively (see Note 4).

ii) Assignment of Vertis Project Agreements

Sureste/BRHI shall assign, convey, set over and transfer absolutely to the Security Trustee, for the benefit of the Secured parties, all of its rights, title and interest, present and future, in and into the Future Project Agreements, the (a) benefit of all claims for damages for the breach by any Counterparty of any term of any of the Vertis Project Agreements and all warranties and indemnities contained therein; (b) right to terminate any of the Project Agreements or agree to the suspension thereof; (c) right to compel performance of any of the Vertis Project Agreements;

(d) the right to agree to any variation of the terms of any of the Project Agreements; and (e) the right to pursue any action, proceeding, suit or arbitration arising in relation to any of the rights assigned and to enforce such rights in the name of Sureste/BRHI.

iii) Mortgage

As a security for timely payment, discharge, observance and performance of the loan, Sureste/BRHI (a) establishes in favor of the Security Trustee for the benefit of the Lenders, a first ranking real estate mortgage on the present real assets, i.e., Present Vertis Real Assets, and future real assets, i.e., the Vertis hotel and gaming facilities; and (b) establish in favor of the Security Trustee for the benefit of the Lender, a first ranking chattel mortgage on the present and future chattels.

iv) Continuing Suretyship

In consideration of the loan and for other valuable consideration receipt of which the Surety, i.e., Sureste/BRHI, acknowledges, Sureste/BRHI agrees that it shall be solidarily liable with BRHI/ Sureste to the Lender and the Security Trustee for the payment of the loan.

12. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) subsidiaries; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that give them significant influence over the Group and close members of the family of any such individual.

Related party receivables and payables are generally settled in cash.

The Group's related party balances are as follows:

Related Party	Nature/Terms of Transaction	Transaction Amounts			Outstanding Receivable (Payable)	
		2024	2023	2022	2024	2023
Eaglesight Investments Limited*	Aircraft lease and maintenance reimbursements; payable within one month; noninterest-bearing (see Note 10)	163,311,230	242,012,520	228,771,780	-	-
Bloomberry Cultural Foundation, Inc.**	1. 2% of non-junket gaming revenue; unsecured; payable within one year; noninterest-bearing (see Notes 10 and 18)	537,742,279	579,062,386	508,796,761	(49,263,445)	(40,200,782)
	2. Noninterest-bearing and unsecured advances (to be settled within one year); no impairment (see Notes 7 and 18)	(44,146)	(458,712)	(9,570,318)	414,566	458,712
Officers and employees	Interest-bearing and unsecured cash advances to be settled through salary deduction within one year; no impairment (see Note 5)	11,470,000	-	-	123,140,880	102,966,169
Other affiliates*	1. Aircraft maintenance reimbursements; noninterest-bearing (see Notes 5 and 10)	361,866,500	912,471,133	459,407,851	(117,992,544)	(198,029,667)
	2. Noninterest-bearing and unsecured cash advances; no impairment	1,531,653	65,493,775	116,547,950	65,100,222	63,568,569
Key management personnel	Short-term employee benefits	282,117,008	302,372,643	129,256,789	-	-
	Retirement benefits	41,465,759	143,901,986	1,829,658	(206,497,737)	(165,031,978)

13. Retirement Cost

The Group has an unfunded and noncontributory defined benefit pension plan covering substantially all of its regular employees. The cost of providing benefits is valued every year by a professional qualified independent actuary in compliance with PAS 19. Benefits are dependent on the years of service and the respective employees' compensation and are determined using the projected unit credit method.

The following tables summarize the components of retirement expense recognized in the consolidated statements of comprehensive income and the retirement liability recognized in the consolidated statements of financial position as of and for the years ended December 31, 2024, 2023 and 2022:

	2024	2023	2022
Retirement expense:			
Current service cost	190,920,426	101,669,525	111,887,851
Interest cost	78,330,814	45,160,330	23,185,736
Past service cost	-	670,161,788	-
	269,251,240	816,991,643	135,073,587
	2024	2023	
Retirement liability:			
Balance at beginning of year	1,601,920,378	706,538,240	
Retirement expense	269,251,240	816,991,643	
Benefits paid	(40,512,124)	(49,527,494)	
Remeasurement loss	164,355,973	122,549,922	
Net released obligation due to employee transfers	(896,056)	(2,501,912)	
Translation adjustment	(20,446,354)	7,869,979	
Balance at end of year	1,973,673,057	1,601,920,378	
Changes in the present value of defined benefit obligation:			
Balance at beginning of year	1,601,920,378	706,538,240	
Current service cost	190,920,426	101,669,525	
Interest cost	78,330,814	45,160,330	
Past service cost	-	670,161,788	
Benefits paid	(40,512,124)	(49,527,494)	
Remeasurement loss (gain) in OCI:			
Experience adjustments	194,912,465	23,862,822	
Changes in demographic assumptions	(305,273)	-	
Changes in financial assumptions	(30,251,219)	98,687,100	
Net released obligation due to employee transfers	(896,056)	(2,501,912)	
Net released obligation due to employee transfers	(20,446,354)	7,869,979	
Balance at end of year	1,973,673,057	1,601,920,378	

In 2024, the Group has restricted cash amounting to 164.1 million, presented under other noncurrent assets account in the statement of financial position, to fund the Group's retirement liability (see Note 9).

The principal assumptions used in determining the Group's retirement liability as of December 31, 2024 and 2023 are shown below:

	2024	2023
Discount rate	3.20% to 6.09%	3.88% to 6.14%
Future salary rate increase	4.00% to 5.60%	3.00% to 6.00%
Mortality rate	2017 PICM/KIDI	2017 PICM/KIDI
Disability rate	1952 disability study, period 2, benefit 5	1952 disability study, period 2, benefit 5
Turnover rate	A scale ranging from 12% at age 18 decreasing to 0% at age 60; A scale ranging from the age 20 decreasing to retirement; A scale of 2% at age 19 until retirement	A scale ranging from 12% at age 18 decreasing to 0% at age 60; A scale ranging from the age 20 decreasing to retirement; A scale of 2% at age 19 until retirement

Shown below is the maturity profile of the Group's undiscounted benefit payments:

	Expected Benefit Payments	
Plan Year	2024	2023
Less than one year	73,886,436	66,014,048
More than one year to five years	211,484,919	161,743,409
More than five years to 10 years	736,984,443	593,396,490
More than 10 years to 15 years	989,229,766	764,539,702
More than 15 years to 20 years	1,858,351,068	1,399,529,175
More than 20 years	7,703,282,177	5,523,582,198

The average duration of the defined benefit obligation at the end of the reporting period is 17.76 to 18.38 years.

The retirement liability is subject to several key assumptions. To help illustrate the impact of each key assumption, a sensitivity analysis is provided below, which has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

	Effect on Present Value of Obligation			
	SPI	BRHI	G&L	Solaire Korea
Discount rate	6.09%	6.09%	3.62%	3.20%
Actual + 1.00%	(29,391,943)	(95,159,859)	(12,266,014)	(9,954)
Actual - 1.00%	35,272,475	114,066,347	13,951,400	10,142
Salary increase rate				
Actual + 1.00%	35,154,471	117,598,324	13,909,473	9,996
Actual - 1.00%	(29,717,464)	(96,488,876)	(12,453,314)	(9,996)

The latest actuarial valuation report is as of December 31, 2024.

14. Equity

Capital Stock

The details of the Parent Company's capital stock are as follows:

	2024		2023	
	Shares	Amount	Shares	Amount
Capital stock - 1 par value				
Authorized	15,000,000,000	15,000,000,000	15,000,000,000	15,000,000,000
Issued	11,591,998,225	11,591,998,225	11,591,998,225	11,591,998,225
Issued and outstanding	11,458,691,084	10,797,156,297	11,430,368,194	10,620,702,210

The rollforward of the legal issued and outstanding number of common shares of the Parent Company follows:

	2024	2023
Balance at beginning of year	11,430,368,194	10,832,700,162
Issuance of additional shares	-	559,000,000
Net movement in treasury shares	28,322,890	38,668,032
Balance at end of year	11,458,691,084	11,430,368,194

In 2024, as a result of the settlement with Global Gaming Philippines LLC ("GGAM") (see Note 18), 921,184,056 shares held by Sureste were treated as treasury shares in the consolidated financial statements and were thus included in the EPS calculation (see Note21). As of December 31, 2024 and 2023, 921,244,956 shares and 60,900 shares held by subsidiaries are included as part of treasury shares.

In September 2023, Bloomberry and Quasar Holdings, Inc. (Quasar), one of its affiliates, completed a Placing and Subscription Transaction under which Quasar first sold in a private placement to various institutional investors 559,000,000 shares of stock in Bloomberry at 10.00 per share. Quasar then used the proceeds of the placing transaction to subscribe to an equivalent number of shares in Bloomberry at the same subscription price of 10.00 per share.

Retained Earnings

Retained earnings include the accumulated equity in undistributed net earnings of consolidated subsidiaries and joint ventures accounted for under equity method amounting to 13,545.2 million and 15,344.5 million as of December 31, 2024 and 2023, respectively, which are not available for dividend declaration by the Parent Company until these are declared by the investee companies.

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 10 years, and was amended and extended by the BOD for another 10 years on April 21, 2022. 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 except non-executive directors of the Parent Company; 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") composed of three directors or officers to be appointed by the BOD. The SIC shall determine the number of shares to be granted to a participant and other terms and conditions of the grant.

The grant of shares under the SIP does not require an exercise price to be paid by the awardee. Shares awarded shall now vest in three years: 25% on the first anniversary date of the award; 25% on the second anniversary date of the award; and the remaining 50% on the third anniversary date of the award. Vesting grants the participant absolute beneficial title and rights over the shares, including full dividend and voting rights.

Unless the SIC determines otherwise, when dividends are declared by Bloomberry, the number of shares subject to an award shall be increased by the number equal in value to the dividends the awardee would have received in respect of an award had the shares awarded to the awardee vested at the time of the dividend declaration. This is designated as the Dividend Re-investment Plan (“DRIP”).

Stock awards, including DRIP shares, granted by the SIC to officers and employees of the Group are shown below:

	Number of Shares Granted	Fair Value per Share at Grant Date
May 16, 2018*	22,716,446	12.66
June 8, 2018*	91,068	11.40
August 1, 2018*	105,987	9.00
March 18, 2019*	25,465,791	11.62
May 15, 2020*	66,985,802	5.40
January 15, 2021	152,992	8.20
April 13, 2022	33,689,758	6.30
June 5, 2023	43,556,122	10.59
April 16, 2024	34,345,660	10.00

Fair value per share was based on the market price of stock at the date of grant.

Movements in the stock awards granted (number of shares) follow:

	2024	2023	2021
Balance at beginning of year	68,823,435	64,421,745	48,366,781
Stock awards granted	34,345,660	43,556,122	33,689,758
Stock awards vested	(28,260,960)	(38,668,032)	(15,366,005)
Stock awards of resigned/ terminated employees	(1,809,989)	(486,400)	(2,268,789)
Balance at end of year	73,098,146	68,823,435	64,421,745

Total compensation expense on the stock awards recognized in 2024, 2023 and 2022 as part of “Salaries and benefits” under “Operating costs and expenses” in the consolidated statements of comprehensive income amounted to 369.5 million, 231.6 million and 132.9 million, respectively (see Note 16). Reduction in share-based payment plan and treasury shares arising from the issuance of treasury shares for vested stock awards amounted to 252.1 million and 176.5 million, respectively, in 2024; 216.4 million and 220.4 million, respectively, in 2023; and 83.0 million and 109.7 million, respectively, in 2022. Such issuance of treasury shares resulted to increase (decrease) in APIC amounting to 75.7 million, (4.0 million) and (26.7 million) in 2024, 2023 and 2022, respectively.

The stock incentive obligation recognized as “Share-based payment plan” in the consolidated statements of financial position amounted to 365.9 million and 248.5 million as of

December 31, 2024 and 2023, respectively.

Other Comprehensive Income

The movement in OCI by each type of reserve in equity is shown below:

	2024				Total
	Land revaluation increment	Cumulative actuarial gain (loss)	Fair value reserve of equity instruments at FVOCI	Cumulative translation adjustment	
Balance at beginning of year	-	-	21,000,000	(478,916,766)	(457,916,766)
Revaluation increment	28,673,932,696	-	-	-	28,673,932,696
Remeasurement loss on retirement liability	-	163,206,068	-	-	(163,206,068)
Unrealized loss on equity instrument designated at fair value	-	-	(4,500,000)	-	(4,500,000)
Exchange difference on translation of foreign operations	-	-	-	(529,208,311)	(529,208,311)
Remeasurement loss on defined benefit plan transferred to retained earnings	-	163,206,068	-	-	163,206,068
Balance at end of year	28,673,932,696	-	16,500,000	(1,008,125,077)	27,682,307,619

	2023				Total
	Land revaluation increment	Cumulative actuarial gain (loss)	Fair value reserve of equity instruments at FVOCI	Cumulative translation adjustment	
Balance at beginning of year	-	-	(1,500,000)	(439,125,644)	(440,625,644)
Remeasurement loss on retirement liability	-	(115,248,276)	-	-	115,248,276)
Unrealized loss on equity instrument designated at fair value	-	-	22,500,000	-	22,500,000
Exchange difference on translation of foreign operations	-	-	-	(39,791,122)	(39,791,122)
Remeasurement loss on defined benefit plan transferred to retained earnings	-	115,248,276	-	-	115,248,276
Balance at end of year	-	-	21,000,000	(478,916,766)	(457,916,766)

	Land reevaluation increment	Cumulative actuarial gain (loss)	2022 Fair value reserve of equity instruments at FVOCI	Cumulative translation adjustment	Total
Balance at beginning of year	-	-	(7,406,250)	(577,928,960)	(585,335,210)
Remeasurement loss on retirement liability	-	72,886,762	-	-	72,886,762
Unrealized loss on equity instrument designated at fair value	-	-	5,906,250	-	5,906,250
Exchange difference on translation of foreign operations	-	-	-	138,803,316	138,803,316
Remeasurement loss on defined benefit plan transferred to retained earnings	-	(72,886,762)	-	-	(72,886,762)
Balance at end of year	-	-	(1,500,000)	(439,125,644)	(440,625,644)

Treasury Shares

The movement in treasury shares follows:

	2024		2023	
	Shares	Amount	Shares	Amount
Balance at beginning of year	161,630,031	971,296,016	200,298,063	1,191,685,068
Acquisition	-	-	-	-
Issuance for share-based payments	(28,322,890)	(176,454,087)	(38,668,032)	(220,389,052)
Balance at end of year	133,307,141	794,841,929	161,630,031	971,296,016

Set out below is Bloomberry’s track record of issuance of its securities:

Date of Approval	Number of Shares			Issue/Offer Price
	Authorized	Issued/Subscribed		
May 3, 1999*	120,000,000	80,000,000		1.00
February 27, 2012**	15,000,000,000	9,211,840,556		1.00
May 2, 2012**	15,000,000,000	1,179,963,700		7.50
May 31, 2012****	15,000,000,000	117,996,300		7.50
November 10, 2014****	15,000,000,000	435,000,000		13.00
December 18, 2014****	15,000,000,000	8,197,669		12.60
September 28, 2023****	15,000,000,000	559,000,000		10.00

*Date when the registration statement covering such securities was rendered effective by the SEC
 ****SEC approval of the increase in the authorized capital stock; Offer Shares sold at 7.50 on May 2, 2012
 *****Transaction date per SEC Form 23-B; Includes Offer Shares and Over-Allotment Option
 *****Transaction date per SEC Form 17-C

As of December 31, 2024 and 2023, Bloomberry has total shareholders of 92 on record. For this purpose, public shares held under PCD Nominee are counted as two (one for PCD Nominee - Filipino and another for PCD Nominee - Foreign).

Cost of Shares Held by a Subsidiary

This account pertains to Bloomberry shares owned by SPI and BRHI amounting to

17,348.0 million and 0.7 million, respectively, as of December 31, 2024 and 2023 (see Note 18).

15. Revenues

Disaggregated Revenue Information

	2024	2023	2022
Types of goods or services:			
Gaming	42,413,584,152	39,696,206,599	32,213,296,640
Hotel, food and beverage	5,448,832,612	4,452,425,742	3,255,967,522
Retail and others*	4,125,800,631	2,870,147,848	2,560,125,321
	51,988,217,395	47,018,780,189	38,029,389,483

*Excluding rent income amounting to 771.4 million, 875.8 million and 778.4 million in 2024, 2023 and 2022, respectively.

	2024	2023	2022
Geographical segments:			
Philippines	51,471,581,907	46,637,837,993	37,989,577,701
Korea	516,635,488	380,942,196	39,811,782
	51,988,217,395	47,018,780,189	38,029,389,483

Performance Obligations

Information about the Group's performance obligations are summarized below:

Gaming revenue

The performance obligation to provide gaming services is satisfied at a point in time which is upon the conclusion of the play and usually occur within a single gaming day.

Hotel, food and beverage, retail and other operating revenues

Hotel, food and beverage, retail and other operating revenues are recognized when services are performed or retail goods are sold.

Contract Balances

	2024	2023
Trade receivables:		
Gaming (see Note 5)*	1,464,428,419	618,098,421
Hotel (see Note 5)	152,934,200	116,671,775
Contract liabilities:		
Outstanding chips liabilities (see Note 10)	2,385,799,465	2,875,749,720
Customers' deposits (see Note 10)	2,728,617,834	2,391,306,275

*Net of allowance for expected credit losses amounting to 587.7 million and 763.0 million as of December 31, 2024 and 2023, respectively.

Gaming receivables are noninterest-bearing and are normally collected within 90 days.

Hotel receivables are noninterest-bearing and are normally collected within one month.

The Group has no contract assets as of December 31, 2024 and 2023.

The Group identified its outstanding chips liabilities and customers' deposits as contract liabilities as of December 31, 2024 and 2023. These represent the Group's obligation to provide gaming services to the patrons for which the Group has received consideration from the patrons. Outstanding chips are expected to be recognized as revenue or redeemed for cash within one year of purchase. Customers' deposits are expected to be recognized as revenue or refunded to the patrons within one year from the date the deposit was received.

The following table summarizes the liability activity related to contracts with customers:

	Outstanding chips liabilities	Customers' deposits	Total
December 31, 2024	2,385,799,465	2,728,617,834	5,114,417,299
December 31, 2023	2,875,749,720	2,391,306,275	5,267,055,995
	(489,950,255)	337,311,559	(152,638,696)
	Outstanding chips liabilities	Customers' deposits	Total
December 31, 2024	2,875,749,720	2,391,306,275	5,267,055,995
December 31, 2023	4,010,686,954	3,051,013,385	7,061,700,339
	(1,134,937,234)	(659,707,110)	(1,794,644,344)

16. Income and Expenses

a. Operating Costs and Expenses

	2024	2023	2022
Taxes and licenses (see Note 18)	14,471,071,278	13,350,737,476	11,401,727,984
Salaries and benefits (see Notes 13 and 14)	7,505,058,243	5,719,413,002	3,801,186,347
Depreciation and amortization (see Notes 8, 9 and 17)	5,996,022,209	3,304,279,880	3,510,437,414
Cost of sales (see Note 6)	4,984,145,123	3,485,209,684	3,017,082,798
Outside services and charges	2,402,059,889	1,931,820,672	1,992,830,396
Office expenses	2,129,389,933	1,481,230,258	1,213,695,286
Utilities	1,641,147,904	850,145,706	1,308,049,815
Advertising and promotions (see Notes 10 and 18)	830,353,507	602,325,796	429,139,701
Software and hardware maintenance	641,191,114	486,144,072	460,339,961
Communication and transportation	291,282,252	225,557,452	168,232,092
Repairs and maintenance	260,514,077	263,211,986	206,072,948
Rent (see Note 17)	138,028,332	67,166,903	51,546,456
Provision for ECL (see Note 5)	-	30,000,000	56,881,430
Others	1,179,088,063	569,448,226	505,482,304
	42,469,351,924	32,366,691,113	28,122,704,932

Office expenses mainly consist of supplies amounting to 587.0 million, 455.3 million and 442.8 million; team member expenses amounting to 707.7 million, 437.9 million and 330.1 million; and insurance expense amounting to 363.1 million, 252.6 million and 172.3 million in 2024, 2023 and 2022, respectively.

b. Interest Expense

Sources of the Group's interest expense are as follows:

	2024	2023	2022
Long-term debt (see Note 11)	8,324,419,401	6,503,352,451	5,763,093,917
Amortization of tenants' security deposit (see Note 17)	22,095,404	17,660,235	15,594,331
Accretion of interest on lease liabilities (see Note 17)	2,652,398	1,771,477	3,250,332
	8,349,167,203	6,522,784,163	5,781,938,580

c. Interest Income

Sources of the Group's interest expense are as follows:

	2024	2023	2022
Cash and cash equivalents (see Note 4)	315,723,041	492,186,049	117,720,656
Receivables from officers and employees (see Note 5)	1,080,580	1,162,033	394,050
	316,803,621	493,348,082	118,114,706

d. Other Income (Expenses) - Net

	2024	2023	2022
Loss on loan refinancing (see Note 11)	(469,444,694)	-	-
Gain from indemnity received	59,863,707	-	-
Gain on disposal of a subsidiary	29,616,509	-	-
Gain (loss) on sale/disposal of property and equipment - net	(12,951,746)	294,561,034	(1,197,722)
Share in net loss of a joint venture (see Note 9)	-	(108,110,743)	-
Others	(263,313)	15,206,074	-
	(393,179,537)	201,656,365	(1,197,722)

17. Lease Agreements

As a Lessee

The Group has lease contracts related to its land and building. The following are the lease terms of the leases:

Land	10 to 20 years
Building	3 years
Gaming equipment	3 years

The Group's obligations under these leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. Extension and termination options are normally mutually agreed by lessor and lessee.

The Group also has certain leases of equipment and other assets with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognized in the consolidated statements of financial position and the movements during the year:

	2024		
	Land	Building	Total
Cost			
Balances at January 1, 2024	17,376,393	29,578,017	46,954,410
Additions	-	29,785,271	29,785,271
Termination	-	(29,578,016)	(29,578,016)
Balances at December 31, 2024	17,376,393	29,785,272	47,161,665
Accumulated Depreciation			
Balances at January 1, 2024	9,251,319	27,113,183	36,364,502
Depreciation	1,930,710	16,736,944	18,667,654
Termination	-	(29,578,016)	(29,578,016)
Balances at December 31, 2024	11,182,02	14,272,111	25,454,139
Net carrying amount	6,194,364	15,513,161	21,707,525

	2023		
	Land	Building	Total
Cost			
Balances at January 1, 2023 and December 31, 2023	17,376,393	29,578,017	46,954,410
Accumulated Depreciation			
Balances at January 1, 2023	7,320,610	12,324,174	19,644,784
Depreciation	1,930,709	14,789,009	16,719,718
Balances at December 31, 2023	9,251,319	27,113,183	36,364,502
Net carrying amount	8,125,074	2,464,834	10,589,908

The rollforward analysis of lease liabilities follows:

	2024	2023
Balance at beginning of year	12,588,906	29,914,679
Additions	29,785,271	-
Interest expense (see Note 16)	2,652,398	1,771,477
Payments	(18,459,249)	(19,097,250)
Balance at end of year	26,567,326	12,588,906
Less current portion	18,709,105	2,496,401
Noncurrent portion	7,858,221	10,092,505

The Group has no lease contracts that contain variable payments.

The following are the amounts recognized in the consolidated statements of comprehensive income:

	2024	2023	2022
Depreciation expense of right-of-use assets included in property and equipment (see Notes 8 and 16)	18,667,654	16,719,718	17,090,672
Interest expense on lease liabilities (see Note 16)	2,652,397	1,771,477	3,250,332
Expenses relating to short-term leases and low-value assets (see Note 16)	138,028,332	67,166,903	51,546,456
	159,348,383	85,658,098	71,887,460

Shown below is the maturity analysis of the undiscounted lease payments:

	2024	2023
1 year	20,015,828	3,379,220
more than 1 year to 2 years	4,390,880	3,548,181
more than 2 years to 3 years	3,911,867	3,725,584
more than 3 years to 4 years	-	3,911,867

Lease with PAGCOR

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 hotel, gaming and entertainment facility. The lease period was for 23 years, and was 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. The annual lease rental is based on the schedule provided for in the agreement.

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 an additional 73,542 square meters of PAGCOR land was also executed.

In 2018, Sureste purchased from PAGCOR the 16-hectare land in Entertainment City where Solaire and its expansion area is located for a purchase price of 37,333.1 million. Sureste fully paid the purchase price and PAGCOR signed the Deed of Absolute Sale on June 4, 2018 for the two parcels of land with an area of 3,733 square meters and 156,626 square meters. Title to the two parcels of land were issued to Sureste on August 15, 2018.

Other Leases

The Group also entered into other various lease contracts for a period of one year renewable annually upon mutual agreement of both parties.

Rental charges related to these leases, presented as part of “Rent expense” account under operating costs and expenses in the consolidated statements of comprehensive income amounted to

138.0 million, 67.2 million and 51.5 million in 2024, 2023 and 2022, respectively (see Note 16).

Security deposits related to the leases discussed above amounted to 14.8 million and 15.1 million as of December 31, 2024 and 2023, respectively (see Note 7).

As a Lessor

The Group entered into operating leases with various premium brand boutiques in The Shoppes (see Note 1). These leases have terms between 1 to 6 years. Rent income amounting to 771.4 million, 875.8 million and 778.4 million in 2024, 2023 and 2022, respectively, was recognized as part of “Retail and others” account in the consolidated statements of comprehensive income.

Rent receivable on these operating leases arising from straight-line amortization amounted to

38.3 million and 21.5 million as of December 31, 2024 and 2023, respectively (see Note 5). Tenants’ security deposit classified as current amounting to 213.1 million and nil as of December 31, 2024 and 2023, respectively, is presented under “Payables and other current liabilities” account in the consolidated statements of financial position (see Note 10). Tenants’ security deposits classified as noncurrent, presented under “Other noncurrent liabilities” account, amounted to 77.3 million and

353.5 million as of December 31, 2024 and 2023, respectively. These are carried at amortized cost using the EIR method. Discount amortization, included as part of the “Interest expense” account in the consolidated statements of comprehensive income, amounted to 22.1 million, 17.7 million and 15.6 million in 2024, 2023 and 2022, respectively (see Note 16).

Unearned rent amounting to 13.4 million and 67.6 million as of December 31, 2024 and 2023, respectively, presented under “Other noncurrent liabilities” account, represents the excess of the principal amount of the deposit over its fair value and will be amortized on a straight-line basis over the lease term. Amortization of unearned rent amounting to 23.8 million, 17.9 million and

12.5 million in 2024, 2023 and 2022, respectively, was recognized as part of “Retail and others” account in the consolidated statements of comprehensive income.

Future minimum lease receivables under these operating leases as of December 31, 2024 and 2023 are as follows:

	2024	2023
Within one year	279,653,288	623,002,880
Beyond one year but not later than five years	239,392,628	1,998,050,602
	519,045,916	2,621,053,482

18. Commitments and Contingencies

a. Under the license agreement with PAGCOR, BRHI has the following commitments, among others:

- Seven days prior to commencement of operation of the Casino, to secure a surety bond in favor of PAGCOR in the amount of 100.0 million to ensure prompt and punctual remittance/payment of all license fees.
- License fees must be remitted on a monthly basis, in lieu of all taxes with reference to the income component of the Gross Gaming Revenues: (a) 15% of the gross gaming revenues generated by high roller tables; (b) 25% of the gross gaming revenues generated by non-high roller tables; (c) 25% of the gross gaming revenues generated by slot machines and electronic gaming machines; and (d) 15% of the gross gaming revenues generated by junket operation.
- In addition to the above license fees, BRHI is required to remit 2% of gaming revenues generated from non-junket operation tables to a foundation devoted to the restoration of Philippine cultural heritage, as selected by BRHI and approved by PAGCOR. BRHI has established Bloomberry Cultural Foundation Inc. (“BCF”) for this purpose. Amount due to BCF, recognized as part of “Taxes and licenses” account amounted to 537.7 million,
- 579.1 million and 508.8 million in 2024, 2023, and 2022, respectively (see Note 16). Outstanding amount payable to BCF as of December 31, 2024 and 2023, presented as part of “Gaming taxes payable” account, amounted to 49.3 million and 40.2 million, respectively (see Note 10). Furthermore, the Group has advances to BCF amounting to 0.4 million and 0.5 million as of December 31, 2024 and 2023, presented as part of “Prepayments and other current assets” account, respectively, in the consolidated statements of financial position (see Note 7).
- PAGCOR may collect a 5% fee on non-gaming revenue received from food and beverage, retail and entertainment outlets. All revenues of hotel operations should not be subject to the 5% fee except rental income received from retail concessionaires.
- Grounds for revocation of the license, among others, are as follows: (a) failure to comply with material provision of this license; (b) failure to remit license fees within 30 days from receipt of notice of default; (c) bankruptcy or insolvency; (d) delay in construction of more than 50% of the schedule; and (e) if debt-to-equity ratio is more than 70:30. As of December 31, 2024 and 2023, BRHI and Sureste have complied with the required debt-to-equity ratio.

Total PAGCOR license fee recognized (including the amount due to BCF), shown as part of “Taxes and licenses” account, amounted to 10,982.5 million, 10,067.1 million and 8,988.1 million for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 16). Outstanding amount payable to PAGCOR and BCF, presented as “Gaming taxes payable”, amounted to 1,080.6 million and 779.6 million as of December 31, 2024 and 2023, respectively (see Note 10)

b. The Group has entered into the following significant contracts related to the Solaire Resort North Project:

HABITUS DESIGN PTE, LTD.

In June 2018, Sureste engaged Habitus Design Pte, Ltd. (“Habitus”) to lead the Master Concept Design as well as design management consultancy services for the Solaire Resort North Project with an agreed original contract amounting to US\$3.65 million (175.3 million). Based on the original contract period, their services expire in December 2020 but was extended until December 2021. As of December 31, 2024 and 2023, Sureste has effectively paid US\$5.57 million (293.2 million) and US\$4.86 million (254.5 million), respectively, to Habitus Design Pte, Ltd.

PRIME BMD - DMCI JOINT VENTURE

On December 12, 2019, Sureste entered into a contract agreement with PRIME BMD - DMCI Joint Venture (“PBD Joint Venture”) for the General Construction delivery of Solaire Resort North Project. The contract price of 5.5 billion, VAT-inclusive, includes a re-measurable component of the general contract works and a lumpsum component of the enabling works. As of December 31, 2024 and 2023, Sureste has paid 5.0 billion to PBD Joint Venture.

F.R. Sevilla Industrial and Development Corporation

In February 2022, Sureste engaged F.R. Sevilla Industrial and Development Corporation (“F.R. Sevilla”) for the combined Mechanical Works for Podium & Energy Center and for Basement & Tower of the Solaire Resort North Project with an agreed original contract amounting to 1.23 billion, VAT-inclusive. As of December 31, 2024 and 2023, Sureste has paid 1.4 billion and 1.2 billion, respectively, to F.R. Sevilla.

E.E. Black, Ltd

Sureste engaged E.E. Black, Ltd (“E.E. Black”) for the Level 8-18 Fit-out works in May 2022, and Level 27-33 + Lift Cab Fit-out works in September 2022, of the Solaire Resort North Project with an agreed combined contract amounting to 1.3 billion, VAT-inclusive. As of

December 31, 2024 and 2023, Sureste has paid 1.2 billion and 683.7 million, respectively, to E.E. Black.

c. BRHI and G&L entered into junket operator agreements with junket operators who have the primary responsibility of directing gaming patrons to the casino. Based on these agreements, these junket operators are compensated based on a certain percentage of the wins or rolling chips. Gaming promoters’ expense presented as contra-revenue for the years ended December 31, 2024, 2023 and 2022 amounted to 4,658.6 million, 6,438.8 million and 5,920.7 million, respectively. Receivable from junket operators as of December 31, 2024 and 2023 amounted to 1,600.0 million and 1,084.2 million, respectively (see Note 5).

d. On September 9, 2011, Sureste and BRHI jointly entered into a Management Services Agreement (“MSA”) with Global Gaming Philippines LLC (“GGAM”) for technical assistance on all aspects of planning, design, layout, and construction of the Project within Entertainment City 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 preopening operations. Upon commencement of the commercial operations and five years thereafter, the Group will pay GGAM annual fees equivalent to certain percentages of Sureste’s and BRHI’s earnings before interest, taxes, depreciation and amortization.

Sureste and BRHI 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 their dispute. GGAM denies having breached the MSA and alleges that it is BRHI and Sureste who breached the MSA. The parties submitted their dispute to arbitration before a 3-member arbitral tribunal 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 an option over the shares of Bloomberry. After the backdoor listing of Bloomberry, the option was granted under an Equity Option Agreement to purchase up to 921.2 million shares, equivalent to 9.91% of Bloomberry's outstanding shares (prior to Bloomberry's top-up equity offering) from PSHI 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 of Bloomberry from PSHI at the agreed option strike price of 1.67 per share and was crossed through the Philippine Stock Exchange on December 28, 2012. On February 25, 2014, the Makati Regional Trial Court (MRTC) granted the application of BRHI, Sureste and PSHI for measures of protection in the form of writs of preliminary attachment and preliminary injunction to restrain GGAM from disposing the Bloomberry shares in order to maintain the status quo. GGAM filed a petition for review on certiorari with the Court of Appeals against the decision of the MRTC.

On December 9, 2014, the tribunal issued its Order in Respect of Claimants' Interim Measures of Protection, declaring among others, that the February 25, 2014 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.

GGAM filed a Manifestation with the MRTC concerning the order of the arbitral tribunal and seeking assistance in the enforcement thereof. BRHI, Sureste and PSHI filed a Counter-Manifestation on impropriety of GGAM Manifestation given its non-compliance with requirements of the Special Rules of Court on Alternative Dispute Resolution (Special ADR Rules) for enforcement of judgment/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, Sureste and PSHI 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. In a resolution dated May 29, 2015 and affirmed on November 27, 2015, the Court of Appeals remanded back the case to the MRTC for further proceedings.

On September 20, 2016, the arbitral tribunal issued a partial award on liability. It declared that

1) GGAM (Claimants) has not misled BRHI/Sureste (Respondents) into signing the MSA, and the Respondents were not justified to terminate the MSA because the services rendered by the Respondent's Management Team should be considered as services rendered by GGAM under the MSA, 2) rejected GGAM's claim that GGAM was defamed by the publicized statements of the Chairman of BRHI/Sureste, 3) that there is no basis for Respondents to challenge GGAM's title to the 921,184,056 Bloomberry shares because the grounds for termination were not substantial and fundamental, thus GGAM can exercise its rights in relation to those shares, including the right to sell them, 4) reserved its decision on reliefs, remedies and costs to the Remedies Phase which is to be organized in consultation with the Parties, 5) reserved for another order its resolution on the request of GGAM: (a) for the Award to be made public, (b) to be allowed to provide a copy of the Award to Philippine courts, government agencies and persons involved in the sale of the shares, and (c) to require BRHI/Sureste and Bloomberry to inform Deutsche Bank AG that they have no objection to the immediate release of all dividends paid by Bloomberry to GGAM.

On August 31, 2017, BRHI and Sureste filed a request for reconsideration of the partial award in the light of U.S. Department of Justice (DOJ) and SEC findings of violations of the Foreign Corrupt Practices Act (FCPA) by GGAM officers Weidner and Chiu, and for false statements and fraudulent concealment by GGAM in the arbitration. GGAM opposed the request on

September 29, 2017. In a decision dated November 22, 2017, the tribunal denied the request for reconsideration saying it has no authority to reconsider the partial award under Singapore law.

The tribunal said that the courts might be the better forum to look into the allegations of fraud.

On December 21, 2017, BRHI and Sureste filed a petition in the High Court of Singapore to set aside the June 20, 2017 judgment of the Court and to either remit the partial award to the tribunal for correction, or otherwise set aside the partial award based on the fraud allegations previously raised in the request for reconsideration.

In a resolution dated November 23, 2017, the MRTC affirmed the continuing validity of its February 25, 2014 order and the writ of preliminary injunction and attachment issued pursuant thereto. GGAM filed a petition for review with the Court of Appeals to question this MRTC order. The Court of Appeals denied this petition, and GGAM filed a petition in the Supreme Court to question the decision of the Court of Appeals.

On September 27, 2019, BRHI and Sureste received the Final Remedies Award of the arbitration tribunal in the case filed. The Final Award awarded less than half of the damages sought by GGAM. It provides that:

- a) Respondents pay US\$85.2 million as damages for lost management fees to Claimants;
 - b) Respondents pay US\$391,224 as pre-termination fees and expense to Claimants;
 - c) Respondents pay Php10,169,871,978 for the (921,184,056) GGAM shares in Bloomberry in exchange for Claimants turning over the Shares after the payment. If Respondents do not pay for the Shares, GGAM may sell the Shares in the market and Respondents are directed to take all steps necessary to facilitate this sale. Respondents will be liable for the difference in the selling price if it is less than the awarded price;
 - d) Respondents to take all steps necessary to release to GGAM the cash dividends on the Shares (currently subject of the injunction of the RTC Makati);
- Respondents to pay Claimants Cost of US\$14,998,052;
- Post-award interest at the annual rate of 6%, compounded annually, or 50 basis per month for the pre-termination expenses in (b), beginning 30 days after the Award.
- d) Respondents to take all steps necessary to release to GGAM the cash dividends on the Shares (currently subject of the injunction of the RTC Makati);
 - e) Respondents to pay Claimants Cost of US\$14,998,052;
 - f) Post-award interest at the annual rate of 6%, compounded annually, or 50 basis per month for the pre-termination expenses in (b), beginning 30 days after the Award.

On November 5, 2019, BRHI and Sureste filed in the Singapore High Court an application to set aside the Final Award on the grounds of fraud and fraudulent concealment among others.

BRHI and Sureste received a decision of the Singapore High Court dated January 3, 2020 in Originating Summons 1432 of 2017 (OS 1432) dismissing their petition to vacate and oppose the enforcement of the Partial Award of the Arbitration Tribunal dated September 20, 2016. The Court said that the FCPA Findings (referring to the U.S. DOJ non-prosecution agreement with Las Vegas Sands and the U.S. SEC order on FCPA involving Weidner and Chiu while they were with Las Vegas Sands) "do not constitute strong and cogent evidence of any species of fraud" raised by Sureste and BRHI against GGAM. On February 3, 2020, BRHI and Sureste appealed this decision to the Court of Appeals in Singapore. In a decision dated February 16, 2021, the Singapore Court of Appeals denied the appeal of BRHI and Sureste.



INVESTOR RELATIONS CONTACTS

ESTELLA TUASON-OCCEÑA
Executive Vice President,
Chief Financial Officer and Treasurer
eoccena@bloomberry.ph

JONAS ISAAC R. RAMOS, CFA
Executive Director for Investor Relations
jramos@bloomberry.ph

ROBIN-JASON S. VENTURINA
Investor Relations Senior Manager
rventurina@bloomberry.ph

Sustainability
Report



Annual
Report



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