SECURITIES AND EXCHANGE COMMISSION
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The following document has been received:

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COVER SHEET

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S.E.C. Registration Number

P R E M I U M L E I S U R E C O R P .

(Company's Full Name)

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P A L M C O A S T A V E . , M A L L O F A S I A

C O M P L E X C B P - 1 A , P A S A Y C I T Y

(Business Address: No. Street City / Town / Province)

MICHELLE ANGELI T. HERNANDEZ

Contact Person

(+632) 8662-8888

Company Telephone Number

1 2 3 1

Month Day

Fiscal Year

SEC Form 17A

FORM TYPE

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

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Cashier

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

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

2. SEC Identification Number: **AS93-009289**

3. BIR Tax Identification No.: **003-457-827**

4. Exact name of registrant as specified in its charter: **PREMIUM LEISURE CORP.**

5. Province, Country or other jurisdiction of incorporation or organization:
Metro Manila, Philippines

6. [   ] (SEC Use Only)
Industry Classification Code

7. Address of Principal Office:
5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City, Metro Manila

Postal Code: 1300

8. Issuer's telephone number, including area code: **(632) 8662-8888**

9. Former name, former address, and former fiscal year, if changed since last report
Former name: **N/A**

10. Securities registered pursuant to Sections 4 and 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding
Common stock	**31,216,931,000**

11. Are any or all of these securities listed on the Philippine Stock Exchange, Inc. (PSE).
Yes [ ]   No [X]

12. Check whether the issuer:
a) has filed all reports required to be filed by Section 17 of Code and under Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the issuer was required to file such report(s), been filed:

Yes [x]   No [ ]

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

Yes [x]   No [ ]

13. Aggregate market value of the voting stock held by non-affiliates: **₱3,948,573,933.99 as of December 31, 2024**..

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Corporate Information

Premium Leisure Corp. ("PLC" or "Parent Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) as Sinophil Exploration Co., Inc. on November 26, 1993. On September 5, 2014, the SEC approved the change in PLC's primary purpose to that of engagement and/or investment in gaming-related businesses. On July 19, 2019 the SEC approved the change in PLC's primary purpose to exclude real estate business activities.

As at December 31, 2023, PLC, a publicly-listed company in the Philippine Stock Exchange (PSE) since September 17, 2014, is 79.78% (directly and indirectly) owned by Belle Corporation ("Belle" or "Ultimate Parent Company") and the rest by the public.

On March 11, 2024, Belle's Board of Directors (BOD) approved a tender offer for up to 6,312,026,669 common shares, representing 20.22% of PLC's issued and outstanding common stock (the Tender Offer). On the same date, PLC's BOD approved the voluntary delisting of PLC shares from the PSE, subject to the successful completion of the Tender Offer and compliance with the PSE's voluntary delisting requirements. This decision was ratified by shareholders on April 22, 2024.

The Tender Offer Period ran from March 22, 2024, to April 24, 2024, during which 6,172,192,242 common shares—approximately 19.77% of PLC's total issued and outstanding common stock—were tendered and accepted by Belle. The total consideration for the transaction amounted to ₱5,246.4 million. Belle successfully completed the Tender Offer on May 9, 2024, and on July 9, 2024, PLC was officially delisted from the PSE.

As of December 31, 2024, PLC is 99.55% owned by Belle Corporation.

PLC and its subsidiaries (collectively referred to as "the Company") have investment portfolio consisting of investment holding, gaming business, lottery equipment leasing and others.

The registered office address of the Company is 5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City.

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries:

	Percentage of Ownership			
	2024		2023	
	Direct	**Indirect**	Direct	Indirect
Gaming Business				
PremiumLeisure and Amusement, Inc. (PLAI)	**100.00**	**–**	100.00	–
Real Estate				
Foundation Capital Resources, Inc. (FCRI)[(a)]	**100.00**	**–**	100.00	–
Public Amusement and Recreation				
Sinophil Leisure and Resorts Corporation (SLRC)[(a)]	**100.00**	**–**	100.00	–
Lottery Equipment Leasing, Distribution and Others				
Pacific Online Systems Corporation (POSC)	**50.10**	**–**	50.10	–
Loto Pacific Leisure Corporation (LotoPac)	**–**	**100.00**	–	100.00
Total Gaming Technologies, Inc. (TGTI)	**–**	**98.92**	–	98.92
Falcon Resources, Inc. (FRI)	**–**	**100.00**	–	100.00
Futurelab Interactive Corp.	**–**	**100.00**	–	100.00
PinoyLotto Technologies Corp. (PinoyLotto)	**–**	**50.00**	–	50.00

The principal place of business and country of incorporation of the subsidiaries listed above is in the Philippines.
[(a)] Non-operating

Material acquisitions of investments

The Company has invested in various companies as follows:

1. 100% Equity Investment in PLAI

PLAI is a co-grantee, together with Belle and other SM consortium members (under CA/License Reg. No. 08-003), by the Philippine Amusement and Gaming Corporation ("PAGCOR") of a Certificate of Affiliation and Provisional License (the "Provisional License") to operate an integrated casino resort complex in the approved site located in the vicinity of the Bagong Nayong Pilipino Manila Bay Entertainment City ("PAGCOR Entertainment City"), which site was originally referred to as "Belle Grande". On April 29, 2015, PAGCOR granted the Regular Gaming License ("License") to the consortium. his regular casino license has the same terms and conditions as the Provisional License, as applicable, and runs concurrent with PAGCOR's Congressional Franchise, which expires in 2033, and renewable for another 25 years, by the Philippine Congress. PLAI was the special purpose entity authorized by PAGCOR to perform the casino operations for the consortium.

On October 25, 2012, Belle, together with PLAI, and SM Investments Corporation (Philippine Parties), formally entered into a Cooperation Agreement with Melco Resorts and Entertainment (Philippines) Corporation ("MRP Parties"), which took effect on March 13, 2013, the date on which the conditions to closing under the Closing Agreement were fulfilled, or waived. Under the Cooperation Agreement, the Philippine Parties agreed to include the MRP Parties as co-licensees for which PAGCOR issued an Amended Certificate of Affiliation and Provisional License dated January 2013. The Cooperation Agreement further specified the respective roles of the Philippine Parties and the MRP Parties in the casino resort project.

Under the Cooperation Agreement, the Philippine Parties, through Belle, would provide the land and building structures for the casino complex. The land and building structures are leased to the MRP Parties who will in turn provide the fit outs and operate the entire casino complex.

Likewise, under the Cooperation Agreement, the new special purpose entity to perform the casino operations was agreed to be MRP. In consideration, MRP Parties agreed to pay the Philippine Parties, through PLAI, certain amounts based on gaming revenues as follows:

<u>Fees payable to PLAI</u>

PLAI will be entitled to receive from MRP agreed-upon monthly payments consisting of the following:

a) the higher of (i) one-half of the Project's Mass Market gaming EBITDA (after deductions comprising 2% management allowance, Mass Market operating expenses and an agreed deductible of 7% of Mass Market Gaming EBITDA) **(PLAI MASS EBITDA)** or (ii) 15% of the Project's net Mass Market gross gaming revenues (after deduction of amounts for PAGCOR non-VIP license fees) **(PLAI MASS Net Win)**, whichever is higher; and

b) the higher of (i) one-half of the Project's VIP gaming EBITDA (after deductions comprising 2% management allowance, VIP operating expenses and an agreed deductible of 7% of VIP gaming EBITDA) (**PLAI VIP EBITDA**) or (ii) 2% of the Project's net VIP gross gaming revenues (after deduction of amounts for PAGCOR VIP license fees, VIP commissions and incentives, as well as VIP bad debt expenses) (**PLAI VIP Net Win**), whichever is higher (the **PLAI VIP Monthly Payment**).

In addition, at the end of each fiscal period of 24 months, a calculation is made to determine the difference between (i) the higher of PLAI VIP EBITDA and 5.0% of the Project's PLAI VIP NET WIN, and (ii) the cumulative PLAI VIP Monthly Payments made for the fiscal period. If (i) is higher, the difference is paid to PLAI as an additional payment for the following period. If (ii) is higher, the difference is deducted from the first VIP payment for the following fiscal period. Meanwhile, MRP will retain all revenues from the non-gaming operations of the Project.

City of Dreams Manila integrated resort opened to the public in December 2014, and had its grand opening on February 2015. The resort complex is located on a land area of around 6.2 hectares in the gateway of the Entertainment City. It is composed of hotel, retail and dining areas with an allotment of around 380 mass and VIP gaming tables, 2,260 slot machines and 1,130 electronic gaming tables. As of January 31, 2024, City of Dreams Manila boasts of 259 gaming tables, 1,933 slot machines and 346 electronic gaming tables in operation. With approximately 22,507 square meters of gaming gross floor area and around 20,000 square meters of retail and restaurant facilities and various entertainment options, City of Dreams Manila is one of the main players in the Philippine gaming industry. Total gross floor area of the entire complex is at 310,565 square meters.

The City of Dreams Manila features top hotel brands with approximately 939 hotel rooms. Nuwa has 254 luxurious rooms, while Hyatt, managed by Hyatt International Corporation, holds 364 rooms. Asia's first Nobu Hotel, meanwhile, owns 321 rooms.

City of Dreams Manila also showcases world-class entertainment areas, including DreamPlay by DreamWorks, a one-of-a-kind entertainment for the whole family, and Centerplay, the central lounge in the casino that features live performances.

Melco Resorts & Entertainment Limited ("Melco") is a developer, owner and operator of casino gaming and entertainment casino resort facilities in Asia.

In Macau, it operates its superbly designed and managed facilities through its subsidiary Melco Resorts (Macau) Limited, one of the only six companies granted concessions or subconcessions to operate casinos in Macau. In Manila, the City of Dreams Manila opened its doors to the public in December 2014 and marked the formal entry of Melco into the fast-growing and dynamic tourism industry in the Philippines. The integrated casino resort at Entertainment City, Manila Bay, Manila, is operated and managed by its Philippine subsidiary, MRP.

2. Controlling Interest in Pacific Online Systems Corporation ("POSC")

Pacific Online Systems Corporation, with PSE ticker symbol LOTO, was incorporated in 1993. A systems integrator of gaming solutions, it is primarily engaged in the development, design and management of online computer systems, terminals and software for the gaming industry, with the Philippine Charity Sweepstakes Office (PCSO) as its main customer.

On July 22, 2014, PLC executed several Deeds of Sales of Shares with Belle and certain of its subsidiaries for the acquisition of 101,668,953 POSC common shares at a subscription price of ₱15 per share equivalent to 34.5% ownership interest in POSC for a total consideration of ₱1,525,034,310. On August 5, 2015, PLC acquired additional 47,851,315 shares of Pacific Online Systems Corp., thereby obtaining an overall ownership of 50.1% of POSC. The purchase resulted in combining PLC's and POSC's financial statements on a line-by-line basis. Based on Management's judgment, PLC's investment gives PLC controlling interest over POSC as evidenced by more than 50% voting interest.

As of December 31, 2024, PLC has 50.1% ownership in POSC issued shares, with a total of 448,560,806 shares.

3. Acquisition of Falcon Resources, Inc.

On June 16, 2014, Total Gaming Technologies Inc., a subsidiary of Pacific Online, and the shareholders of Falcon Resources Inc. (FRI) entered into a Memorandum of Understanding (MOU) for the former's intention to acquire the latter's interest in FRI representing 100% ownership. As at December 11, 2014, the Deed of Sale for the transfer of shares of stock has been executed. FRI is a company engaged in consultancy services for TGTI and a sub-distributor for POSC. FRI is a company incorporated in the Philippines.

4. Acquisition of Futurelab Interactive Corp. (FIC)

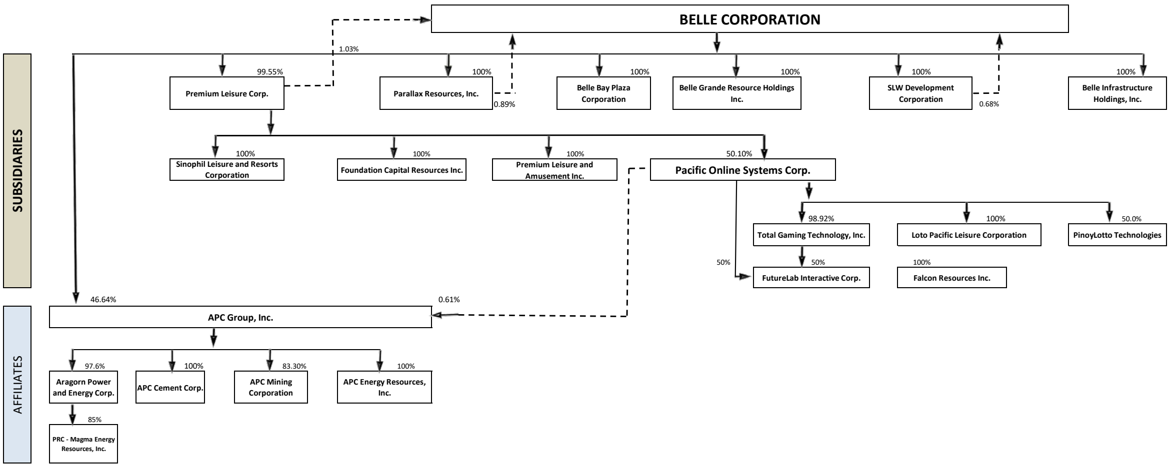
FIC was incorporated on April 4, 2016 primarily to acquire, establish, own, hold, lease, except financial leasing, sell, conduct, operate and manage amusement, recreational, and gaming equipment facilities, and enterprises of any kind and nature, as well as places for exhibitions, recreation, gaming, amusement and leisure for the general public, and to acquire, hold and operate any and all privileges, rights, franchises and concessions.

5. PinoyLotto Technologies Corp. (PinoyLotto) Joint Venture

On September 7, 2021, PinoyLotto, a joint venture corporation owned by POSC, Philippine Gaming Management Corp. (PGMC) and International Lottery & Totalizator Systems, Inc. (ILTS), was incorporated with the SEC. PinoyLotto was awarded the five years lease of the customized PCSO Lottery System, also known as '2021 PLS Project'. Pinoylotto successfully launched the PLS on October 1, 2023.

The Group's interest in PinoyLotto was classified as a joint operation. PinoyLotto is 50% owned by POSC but controlled jointly with the other owner. PinoyLotto has been classified as a joint operation because the parties have equal number of board representatives and because relevant activities that significantly affect the return on the investment requires approval of representatives from both partners.

Belle Corporation
Conglomerate Map
As of December 31, 2024



Bankruptcy, Receivership or Similar Proceedings

None for any of the companies above.

Revenues

The following are the major revenue and income items in 2024 and 2023:

	2024		2023	
Year ended December 31 (Php)	**Amount**	**% to total**	**Amount**	**% to total**
Gaming revenue share	2,290,602,702	81%	2,339,334,874	80%
Equipment rental	527,482,143	19%	599,221,040	20%
Commission income	-	0%	2,332,616	0%
Total	**2,818,084,845**	100%	**2,940,888,530**	100%

There were no revenues or net income contributed by foreign sales in the last three years.

Products

PLC's investments in companies engaged in gaming and gaming-related activities are indicated below. In the Philippines, the gaming industry is relatively untapped by the private sector, creating opportunities for experienced leisure operators. PLC's gaming businesses are undertaken mainly by the following:

1. PLAI is a grantee by PAGCOR of Certificate of Affiliations and Provisional License to operate integrated resorts, including casinos, in the vicinity of PAGCOR Entertainment City. The License runs concurrent with PAGCOR's Congressional Franchise, which expires in 2033, renewable for another 25 years, by the Philippine Congress.

2. POSC has an Equipment Lease Agreements (ELA) with the Philippine Charity Sweepstakes Office (PCSO) for the lease of lotto terminals. Since July 31, 2019, this ELA has been extended for PCSO to complete the bidding process for the Philippine Lottery System (PLS) under Republic Act No. 9184, as amended, until a new lottery system is fully realized and to ensure unhampered and uninterrupted operations of the online lottery and to avoid the loss of funds to PCSO. In 2023, the ELA was extended until September 30, 2023. The ELA was terminated on September 30, 2023.

   POSC had over 3,700 lottery terminals installed nationwide. All online lottery terminals located in PCSO authorized retail outlets are continuously connected to the PCSO's central computer system that enables real time recording and monitoring of lottery sales and validation of winning tickets.

   Aside from the number of lottery terminals deployed, total PCSO online lottery sales depend highly on the average sales generated by the various online lottery games launched. The table below shows the minimum jackpot amounts and the draw frequencies of the different lotto games supported by POSC.

Lotto Game	Minimum Jackpot (Php)	Draw Frequency
6/42 Lotto	6,000,000.00	3x/week – Monday, Wednesday and Saturday
6/45 Mega Lotto	9,000,000.00	3x/week – Monday, Wednesday and Friday
6/49 Super Lotto	16,000,000.00	3x/week – Tuesday, Thursday and Sunday
6/55 Grand Lotto	30,000,000.00	3x/week – Monday, Wednesday and Saturday
6/58 Ultra Lotto	50,000,000.00	3x/week – Tuesday, Friday and Sunday
6D Lotto	150,000.00	3x/week – Tuesday, Thursday and Sunday
4D Lotto	10,000.00	3x/week – Monday, Wednesday and Friday
3D Lotto	4,500.00	Thrice daily
2D Lotto	4,000.00	Thrice daily

3. On September 2, 2021, PCSO awarded the Pinoylotto Technologies Corp. the 2021 PLS Project, with a total contract price of P5.80 billion. This project involves a five-year fixed lease for a customized lottery system designed to operate nationwide. PinoyLotto initiated its commercial operations on October 1, 2023, and installed 6,500 terminals across the country.

Distribution Methods of the Products or Services

As PLC's gaming business is conducted through its subsidiary, the holding company oversees the distribution methods as outlined below:

1. PLAI is a co-licensee in City of Dreams Manila, the integrated resort and casino project within the PAGCOR Entertainment City, and has a share in the revenues of this project. City of Dreams Manila is built in partnership with MCE Leisure, a wholly owned indirect subsidiary of Melco Resorts and Entertainment (Philippines) Corporation.

2. POSC leases lottery equipment to PCSO and ensures the installation of terminals in PCSO authorized retail outlets nationwide. The company maintains continuous connection to PCSO's central computer system for real-time recording and monitoring of lottery sales.

3. Pinoylotto provides lottery terminals across the country as part of the customized lottery system. The company also supports the maintenance of hardware and software to avoid any interruptions in lottery operations.

Status of Publicly-Announced New Product or Service

After the 14-month period specified in the terms of reference, Pinoylotto Technologies Corp. successfully initiated its commercial operations on October 1, 2023, following the award of the 2021 PLS Project by the PCSO valued at P5.80 billion. This project entails a five-year fixed lease for a tailor-made lottery system designed to operate nationwide. PinoyLotto installed 6,500 terminals across the country to kickstart its operations.

Customers and Market Profile

POSC, a subsidiary in which PLC holds a 50.10% stake based on issued shares, serves PCSO as its primary customer. It maintains an ELA with PCSO, effective until September 30, 2023. POSC sources technology from leading global suppliers of integrated gaming systems and leases the necessary equipment to PCSO for online lottery operations in the Visayas-Mindanao (VisMin) regions.

Starting October 1, 2023, Pinoylotto, a joint venture in which POSC holds a 50% ownership, began its five-year fixed lease operation with PCSO, providing software support and online lottery equipment service. With 6,500 terminals now operational nationwide, Pinoylotto has achieved an average monthly net sales figure of P3.6 billion.

Other than what is mentioned above, the Company's business is not dependent upon a single customer or a few customers, and the loss of any or more of which would not have a material adverse effect on the registrant and its subsidiaries taken as a whole.

Sources and Availability of Raw Materials and Names of Principal Supplier

Not Applicable.

Competition

Gaming business: City of Dreams Manila is competing against casinos operated by PAGCOR and the other licensees that are already operating – Resorts World Manila of Travelers International Hotel Group, Inc. (“Travelers”), Solaire Resort and Casino of Bloomberry Resorts Corporation, and Okada Manila. Travelers has also broken ground on its planned Resorts World Westside project in PAGCOR City, which is expected to open in first quarter of 2025.

Lottery equipment leasing, distribution and retail business: POSC expects the aggressive push for Small Town Lottery (STL) and the prevalence of illegal gambling particularly in interior towns and remote areas to continue to provide competition to its online lotto revenues. This mostly affects the VisMin region due to the popularity of the digit games, which are very similar to STL games. With the removal of the legal impediment for the Company to provide lotto equipment in Luzon, the Company was able to expand its operations in Luzon, where the additional revenues offset the lost sales in VisMin due to STL.

Employees

The Company is a holding company whose business is not manpower intensive; hence, its transactions are extremely manageable through temporary secondment of personnel from its affiliates on an as-needed basis. This arrangement is also resorted to in keeping with austerity measures adopted due to present economic conditions. These personnel seconded to the Company are not subject to Collective Bargaining Agreements.

Risks

Economic and Political Conditions

The Company's business is mainly the acquisition of investments in gaming, which are generally influenced by Philippine political and economic conditions. Events and conditions that may have a negative impact on the Philippine economy as a whole may also adversely affect the Company's ability to acquire various investments.

Changes in the government and PCSO administration may result to changes in policies and the way that such policies are implemented, which may be favorable or unfavorable to the Company.

In order to mitigate the risk above, Management keeps abreast of any potential condition that may adversely affect its operations, and, with the leadership of the Company's board of directors, considers available options and applicable steps to take to minimize risks.

Changes to the Philippine Laws and Regulations

Although laws and regulations are enacted for the common benefit, changes to these laws and regulations may create negative effects to the operating and financial condition of PLC, including its subsidiaries and affiliates. New legislation rules regarding taxes on lottery products have an impact on sales as well.

In order to mitigate the risks mentioned above, the Corporation continues to exercise fiscal prudence and adopt what it considers conservative financial and operational controls.

Competition Risk

As the Entertainment City grows and accommodates more players, the increase in competition also poses a risk to the Company especially as it obtains gaming share revenue, through PLAI, from City of Dreams Manila, whose operations may be affected by the increase of players in the market. Aside from the Entertainment City, new developments are also expected in other parts of Metro Manila as well as in other cities like Cebu.

In spite of the increase in competition, the increase in number of players in the gaming industry is expected to improve the Philippines' ability to attract more foreign players to the Entertainment City, making the gaming industry in the country more robust. The Company monitors COD Manila's performance and the performance of its competitors. The Company also endeavors to always be up-to-date on market trends.

POSC, on the other hand, expects that the aggressive push for small town lottery (STL) and the prevalence of illegal gambling particularly in interior towns and remote areas to continue to provide competition to its online lotto revenues. This mostly affects the Visayas-Mindanao (VisMin) region due to the popularity in that area of the digit games, which are very similar to the STL games. With the removal of the legal impediment for the Company to provide lotto equipment in Luzon, the Company expects to expand its operations in Luzon, where the additional revenues can offset the lost sales in VisMin due to STL.

Risk relating to the Corporation and its subsidiaries

a. Dependence on Suppliers
   POSC's lottery operations is anchored on a two-system network. The Corporation has existing contracts, each distinct and entered into separately, with two global leaders in the lottery industry, namely Scientific Games Corporation and Intralot, for the supply of computer supported lottery gaming systems. In the event that the contracts, whether collectively or individually, are terminated

or suspended, operations and business of the Corporation may be impaired.

b. Business Interruption Risk
The operations of the Company and its subsidiaries are dependent on the reliability of its central computer system and the communications infrastructure needed to run it. Any breakdown or failure in the system provided by its suppliers, or failure in the communication infrastructure may negatively affect the Company's financial performance. The communications infrastructure is being provided mainly by the two biggest telco providers in the country, namely: PLDT/Smart and Globe. The Company also contracted VSAT to provide connectivity to sites where Smart and Globe are not available.

Data Privacy

PLC may be at risk for breach of data privacy as detailed information is gathered from customers and prospective buyers, suppliers, contractors and other business partners. This risk is mitigated through company-wide orientation on the Data Privacy Act, the topics of which include legal bases and implementing rules and regulations, rights of the individuals owning the information, exercising breach reporting procedures and other advisories.

Information Technology

With the current business environment, Information Technology risks are ever increasing. These cover unauthorized access to confidential data, loss or release of critical information, corruption of data, regulatory violations, and possible increase in costs and inefficiencies.

In order to address these risks, PLC, thru Belle and IT contractors, has a co-location arrangement with redundant capability and automatic fail-over set-up for disaster recovery. It also continues to implement enterprise security solutions to manage external and internal threats. Annual review of technology roadmap to ensure the alignment between the business and information technology is performed.

The Company communicates constantly with its partners and stakeholders for updates through further news releases and/or our company website, www.premiumleisurecorp.com.

The Company has an Enterprise Risk Management Committee (ERMC) which is an oversight committee created to act as the monitoring body for the individual risk management activities of the Company. The ERMC has the responsibility of developing a formal framework to assist the Company in managing its risks and is mandated to report regularly to the Risk Oversight Committee on any risk concerns.

Transactions with and/or Dependence on Related Parties

Please refer to Item 12 of this report ("Certain Relationships and Related Transactions").

Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreement or labor contracts including duration

PAGCOR license

PLC, through its subsidiary, PLAI, holds a License granted to it by PAGCOR to operate integrated resorts, including casinos, within PAGCOR Entertainment City. The license is concurrent with the PAGCOR congressional franchise and is set to expire in 2033, renewable for another twenty-five (25) years by the Philippine Congress.

Agreements with PCSO

POSC has an ELA with the PCSO for the lease of lotto terminals, which includes central computer, communications equipment, and the right to use the application software and manuals for the central computer system and draw equipment of PCSO. This also includes the supply of betting slips and ticket paper rolls.

PCSO is the principal government agency for raising and providing funds for health programs, medical assistance and services, and charities of national character through holding and conducting charity sweepstakes, races, and lotteries.

Pursuant to the amended ELA, POSC was required to deposit cash bond to guarantee the unhampered use and operation of the lottery system, including equipment, servers, network communication and terminals. The cash bond under the ELA, included under “Other current assets” account in the separate in statements of financial position as of December 31, 2023, amounting- to P12.0 million was refunded in 2024.

Since July 31, 2019, the ELA has been extended for PCSO to complete the bidding process for the Philippine Lottery System (PLS) under Republic Act No. 9184, as amended. This extension aimed to ensure the continuous operation of the online lottery and prevent revenue losses for PCSO. In 2022, the ELA was extended until December 31, 2022, and further continued on a month-to-month basis until September 30, 2023.

POSC leased online lotto equipment and accessories to PCSO until September 30, 2023. Rental income amounted to PhP9.6 million in 2024 and PhP469.8 million in 2023.Rental income amounted to PhP9.6 million in 2024 and PhP469.8 million in 2023. The 2023 rental income was based on a percentage of gross lotto ticket sales from PCSO’s Luzon, Visayas, and Mindanao operations, while the 2024 income primarily stemmed from ongoing ticket validation costs.

On October 1, 2023, PinoyLotto commenced commercial operations under a five-year lease agreement for the customized PCSO Lottery System, valued at PhP5,800.0 million. As part of the contract, 6,500 terminals were installed and are now operational nationwide. Rental income from this lease amounted to PhP517.9 million in 2024 and PhP129.5 million in 2023.

Brand and Trademark Agreement with Powerball Gaming and Entertainment Corporation (PMLC)

In January 2018, POSC entered into a Brand and Trademark License Agreement (BTLA) with PMLC granting the latter a non-assignable, non-transferable and exclusive right to use POSC’s instant scratch tickets’ brand and trademarks. The agreement has an initial term of five (5) years effective on January 1, 2018, subject to adjustment to conform to and coincide with term of the PMLC’s agreement with PCSO for the supply and distribution of its instant scratch tickets. In consideration of the BTLA, PMLC agreed to pay POSC a guaranteed fixed monthly fee of P4.0 million starting January 2018. The agreement with PMLC was accounted for as sale of right to use the brand and trademark. POSC already transferred the control over the brand and trademark to PMLC on January 1, 2018 and there were no other performance obligation to be provided to PMLC.

POSC’s Consultancy Agreements, Scientific Games, Intralot, Management Agreement

a. Scientific Games

As at December 31, 2022 and 2021, POSC has a contract with Scientific Games, a company incorporated under the laws of the Republic of Ireland, for the supply of Visayas-Mindanao Online Lottery System. In consideration, POSC shall pay Scientific Games a pre-agreed percentage of the revenue generated by the terminals from PCSO’s conduct of online lottery operation using the computer hardware and operating system provided by Scientific Games. The contract shall continue as long as the POSC’s ELA with PCSO is in effect.

In 2021, the contract with Scientific Games was extended until July 31, 2022.

In 2022, the contract with Scientific Games was extended until December 31, 2022.

In 2023, the contract with Scientific Games was extended until September 30, 2023 and was no longer renewed.

b. Intralot

As at December 31, 2022 and 2021, POSC and TGTI have contracts with Intralot Inc., a company subsidiary domiciled in Atlanta, Georgia, for the supply of hardware, operating system software and terminals and the required training required to operate the system. In consideration, POSC and TGTI shall pay Intralot a pre-agreed percentage of the revenue generated by the terminals from PCSO's conduct of online lottery operations. The Contract shall continue as long as POSC's and TGTI's ELA with PCSO are in effect.

In 2021, the contract with POSC was extended until July 31, 2022 while the contract with TGTI was extended until March 31, 2022.

In 2022, the contract with POSC was extended until December 31, 2022 while the contract with TGTI was no longer renewed.

In 2023, the contract with POSC was extended until September 30, 2023 and was no longer renewed.

c. Management Agreement

POSC and TGTI entered into Management Agreements with AB Gaming and Leisure Exponent Specialist, Inc. ("Manager") for the latter to provide investment and management counsel and to act as manager and overseer of its operations. In consideration of the Manager's services, POSC shall pay a monthly fee and an amount equivalent to a certain percentage of the annual earnings before interest, taxes, depreciation, and amortization (EBITDA). The agreements were terminated in 2021.

Government Approvals/Regulations

As part of its normal course of business, the Company secures government approvals such as business permits and all necessary permits related to this, including barangay clearance, fire and sanitation, etc.

The Company is also subject to the regulations of PAGCOR for its Gaming License as well as PCSO for its equipment lease agreements.

POSC, on the other hand, does not need any government approval for its principal products and services because its business is in the development, design and management of online computer systems, terminals and software for the PCSO, and not in the operation itself of the lottery business.

POSC has also been fully compliant with environmental regulations and ordinances issued by the concerned local government units (LGUs) and by the Department of Natural Resources (DENR) in so far as disposal of used computer hardware, office equipment and other bulky operating supplies are concerned, pursuant to the Republic Act 9003: Ecological Solid Waste Management Act of 2000.

Effect of existing or probable governmental regulations on the business.

PLC has complied with all the government requirements necessary for its operations. Future government regulations are perceived to have no material impact to the normal operations of the Company.

Amount Spent on Research and Development Activities and Compliance with Environmental Laws

None.

Costs and Effects of Compliance w/ Environmental Laws

None.

Item 2. Properties

The real estate property of the company is booked as noncurrent asset investment properties. This pertains to an undeveloped land in the City of Tanauan, Province of Batangas, amounting to Php285.5 million. There is no lease income from these properties, and they are not subject to mortgage, lien and encumbrances.

The Company has real estate property recorded Right-of-use (ROU) assets. In November 2023, Sinophil Leisure and Resorts Corporation, PLC's subsidiary entered into a sublease agreement with Global Gateway Development Corporation for the lease of land. The lease term is 61 years. Rent was paid upon execution of the sublease agreement amounting to P2.7 billion.

As for POSC's online lottery operations, previously these are conducted mainly in Cebu, where its central system data center and logistics center are located. It also has set up 8 logistics hubs in 8 major Visayas and Mindanao cities to ensure efficient service delivery to the PCSO lottery agents. The Company Head Office is located in Pasig City.

POSC has no real properties owned and there are no plans to acquire them in the next twelve (12) months. POSC leases all of its data center, logistics centers and hubs, and business offices. These properties are not mortgaged nor are there any liens and encumbrances that limit ownership or usage of the same.

As of October 1, 2023, Pinoylotto has started its commercial operation. It has acquired assets for data centers and terminals, as well as network components. Additionally, the company has leased warehouse properties in Luzon, Visayas, and Mindanao. These include a command center and call center with physical security and monitoring systems. These properties are not mortgaged nor are there any liens and encumbrances that limit ownership or usage of the same.

Moreover, based on the current operations, PLC has no plans to acquire any property in the next twelve (12) months.

Item 3. Legal Proceedings

To the best of the Company's knowledge, neither the Company nor any of its subsidiaries or affiliates is a party to, nor are they involved in, any litigation that will materially affect its interests.

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

There were no matters submitted to a vote of security holders during the calendar year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

Market Information

As of July 9, 2024, PLC is officially delisted from the Philippine Stock Exchange (PSE). The principal market where the registrant's common equity is traded is the PSE. The high and low closing sales prices for each quarter within the last two fiscal years of the registrant's common shares, as quoted on the PSE, are as follows:

Security Holders

The number of shareholders of record as of **December 31, 2024** was **527**. Common shares outstanding as of **December 31, 2024** are **31,216,931,000**.

PREMIUM LEISURE CORP.
LIST OF TOP 20 STOCKHOLDERS AS OF 31 DECEMBER 2024

	STOCKHOLDER'S NAME	OUTSTANDING & ISSUED SHARES	PERCENTAGE TO TOTAL
1	BELLE CORPORATION	31,077,096,570	98.260
2	SCB OBO EVB SEC INVST SVC (HK) LTD-C AC ACCT 000256900001	43,750,000	0.138
3	PCD NOMINEE CORP. (FILIPINO)	23,631,402	0.075
4	PARKORAM DEVELOPMENT LIMITED	14,264,119	0.045
5	GOLDSTAR SEC., INC.	9,520,000	0.030
6	MARY ANN VISTAN DALISAY	3,280,000	0.010
7	WILLY NG OCIER	3,042,001	0.010
8	LIM CHUN SHUANG	3,000,000	0.009
9	PCD NOMINEE CORPORATION (NON-FILIPINO)	1,895,000	0.006
10	ALEXANDER AUSTRIA &/OR DOMINICA AUSTRIA	1,520,000	0.005
11	AUGUSTO LITONJUA &/OR LUIS SALVADOR	1,520,000	0.005
12	CAI CHANG CHU	1,400,000	0.004
13	VIRGINIA A. YAP	1,340,000	0.004
14	LEONCIO TAN TIU	1,300,000	0.004
15	CBNA MLA OBO AC 7569190001	1,100,000	0.003
16	ELIZABETH CHENG	1,100,000	0.003
17	VIVIAN THOMAS MONTET	725,000	0.002
18	MARVIN PETALCORIN MAR	700,000	0.002
19	ALEXANDER A. PADILLA	700,000	0.002
20	HILARION J. JR. RAMIRO	660,000	0.002

Dividend Policy

The Board adopted, as a matter of policy, that the Company shall declare dividends of at least 80% of the prior year's unrestricted retained earnings, taking into consideration the availability of cash, restrictions that may be imposed by current and prospective financial covenants, projected levels of cash, operating results of its businesses/subsidiaries, working capital needs and long term capital expenditures of its businesses/subsidiaries, and regulatory requirements on dividend payments, among others.

Dividends are usually paid to all shareholders on record within thirty (30) days from date of declaration.

Dividend Payments

In accordance with the policy on Dividends, the Company has paid dividends to shareholders within thirty (30) days from date of declaration. Below table shows dividends declared and paid since year 2016:

YEAR	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Declaration Date	02/28/2023	04/28/2022	04/14/2021	02/21/2020	02/22/2019	02/23/2018	02/23/2017	02/23/2016
Amount per share	₱0.05024	₱0.05024	₱0.04075	₱0.05024	₱0.05024	₱0.04391	₱0.0281	₱0.0215
Total Dividends	₱1,588.8 M	₱1,588.8 M	₱1,272.1 M	₱1,588.8 M	₱1,588.8 M	₱1,388.8 M	₱888.0 M	₱680.0 M
Record Date	03/15/2023	05/16/2022	04/28/2021	03/06/2020	03/08/2019	03/09/2018	03/10/2017	03/10/2016
Payment Date by	03/28/2023	05/26/2022	05/12/2021	03/20/2020	03/22/2019	03/23/2018	03/23/2017	03/23/2016

Further, the Company's Board approved on October 26, 2024 the declaration of cash dividends of ₱0.08853 per share or a total cash dividend payment to its common shareholders of approximately ₱2,800.0 million, payable on November 11, 2024 to shareholders of record as of November 5, 2024.

There is no legal restriction that limits or would likely limit the Company's ability to pay dividends, aside from its retained earnings available for such.

Recent Sales of Unregistered Securities

The Company did not sell or issue securities within the past three (3) years that were not registered under the Securities Regulation Code.

Item 6. Management's Discussion and Analysis of Operating Performance and Financial Condition

Analysis of Results of Operations and Financial Condition – 2024 compared to 2023

Consolidated Income Statement

(Amounts in Peso except percentages)	Years Ended December 31		Horizontal Analysis		Vertical Analysis	
	2024	2023	Increase (Decrease)		2024	2023
REVENUE			Amount	%	%	%
Gaming revenue share	**2,290,602,702**	2,339,334,874	(48,732,172)	-2%	81%	80%
Equipment rental	**527,482,143**	599,221,040	(71,738,897)	-12%	19%	20%
Commission and distribution income	**-**	2,332,616	(2,332,616)	100%	0%	0%
	2,818,084,845	2,940,888,530	(122,803,685)	-4%	100%	100%
COST AND EXPENSES						
Cost of services	**601,245,384**	528,440,721	72,804,663	14%	21%	18%
General and administrative expenses	**351,614,098**	450,399,236	(98,785,138)	-22%	12%	15%
	952,859,482	978,839,957	(25,980,475)	-3%	34%	33%
OTHER INCOME (EXPENSES)						
Interest income	**255,204,090**	254,011,944	1,192,146	0%	9%	9%
Finance cost	**(36,577,881)**	(17,903,207)	(18,674,674)	104%	-1%	-1%
Dividend income	**-**	5,999,263	(5,999,263)	100%	0%	0%
Others - net	**27,734,937**	253,561,788	(225,826,851)	-89%	1%	9%
	246,361,146	495,669,789	(249,308,642)	-50%	9%	17%
INCOME BEFORE INCOME TAX	**2,111,586,509**	2,457,718,362	(346,131,852)	-14%	75%	84%
PROVISION FOR (BENEFIT FROM) INCOME TAX						
Current	**32,548,226**	133,538,442	(100,990,216)	-76%	1%	5%
Deferred	**(1,766,480)**	261,016	(2,027,496)	-777%	0%	0%
	30,781,746	133,799,458	(103,017,712)	-77%	1%	5%
NET INCOME	**2,080,804,763**	2,323,918,904	(243,114,140)	-10%	74%	79%
Net Income Attributable to:						
Equity holders of the parent	**2,072,240,966**	2,185,274,122	(113,033,156)	-5%	74%	74%
Non-controlling interests	**8,563,797**	138,644,782	(130,080,985)	-94%	0%	5%
	2,080,804,763	2,323,918,904	(243,114,141)	-10%	74%	79%

PLC recognized Php2,818.1 million consolidated revenues for the year 2024, slightly down by Php122.8 million or 4% from the same period last year.

The reduction in Premium Leisure Corp.'s revenues was due to the decreased of PLAI gaming revenue share from Php2,339.3 million to Php2,290.6 million (2%), and Pacific Online Systems Corporation's (POSC) equipment lease rental and commission and distribution income decreased from Php601.5 million to Php527.5 million (13%) versus the revenues reported in 2023.

Costs and expenses decreased by Php26.0 million or 3% for the period from Php978.8 million to Php952.9 million driven by the decreased in revenues.

Other income decreased from Php495.7 million to Php246.4 million (50%) due to the gain on the disposal of its investment in BSAQ shares and warrants recorded in 2023.

The decreased in revenues and other income offset by the improvement on its costs and expenses resulted in PLC recognizing Php2,080.8 million net income in 2024, decreasing by 10% from its net income of Php2,323.9 million in 2023

Operating EBITDA (proxy for cash flow) for the year is at Php2,302.3 million increased by Php53.6 million (2%) from Php2,248.8 million in 2023.

Consolidated Income Statement

(Amounts in Peso except percentages)	Years Ended December 31		Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2024	2023
	2024	2023	Amount	%	%	%
NET INCOME	**2,080,804,763**	2,323,918,905	(243,114,142)	-10%	74%	79%
OTHER COMPREHENSIVE INCOME (LOSS)						
Items that will not be reclassified to profit or loss:						
Unrealized valuation gain (loss) on financial assets at FVOCI	**48,393,983**	153,203,945	(104,809,962)	-68%	2%	5%
Remeasurement gain (loss) on net retirement benefits - net of tax	**5,162,703**	(9,233,066)	14,395,769	-156%	0%	0%
	53,556,686	143,970,879	(90,414,193)	-63%	2%	5%
TOTAL COMPREHENSIVE INCOME (LOSS)	**2,134,361,449**	2,467,889,784	(333,528,335)	-14%	76%	84%
Total Comprehensive Income (Loss) Attributable to:						
Equity holders of the parent	**2,123,193,528**	2,333,860,610	(210,667,082)	-9%	75%	79%
Non-controlling interests	**11,167,921**	134,029,173	(122,861,252)	-92%	0%	5%
	2,134,361,449	2,467,889,783	(333,528,334)	-14%	76%	84%

PLC's other comprehensive income (loss) pertains to the unrealized gains (losses) arising from changes in market value of its financial assets at FVOCI and remeasurement of retirement benefits. PLC recognized net other comprehensive income amounting to Php53.6 million for 2024 as a result of higher share prices of its financial asset investments. As such, PLC recognized total comprehensive income amounting to Php2,134.4 million (of which, Php2,123.2 million is attributable to parent shareholders) in 2024.

Aside from what has been mentioned in the foregoing, there were no significant elements that arose from continuing operations, nor were there any seasonal events that had a material effect on the results of operations of PLC in 2024.

Consolidated Statements of Financial Position

(Amounts in Peso except percentages)	December 31		Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2024	2023
	2024	2023	Amount	%	%	%
ASSETS						
Current Assets						
Cash and cash equivalents	**1,744,650,647**	2,000,178,939	(255,528,292)	-13%	10%	11%
Investments held for trading	**42,744,518**	100,012,769	(57,268,251)	-57%	0%	1%
Notes receivable	**2,100,000,000**	2,100,000,000	-	0%	12%	11%
Receivables	**410,085,315**	486,283,555	(76,198,240)	-16%	2%	3%
Other current assets	**537,816,947**	306,687,874	231,129,073	75%	3%	2%
Total Current Assets	**4,835,297,427**	4,993,163,137	(157,865,710)	-3%	27%	27%
Noncurrent Assets						
Financial assets at fair value through OCI	**178,060,714**	129,666,731	48,393,983	37%	1%	1%
Property and equipment	**652,211,504**	706,342,434	(54,130,930)	-8%	4%	4%
Right of use assets	**2,611,361,416**	2,655,189,953	(43,828,537)	-2%	15%	14%
Investment properties	**285,510,452**	285,510,452	0	0%	2%	2%
Intangible asset	**7,998,764,583**	8,237,237,067	(238,472,484)	-3%	45%	45%
Goodwill	**926,007,748**	926,007,748	(0)	0%	5%	5%
Net deferred tax assets	**-**	3,248,780	(3,248,780)	100%	0%	0%
Other noncurrent assets	**250,306,379**	384,383,991	(134,077,612)	-35%	1%	2%
Total Noncurrent Assets	**12,902,222,796**	13,327,587,156	(425,364,360)	-3%	73%	73%
TOTAL ASSETS	**17,737,520,223**	18,320,750,293	(583,230,070)	-3%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade payables and other current liabilities	**688,666,278**	785,392,630	(96,726,352)	-12%	4%	4%
Loans payable - current portion	**138,980,392**	58,823,529	80,156,863	100%	1%	0%
Lease liabilities - current portion	**57,445**	294,303	(236,858)	-80%	0%	0%
Total Current Liabilities	**827,704,115**	844,510,462	(16,806,347)	-2%	5%	5%
Noncurrent Liabilities						
Loans payable - net of current portion	**277,960,784**	411,764,706	(133,803,922)	-32%	2%	2%
Lease liabilities - net of current portion	**-**	208,495	(208,495)	100%	0%	0%
Net retirement liability	**25,579,975**	16,014,299	9,565,676	60%	0%	0%
Net deferred tax liability	**4,882,801**	-	4,882,801	100%	0%	0%
Total Noncurrent Liabilities	**308,423,560**	427,987,500	(119,563,940)	-28%	3%	2%
Total Liabilities	**1,136,127,675**	1,272,497,962	(136,370,287)	-11%	6%	7%
Equity Attr to the Equity Holders of the Parent						
Capital stock	**7,906,827,500**	7,906,827,500	-	0%	45%	43%
Additional paid-in capital	**7,238,721,924**	7,238,721,924	-	0%	41%	40%
Treasury stocks	**(220,430,080)**	(220,430,080)	-	0%	-1%	-1%
Cost of parent company shares held by a subsidiary	**-**	(509,597,055)	509,597,055	-100%	0%	-3%
Other equity reserves	**(923,138,351)**	(785,086,348)	(138,052,003)	18%	-5%	-4%
Retained earnings	**2,265,651,784**	2,957,045,719	(691,393,935)	-23%	13%	16%
Total Equity Attr to Equity Holders of the Parent	**16,267,632,777**	16,587,481,660	(319,848,883)	-2%	91%	91%
Non-controlling Interests	**333,759,771**	460,770,671	(127,010,900)	-28%	2%	3%
Total Equity	**16,601,392,548**	17,048,252,331	(446,859,783)	-3%	94%	93%
TOTAL LIABILITIES AND EQUITY	**17,737,520,223**	18,320,750,293	(583,230,070)	-3%	100%	100%

As at December 31, 2024, PLC's total assets amounted to Php17,737.5 million lower by Php583.2 million (3%) compared to its total assets of Php18,320.8 million as at December 31, 2023. Key movements in balance sheet items are as follows:

Cash and cash equivalents

Cash and cash equivalents include cash in bank and short-term investments or cash equivalents of the Company.

Cash and cash equivalents decreased by 13% (Php255.5 million) to Php1,744.7 million in 2024 due to the declaration and payment of cash dividends amounting to approximately P2,800.0 million in the last quarter of 2024 and disbursements made offset by the revenues earned and collected during the period.

Investments held for trading

Investments held for trading decreased by Php57.3 million (57%) mainly due to the disposal of some of its investments and by mark-to-market loss on share price value of the investments of the Company.

Trade and other receivables

Trade and other receivables include trade receivables from PCSO for POSC's equipment rentals and receivables from Melco for City of Dreams Manila's gaming share revenue as well as other receivables. The Company recorded net decrease in trade and other receivables by Php76.2 million (16%).

Notes receivable

Notes receivable of the Company pertains to interest-bearing notes receivable from its parent company.

Other current assets

Other current assets are composed of creditable withholding taxes, guarantee deposits, Input VAT, spare parts and supplies, prepayments and advances to contractors. Other current assets increased by Php231.1 million (75%) to Php537.8 million mainly due to the reclassification of its advances to contractor from non-current to current asset.

Intangible Asset

The Company's intangible asset pertains to the Philippine Gaming and Amusement Corporation (PAGCOR) gaming license obtained by PLC through its subsidiary, PremiumLeisure and Amusement, Inc. (PLAI). The decrease in the intangible asset account is brought about by the amortization of the license.

Investment Property
This account pertains to investment property of the Company in Tanauan, Batangas.

Financial assets at fair value through OCI
This account pertains to the Company's investments in equity securities classified as financial assets at FVOCI. This pertains mostly to share in Belle Corporation and club shares. The net increase in this account is mainly due to mark-to-market gains on share price value of the investments of the Company.

Property and equipment

Property and equipment (PPE) of the Company pertains to online lottery equipment, leasehold improvements, office and transportation equipment. The decrease of Php54.1 million (8%) is due to the depreciation recognized during the period.

Right of Use Assets

Right of Use Asset of the Company includes the land leased amortized over 61 years. The decrease of Php43.8 million (2%) is due to the amortization recognized during the period.

Goodwill

Goodwill pertains mostly to the goodwill recognized upon acquisition of controlling interest in POSC through the pooling of interest method in 2015.

Other noncurrent assets

Other noncurrent assets pertain mostly to noncurrent creditable withholding taxes and others. The decrease of Php134.1 million (35%) from Php384.4 million to Php250.3 million was due to the reclassification of its advances to contractor from non-current to current asset.

Total Liabilities
Total liabilities decreased by Php136.4 million or 11% as at December 31, 2024 from total liabilities of Php1,272.5 million as at December 31, 2023. The decrease is mainly due to the payment of loans payable and reversal of its general provisions made during the year.

Equity
Stockholders' equity decreased by Php583.2 million as of December 31, 2024 from Php18,320.8 million as of December 31, 2023 to Php17,737.5 million as of December 31, 2024. The decrease was due to the declaration and payment of dividends during the 4th quarter of the year offset by the net income recognized for the period.

Below are the comparative key performance indicators of the Company and its subsidiaries:

Ratio	Manner in which the financial rations are computed	Dec 31, 2024	Dec 31, 2023
Current ratio	Current assets divided by current liabilities	5.84	5.91
Quick ratio	(Current assets less invty - prepayments) / Current liabilities	5.19	5.55
Solvency ratio	Net income before non-cash expenses/ Total liabilities	2.23	2.15
Asset to equity	Total assets divided by total equity	1.07	1.07
Debt to equity	Interest bearing debt divided by total equity	2.51%	2.76%
Interest rate coverage	Earnings before interest, tax, depreciation and amortizaton divided by interest expense	51.75	124.09
Debt ratio	Total debt / total assets	0.02	0.03
Return on assets	Net income (loss) divided by average total assets during the period	11.54%	13.16%
Return on equity	Net income (loss) divided by average total equity during the period	12.37%	13.99%

The Company does not foresee any liquidity problems over the next twelve (12) months. The changes in the key performance indicators of the Company are discussed below:

a) Net income decreased by 10% in 2024, accounting for the decrease in return on assets and equityversus the same period in 2023.
b) The Company posted healthy current, quick and solvency ratios.
c) There is a 58% decrease in Interest rate coverage ratio due to increase in EBITDA and increase in finance charges in 2024.

As at December 31, 2024, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Events that will trigger direct or contingent financial obligations that is material to the Company, including any default or acceleration of an obligation;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company for the periods ended December 31, 2024 and December 31, 2023, except those mentioned in the preceding.

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

2025 PLAN OF OPERATIONS

The Company is proactively positioning itself to capitalize on opportunities within the dynamic gaming and entertainment industry. Through new business ventures and license application, PLC remains committed to driving growth through strategic and profitable investments, with a strong focus on maximizing shareholder value for our partners and investors.

Aligned with this strategic direction, the Company upholds prudent financial management practices to safeguard its strong financial position. Furthermore, PLC continues to collaborate with its parent company’s corporate social responsibility arm, Belle Kaagapay, to make meaningful contributions to the well-being and prosperity of our host communities, enriching lives and fostering sustainable development.

Analysis of Results of Operations and Financial Condition – 2023 compared to 2022

Consolidated Income Statement

(Amounts in Peso except percentages)	Years Ended December 31		Horizontal Analysis		Vertical Analysis	
	2023	2022	Increase (Decrease)		2023	2022
REVENUE			Amount	%	%	%
Gaming revenue share	**2,339,334,874**	1,560,845,412	778,489,462	50%	80%	75%
Equipment rental	**599,221,040**	519,051,226	80,169,814	15%	20%	25%
Commission and distribution income	**2,332,616**	-	2,332,616	100%	0%	0%
	2,940,888,530	2,079,896,638	858,659,276	41%	100%	100%
COST AND EXPENSES						
Cost of services	**528,440,721**	503,646,918	24,793,803	5%	18%	24%
General and administrative expenses	**450,399,236**	438,961,707	11,437,529	3%	15%	21%
	978,839,957	942,608,625	36,231,332	4%	33%	45%
OTHER INCOME (EXPENSES)						
Interest income	**254,011,944**	147,434,493	106,577,451	72%	9%	7%
Finance cost	**(17,903,207)**	(220,505)	(17,682,702)	8019%	-1%	0%
Dividend income	**5,999,263**	-	5,999,263	100%	0%	0%
Others - net	**253,561,788**	6,529,873	247,031,915	3783%	9%	0%
	495,669,789	153,743,861	341,925,927	222%	17%	7%
INCOME BEFORE INCOME TAX	**2,457,718,362**	1,291,031,874	1,164,353,871	90%	84%	62%
PROVISION FOR (BENEFIT FROM) INCOME TAX						
Current	**133,538,442**	14,627,225	118,911,217	813%	5%	1%
Deferred	**261,016**	20,457,201	(20,196,185)	-99%	0%	1%
	133,799,458	35,084,426	98,715,032	281%	5%	2%
NET INCOME	**2,323,918,904**	1,255,947,448	1,065,638,839	85%	79%	60%
Net Income Attributable to:						
Equity holders of the parent	**2,185,274,122**	1,159,554,790	1,025,719,332	88%	74%	56%
Non-controlling interests	**138,644,782**	96,392,658	42,252,124	44%	5%	5%
	2,323,918,904	1,255,947,448	1,067,971,456	85%	79%	60%

PLC recognized Php2,940.9 million consolidated revenues for the year 2023, up by Php858.7 million or 41% from the same period last year.

The improvement in Premium Leisure Corp.'s revenues is mainly brought about by the more robust economic activities in 2023 due to the improvement in the COVID-19 situation in the country. Because of this, PLAI gaming revenue share has increased from Php1,560.8 million to Php2,339.3 million (50%), and Pacific Online Systems Corporation's (POSC) equipment lease rental income increased from Php519.1 million to Php599.2 million (15%) versus the revenues reported in 2022.

Costs and expenses increased by Php36.2 million or 4% for the period from Php942.7 million to Php978.8 million driven by the increased in revenues.

Other income increased from Php154.0 million to Php513.6 million (336%) due to higher interest rates charged to its Notes receivable and gain on the disposal of its investment in BSAQ shares and warrants.

The combination of better revenues to and a tighter control over costs resulted in PLC recognizing Php2,324.0 million net income for 2023, increasing by 85% from its net income of Php1,256.0 million in 2022.

Operating EBITDA (proxy for cash flow) for the year is at Php2,248.1 million increased by Php838.5 million (59%) from Php Php1,409.5 million in 2022.

Consolidated Income Statement

(Amounts in Peso except percentages)	Years Ended December 31		Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2023	2022
	2023	2022	Amount	%	%	%
NET INCOME	**2,323,918,904**	1,255,947,448	1,067,971,456	85%	79%	60%
OTHER COMPREHENSIVE INCOME (LOSS)						
Items that will not be reclassified to profit or loss:						
Unrealized valuation gain (loss) on financial assets at FVOCI	**153,203,945**	54,225,946	98,977,999	183%	5%	3%
Remeasurement gain (loss) on net retirement benefits - net of tax	**(9,233,066)**	8,655,955	(17,889,021)	-207%	0%	0%
	143,970,879	62,881,901	81,088,978	129%	5%	3%
TOTAL COMPREHENSIVE INCOME (LOSS)	**2,467,889,783**	1,318,829,349	1,149,060,434	87%	84%	63%
Total Comprehensive Income (Loss) Attributable to:						
Equity holders of the parent	**2,333,860,610**	1,220,228,226	1,113,632,384	91%	79%	59%
Non-controlling interests	**134,029,173**	98,601,123	35,428,050	36%	5%	5%
	2,467,889,783	1,318,829,349	1,149,060,434	87%	84%	63%

PLC's other comprehensive income (loss) pertains to the unrealized gains (losses) arising from changes in market value of its financial assets at FVOCI and remeasurement of retirement benefits. PLC recognized net other comprehensive income amounting to Php144.0 million for 2023 as a result of higher share prices of its financial asset investments. As such, PLC recognized total comprehensive income amounting to Php2,467.9 million (of which, Php2,333.9 million is attributable to parent shareholders) in 2023.

Aside from what has been mentioned in the foregoing, there were no significant elements that arose from continuing operations, nor were there any seasonal events that had a material effect on the results of operations of PLC in 2023.

Consolidated Statements of Financial Position

(Amounts in Peso except percentages)	December 31		Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2023	2022
	2023	2022	Amount	%	%	%
ASSETS						
Current Assets						
Cash and cash equivalents	**2,000,178,939**	1,778,570,078	221,608,861	12%	11%	10%
Investments held for trading	**100,012,769**	72,682,452	27,330,317	38%	1%	0%
Notes receivable	**2,100,000,000**	3,705,925,000	(1,605,925,000)	-43%	11%	22%
Receivables	**486,283,555**	212,568,231	273,715,324	129%	3%	1%
Other current assets	**306,687,874**	217,582,191	89,105,683	41%	2%	1%
Total Current Assets	**4,993,163,137**	5,987,327,952	(994,164,815)	-17%	27%	35%
Noncurrent Assets						
Financial assets at fair value through OCI	**129,666,731**	686,731,218	(557,064,487)	-81%	1%	4%
Property and equipment	**706,342,435**	2,103,394	704,239,041	33481%	4%	0%
Right of use assets	**2,655,189,953**	1,815,399	2,653,374,554	146159%	14%	0%
Investment properties	**285,510,452**	285,510,452	(0)	0%	2%	2%
Intangible asset	**8,237,237,064**	8,475,709,551	(238,472,487)	-3%	45%	50%
Goodwill	**926,007,748**	926,007,748	0	0%	5%	5%
Net deferred tax assets	**3,248,780**	-	3,248,780	100%	0%	0%
Other noncurrent assets	**384,383,991**	620,699,824	(236,315,833)	-38%	2%	4%
Total Noncurrent Assets	**13,327,587,156**	10,998,577,586	2,329,009,570	21%	73%	65%
TOTAL ASSETS	**18,320,750,293**	16,985,905,538	1,334,844,755	8%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade payables and other current liabilities	**785,392,629**	728,696,132	56,696,497	8%	4%	4%
Loans payable - current portion	**58,823,529**	-	58,823,529	100%	0%	0%
Lease liabilities - current portion	**294,303**	1,891,442	(1,597,139)	-84%	0%	0%
Total Current Liabilities	**844,510,462**	730,587,574	113,922,888	16%	5%	4%
Noncurrent Liabilities						
Loans payable	**411,764,706**	67,500,000	344,264,706	100%	3%	0%
Lease liabilities - net of current portion	**208,495**					
Net retirement liability	**16,014,299**	17,903,002	(1,888,703)	-11%	0%	0%
Net deferred tax liability	**-**	531,152	(531,152)	100%	1%	0%
Total Noncurrent Liabilities	**427,987,500**	85,934,154	342,053,346	398%	3%	1%
Total Liabilities	**1,272,497,962**	816,521,728	455,976,234	56%	7%	5%
Equity Attr to the Equity Holders of the Parent						
Capital stock	**7,906,827,500**	7,906,827,500	(0)	0%	43%	47%
Additional paid-in capital	**7,238,721,924**	7,238,721,924	-	0%	40%	43%
Treasury stocks	**(220,430,080)**	(220,430,080)	(0)	0%	-1%	-1%
Cost of parent company shares held by a subsidiary	**(509,597,055)**	(509,597,055)	-	0%	-3%	-3%
Other equity reserves	**(785,086,348)**	(707,307,851)	(77,778,497)	11%	-4%	-4%
Retained earnings	**2,957,045,719**	2,094,797,559	862,248,160	41%	16%	12%
Total Equity Attr to Equity Holders of the Parent	**16,587,481,660**	15,803,011,997	784,469,663	5%	90%	93%
Non-controlling Interests	**460,770,671**	366,371,813	94,398,858	26%	3%	2%
Total Equity	**17,048,252,331**	16,169,383,810	878,868,521	5%	93%	95%
TOTAL LIABILITIES AND EQUITY	**18,320,750,293**	16,985,905,538	1,334,844,755	8%	100%	100%

As at December 31, 2023, PLC's total assets amounted to Php18,320.8 million higher by Php1,334.8 million (8%) compared to its total assets of Php16,985.9 million as at December 31, 2022. Key movements in balance sheet items are as follows:

Cash and cash equivalents

Cash and cash equivalents include cash in bank and short-term investments or cash equivalents of the Company.

Cash and cash equivalents increased by 12% (Php221.7 million) to Php2,000.2 million in 2023 mainly because of the higher revenues earned coupled with better collections during the year, offset by the declaration and payment of cash dividends amounting to approximately P1,588.8 million in the first quarter of 2023 and disbursements made during the period.

Investments held for trading

Investments held for trading increased by Php27.3 million (38%) mainly due to the mark-to-market gains on share price value of the investments of the Company.

Trade and other receivables

Trade and other receivables include trade receivables from PCSO for POSC's equipment rentals and receivables from Melco for City of Dreams Manila's gaming share revenue as well as other receivables. The Company recorded net increase in trade and other receivables by Php273.7 million (129%).

Notes receivable

Notes receivable of the Company pertains to interest-bearing notes receivable from its parent company.

Notes receivable decreased by Php1,605.9 million (43%) to Php2,100.0 million because of the collection made during the period.

Other current assets

Other current assets are composed of creditable withholding taxes, guarantee deposits, Input VAT, spare parts and supplies and prepayments. Other current assets increased by Php89.1 million (41%) to Php306.7 million due to additional cash bond as guarantee deposit as part of the agreement with PCSO.

Intangible Asset

The Company's intangible asset pertains to the Philippine Gaming and Amusement Corporation (PAGCOR) gaming license obtained by PLC through its subsidiary, PremiumLeisure and Amusement, Inc. (PLAI). The decrease in the intangible asset account is brought about by the amortization of the license.

Investment Property

This account pertains to investment property of the Company in Tanauan, Batangas.

Financial assets at fair value through OCI

This account pertains to the Company's investments in equity securities classified as financial assets at FVOCI. This pertains mostly to share in Belle Corporation and club shares. The net decrease in this account is due mainly to the sale of Black Spade Acquisition, Inc. shares and warrants during the year.

Property and equipment

Property and equipment (PPE) of the Company pertains to online lottery equipment, leasehold improvements, office and transportation equipment. The significant increase of Php704.2 million from Php2.1 million in 2022 to Php706.3 million in 2023 is mainly from capitalization of assets acquired by Pinoylotto.

Right of Use Assets

Right of Use Asset of the Company includes the land leased amortized over 62 years.

Goodwill

Goodwill pertains mostly to the goodwill recognized upon acquisition of controlling interest in POSC through the pooling of interest method in 2015.

Other noncurrent assets

Other noncurrent assets pertain mostly to noncurrent creditable withholding taxes, advances to contractors and others. The decrease of Php236.5 million (38%) from Php620.7 million to Php384.2 million was due to the reclassification of the down payments made by Pinoylotto to its suppliers for the purchase of lottery equipment previously recorded as advances to suppliers to Property and equipment.

Total Liabilities

Total liabilities increased by Php456.0 million or 56% as at December 31, 2023 from total liabilities of Php816.5 million as at December 31, 2022. The increase is mainly due to the loans payable drawdown by Pinoylotto during 2023 to fund the purchases of its lottery equipment, half of which (Php470.6 million) was taken up in the books of the Company and the general provisions made during the year.

Equity

Stockholders' equity increased by Php878.9 million as of December 31, 2023 from Php16,169.4 million as of December 31, 2022 to Php17,048.3 million as of December 31, 2023. The increase was the net income recognized for the period and gain on sale of its Investment in BSAQ shares offset by the declaration and payment of dividends during the 1st quarter of the year.

Below are the comparative key performance indicators of the Company and its subsidiaries:

Ratio	Manner in which the financial rations are computed	Dec 31, 2023	Dec 31, 2022
Current ratio	Current assets divided by current liabilities	5.91	8.20
Quick ratio	(Current assets less invty - prepayments) / Current liabilities	5.55	7.90
Solvency ratio	Net income before non-cash expenses/ Total liabilities	2.14	2.11
Asset to equity	Total assets divided by total equity	1.07	1.05
Debt to equity	Interest bearing debt divided by total equity	2.76%	0.42%
Interest rate coverage	Earnings before interest, tax, depreciation and amortizaton divided by interest expense	124.09	5,187.27
Debt ratio	Total debt / total assets	0.03	0.01
Return on assets	Net income (loss) divided by average total assets during the period	13.16%	7.37%
Return on equity	Net income (loss) divided by average total equity during the period	13.99%	7.71%

The Company does not foresee any liquidity problems over the next twelve (12) months. The changes in the key performance indicators of the Company are discussed below:

d) Net income increased by 85% in 2023, accounting for the increase in return on assets and equity versus the same period in 2022.
e) The Company posted healthy current, quick and solvency ratios.
f) There is a significant decrease in Interest rate coverage ratio due to increase in EBITDA and increase in finance charges in 2023.

As at December 31, 2023, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;

- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Events that will trigger direct or contingent financial obligations that is material to the Company, including any default or acceleration of an obligation;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company for the periods ended December 31, 2023 and December 31, 2022, except those mentioned in the preceding.

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

2024 PLAN OF OPERATIONS

As the Philippine economy continues its recovery from the Covid-19 pandemic, the Company is actively positioning itself to seize opportunities within the dynamic gaming and entertainment industry. PLC remains steadfast in its dedication to seeking avenues for growth through strategic and profitable investments, with a primary focus on enhancing shareholder value for our partners and investors.

In line with this strategic approach, the Company maintains a commitment to prudent financial management practices, ensuring the preservation of our strong financial position. Additionally, PLC continue to partner with its parent Company's corporate social responsibility arm, Belle Kaagapay. Together, we aim to make meaningful contributions to the well-being and prosperity of our host communities, enriching the quality of life for all.

Analysis of Results of Operations and Financial Condition – 2022 compared to 2021

Consolidated Income Statement

(Amounts in Peso except percentages)	Years Ended December 31		Horizontal Analysis		Vertical Analysis	
	2022	2021	Increase (Decrease)		2022	2021
REVENUE			Amount	%	%	%
Gaming revenue share	**1,560,845,412**	1,300,291,468	260,553,944	20%	75%	75%
Equipment rental	**519,051,226**	426,345,611	92,705,615	22%	25%	25%
	2,079,896,638	1,726,637,079	353,259,559	20%	100%	100%
COST AND EXPENSES						
Cost of services	**503,646,918**	632,737,322	(129,090,404)	-20%	24%	37%
General and administrative expenses	**438,961,707**	331,171,925	107,789,782	33%	21%	19%
	942,608,625	963,909,247	(21,300,622)	-2%	45%	56%
OTHER INCOME (EXPENSES)						
Interest income	**147,434,493**	135,626,403	11,808,090	9%	7%	8%
Finance charges	**(220,505)**	(642,417)	421,912	-66%	0%	0%
Other expense - net	**6,529,873**	286,449,932	(279,920,059)	-98%	0%	17%
	153,743,861	421,433,918	(267,690,057)	-64%	7%	24%
INCOME BEFORE INCOME TAX	**1,291,031,874**	1,184,161,750	106,870,124	9%	62%	69%
PROVISION FOR (BENEFIT FROM) INCOME TAX						
Current	**14,627,225**	11,118,008	3,509,217	32%	1%	1%
Deferred	**20,457,201**	50,134,332	(29,677,131)	-59%	1%	3%
	35,084,426	61,252,340	(26,167,914)	-43%	2%	4%
NET INCOME	**1,255,947,448**	1,122,909,410	133,038,038	12%	60%	65%
Net Income Attributable to:						
Equity holders of the parent	**1,159,554,790**	1,193,902,616	(34,347,826)	-3%	56%	69%
Non-controlling interests	**96,392,658**	(70,993,206)	167,385,864	-236%	5%	-4%
	1,255,947,448	1,122,909,410	133,038,038	12%	60%	65%

PLC recognized Php2,079.9 million consolidated revenues for the year 2022, up by Php353.3 million or 20% from the same period last year.

The improvement in Premium Leisure Corp.'s revenues is mainly brought about by the more robust economic activities in 2022 due to the improvement in the COVID-19 situation in the country. Because of this, PLAI gaming revenue share has increased from Php1,300.3 million to Php1,560.8 million (20%), and Pacific Online Systems Corporation's (POSC) equipment lease rental income increased from Php426.3 million to Php519.1 million (22%) versus the revenues reported in 2021, despite the termination of KENO operations effective April 1, 2022.

Costs and expenses decreased by Php21.3 million or 2% for the period from Php963.9 million to Php942.6 million because of the cost efficiency measures implemented by the Company in light of the continuing effects of the Covid-19 pandemic. Some of the expenses that declined include the following: depreciation and amortization, communication, online lottery systems expenses, and rental, utilities and supplies.

The combination of better revenues to and a tighter control over costs resulted in PLC recognizing Php1,256.0 million net income for 2022, increasing by 12% from its net income of Php1,123.0 million in 2021.

Operating EBITDA (proxy for cash flow) for the year is at Php1,409.5 million increased by Php 260.1 million (23%) from Php 1,149.4 million in 2021.

Consolidated Statements of Comprehensive Income

(Amounts in Peso except percentages)	**Years Ended December 31**		**Horizontal Analysis**		**Vertical Analysis**	
			Increase (Decrease)		**2022**	**2021**
	2022	**2021**	**Amount**	**%**	**%**	**%**
NET INCOME	**1,255,947,448**	1,122,909,410	133,038,038	12%	60%	65%
OTHER COMPREHENSIVE INCOME (LOSS)						
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:						
Marked-to-market losses on financial assets at fair value through OCI	**54,225,946**	(50,496,141)	104,722,087	-207%	3%	-3%
Remeasurement gain (loss) on net retirement benefits - net of tax	**8,655,955**	25,253,640	(16,597,685)	-66%	0%	1%
	62,881,901	(25,242,501)	88,124,402	-349%	3%	-1%
TOTAL COMPREHENSIVE INCOME (LOSS)	**1,318,829,349**	1,097,666,909	221,162,440	20%	63%	64%
Total Comprehensive Income (Loss) Attributable to:						
Equity holders of the parent	**1,220,228,226**	1,167,407,185	52,821,041	5%	59%	68%
Non-controlling interests	**98,601,123**	(69,740,276)	168,341,399	-241%	5%	-4%
	1,318,829,349	1,097,666,909	221,162,440	20%	63%	64%

PLC's other comprehensive income (loss) pertains to the unrealized gains (losses) arising from changes in market value of its financial assets at FVOCI and remeasurement of retirement benefits. PLC recognized net other comprehensive income amounting to Php62.9 million for 2022 as a result of higher share prices of its financial asset investments. As such, PLC recognized total comprehensive income amounting to Php1,318.8 million (of which, Php1,220.2 million is attributable to parent shareholders) in 2022.

Aside from what has been mentioned in the foregoing, there were no significant elements that arose from continuing operations, nor were there any seasonal events that had a material effect on the results of operations of PLC in 2022.

Consolidated Statements of Financial Position

(Amounts in Peso except percentages)	December 31		Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2022	2021
	2022	2021	Amount	%	%	%
ASSETS						
Current Assets						
Cash and cash equivalents	**1,778,570,078**	1,660,934,194	117,635,884	7%	10%	10%
Investments held for trading	**72,682,452**	73,053,645	(371,193)	-1%	0%	0%
Notes receivable	**3,705,925,000**	3,705,925,000	-	0%	22%	22%
Receivables	**212,568,231**	277,787,614	(65,219,383)	-23%	1%	2%
Contract assets	**4,000,000**	70,319,085	(66,319,085)	-94%	0%	0%
Other current assets	**213,582,191**	214,129,828	(547,637)	0%	1%	1%
Total Current Assets	**5,987,327,952**	6,002,149,366	(14,821,414)	0%	35%	35%
Noncurrent Assets						
Intangible asset	**8,475,709,551**	8,714,182,035	(238,472,484)	-3%	50%	51%
Financial assets at fair value through OCI	**686,731,218**	721,167,064	(34,435,846)	-5%	4%	4%
Investment properties	**285,510,452**	285,510,452	-	0%	2%	2%
Goodwill	**926,007,748**	926,007,748	-	0%	5%	5%
Property and equipment	**2,103,394**	23,482,941	(21,379,547)	-91%	0%	0%
Deferred tax assets	**-**	21,398,655	(21,398,655)	-100%	0%	0%
Right of use assets	**1,815,399**	6,672,570	(4,857,171)	-73%	0%	0%
Other noncurrent assets	**620,699,824**	384,325,381	236,374,443	62%	4%	2%
Total Noncurrent Assets	**10,998,577,586**	11,082,746,846	(84,169,260)	-1%	65%	65%
TOTAL ASSETS	**16,985,905,538**	17,084,896,212	(98,990,674)	-1%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade payables and other current liabilities	**728,696,132**	648,596,232	80,099,900	12%	4%	4%
Lease liabilities - current portion	**1,891,442**	4,886,938	(2,995,496)	-61%	0%	0%
Total Current Liabilities	**730,587,574**	653,483,170	77,104,404	12%	4%	4%
Noncurrent Liabilities						
Lease liabilities - net of current portion	**-**	1,986,014	(1,986,014)	-100%	1%	0%
Loans payable	**67,500,000**	-	67,500,000	100%	1%	0%
Deferred tax liability	**531,152**	-	531,152	100%	1%	0%
Retirement liability	**17,903,002**	30,894,331	(12,991,329)	-42%	0%	0%
Total Noncurrent Liabilities	**85,934,154**	32,880,345	53,053,809	161%	2%	0%
Total Liabilities	**816,521,728**	686,363,515	130,158,213	19%	5%	4%
Equity Attr to the Equity Holders of the Parent						
Capital stock	**7,906,827,500**	7,906,827,500	-	0%	47%	46%
Additional paid-in capital	**7,238,721,924**	7,238,721,924	-	0%	43%	42%
Treasury stocks	**(220,430,080)**	(220,430,080)	-	0%	-1%	-1%
Cost of parent company shares held by a subsidiary	**(509,597,055)**	(509,597,055)	-	0%	-3%	-3%
Other reserves	**(707,307,851)**	(851,048,515)	143,740,664	-17%	-4%	-5%
Retained earnings	**2,094,797,559**	2,566,288,233	(471,490,674)	-18%	12%	15%
Total Equity Attr to Equity Holders of the Parent	**15,803,011,997**	16,130,762,007	(327,750,010)	-2%	92%	94%
Non-controlling Interests	**366,371,813**	267,770,690	98,601,123	37%	2%	2%
Total Equity	**16,169,383,810**	16,398,532,697	(229,148,887)	-1%	95%	96%
TOTAL LIABILITIES AND EQUITY	**16,985,905,538**	17,084,896,212	(98,990,674)	-1%	100%	100%

As at December 31, 2022, PLC's total assets amounted to Php16,985.9 million, lower by Php99.0 million (1%) compared to the total assets of Php 17,084.9 million as at December 31, 2021. Key movements in balance sheet items are as follows:

<u>Cash and cash equivalents</u>

Cash and cash equivalents include cash in bank and short-term investments or cash equivalents of the Company.

Cash and cash equivalents increased by 7% (Php117.6 million) to Php 1,778.6 million in 2022 mainly because of the higher revenues earned coupled with better collections during the year, offset by the declaration and payment of cash dividends amounting to approximately P1,588.8 million in the second quarter of 2022 and disbursements made during the period.

Trade and other receivables

Trade and other receivables include trade receivables from PCSO for POSC's equipment rentals and receivables from Melco for City of Dreams Manila's gaming share revenue as well as other receivables. The Company recorded net decrease in trade and other receivables by Php65.2 million (23%).

Investments held for trading

Investments held for trading decreased slightly by Php371.2 thousand (1%) mainly due to the mark-to-market loss on share price value of the investments of the Company.

Notes receivable

Notes receivable of the Company pertains to interest-bearing notes receivable from its parent company.

Other current assets

Other current assets is composed of creditable withholding taxes, spare parts and supplies and prepayments. There is virtually no movement in this account from 2021.

Intangible Asset

The Company's intangible asset pertains to the Philippine Gaming and Amusement Corporation (PAGCOR) gaming license obtained by PLC through its subsidiary, PremiumLeisure and Amusement, Inc. (PLAI). The decrease in the intangible asset account is brought about by the amortization of the license.

Investment Properties

This account pertains to investment properties of the Company in Tanauan, Batangas.

Financial assets at fair value through OCI

This account pertains to the Company's investments in equity securities classified as financial assets at FVOCI. This pertains mostly to share in Belle Corporation, Black Spade Acquisition, Inc. and club shares. The net decrease in this account is due mainly to the sale of Belle Corporation shares during the year, offset by the increase in fair value of the shares at year end.

Property and equipment

Property and equipment (PPE) of the Company pertains to online lottery equipment, leasehold improvements, office and transportation equipment. The decrease of Php21.4 million (91%) in the account compared to balances at December 31, 2021 is due to the recognized depreciation and disposals for the year that was tempered by additions in PPE for the period.

Goodwill

Goodwill pertains mostly to the goodwill recognized upon acquisition of controlling interest in POSC through the pooling method in 2015.

Other noncurrent assets

Other noncurrent assets pertain mostly to noncurrent creditable withholding taxes, advances to suppliers and others. The increase of Php236.4 million (62%) from Php384.3 million to Php620.7 million is due to the down payments made by Pinoylotto to its suppliers for the purchase of lottery equipment as it prepares to launch nationwide operations by the fourth quarter of 2023.

Total Liabilities

Total liabilities increased by Php130.2 million or 19% as at December 31, 2022 from total liabilities of Php686.4 million as at December 31, 2021. The increase is mainly due to the loans payable drawdown of the Pinoylotto during 2022 to fund the purchases of its lottery equipment, half of which (Php67.5 million) was taken up in the books of the Company and the general provisions made during the year.

Equity

Stockholders' equity decreased by Php229.1 million as of December 31, 2022 from Php16,398.5 million as of December 31, 2021 to Php16,169.4 million as of December 31, 2022. The decrease was due mainly to the declaration and payment of dividends during the 2nd quarter of the year, offset in part by the net income recognized for the period.

Below are the comparative key performance indicators of the Company and its subsidiaries:

Ratio	Manner in which the financial rations are computed	Dec 31, 2022	Dec 31, 2021
Current ratio	Current assets divided by current liabilities	8.20	9.18
Quick ratio	(Current assets less invty - prepayments) / Current liabilities	7.90	8.86
Solvency ratio	Net income before non-cash expenses/ Total liabilities	2.11	2.16
Asset to equity	Total assets divided by total equity	1.05	1.04
Debt to equity	Interest bearing debt divided by total equity	0.42%	-
Interest rate coverage	Earnings before interest, tax, depreciation and amortizaton divided by interest expense	5,187.27	1,633.17
Debt ratio	Total debt / total assets	0.01	0.04
Return on assets	Net income (loss) divided by average total assets during the period	7.37%	6.44%
Return on equity	Net income (loss) divided by average total equity during the period	7.71%	6.81%

The Company does not foresee any liquidity problems over the next twelve (12) months. The changes in the key performance indicators of the Company are discussed below:

a) Net income increased by 12% in 2022, accounting for the increase in return on assets and equity versus the same period in 2021.
b) The Company posted healthy current, quick and solvency ratios.
c) There is a significant increase in Interest rate coverage ratio due to increase in EBITDA and decrease in finance charges in 2022.

As at December 31, 2022, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company for the periods ended December 31, 2022 and December 31, 2021, except those mentioned in the preceding.

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

2023 PLAN OF OPERATIONS

As the effects of the Covid-19 pandemic continues to be felt especially in the gaming and entertainment industry, the Company is focused on streamlining operations to curtail costs, finding ways to improve profitability and cost efficiency and increasing synergies within the Companies in the Group. It also maintains prudent financial management in decision making to uphold its strong financial position.

Nevertheless, PLC remains committed to look for various opportunities for growth through profitable investments that will increase the company's shareholder value for partners and investors alike. It shall likewise continue to partner with its parent Company's corporate social responsibility arm, Belle Kaagapay, to continue on enhancing quality of life for its host communities.

Financial Risk Management Objectives and Policies and Capital Management

The financial instruments mainly comprise cash and cash equivalents, receivables, notes receivables, contract assets and guarantee and refundable deposits (presented as part of "Other noncurrent assets"), investment held for trading and financial assets at FVOCI, trade and other current liabilities (excluding statutory liabilities, provisions and unearned income) and lease liabilities. The main purpose of these financial instruments is to finance the Group's projects and operations.

It is the policy that no trading of financial instruments should be undertaken by the Group. The main risks arising from the financial instruments are credit risk, equity price risk, liquidity risk and foreign currency risk. The BOD reviews and approves policies for managing these risks.

Credit Risk. Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group does not offer credit terms without the specific approval of the management. There is no significant concentration of credit risk.

With respect to credit risk arising from the financial assets of the Group, which comprise cash and cash equivalents, receivables, notes receivables, contract assets and guarantee and refundable deposits (presented as part of "Other noncurrent assets"), the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying value of these financial assets.

The table below shows the Group's aging analysis of financial assets.

	2024						
	Neither	**Past Due but not Impaired**					
	Past Due nor Impaired	**Less than 30 Days**	**31 to 60 Days**	**61 to 90 Days**	**Over 90 Days**	**Impaired**	**Total**
Cash and cash equivalent*	**₱1,744,285,918**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,744,285,918**
Notes receivable	**2,100,000,000**	**–**	**–**	**–**	**–**	**–**	**2,100,000,000**
Receivables	**410,085,315**	**–**	**–**	**–**	**–**	**545,456,156**	**955,541,471**
Guarantee deposits**	**79,000,000**	**–**	**–**	**–**	**–**	**–**	**79,000,000**
Advances to contractors***	**139,738,757**	**–**	**–**	**–**	**–**	**–**	**139,738,757**
Refundable deposits***	**2,291,727**	**–**	**–**	**–**	**–**	**–**	**2,291,727**
	₱4,475,401,717	**₱–**	**₱–**	**₱–**	**₱–**	**₱545,456,156**	**5,020,857,873**

**Excluding cash on hand.*
***Presented under "Other current assets" account in the consolidated statement of financial position.*
****Presented under "Other noncurrent assets" account in the consolidated statement of financial position.*

	2023						
	Neither	Past Due but not Impaired					
	Past Due nor Impaired	Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Impaired	Total
Cash and cash equivalent*	₱1,999,771,875	₱–	₱–	₱–	₱–	₱–	₱1,999,771,875
Notes receivable	2,100,000,000	–	–	–	–	–	2,100,000,000
Receivables	486,283,555	–	–	–	–	543,515,942	1,029,799,497
Guarantee deposits**	91,201,415	–	–	–	–	–	91,201,415
Advances to contractors***	139,738,757	–	–	–	–	–	139,738,757
Refundable deposit***	3,036,529	–	–	–	–	–	3,036,529
	₱4,819,830,716	₱–	₱–	₱–	₱–	₱543,515,942	₱5,363,346,658

**Excluding cash on hand.*
***Presented under "Other current assets" or "Other noncurrent assets" account in the consolidated statement of financial position.*
****Presented under "Other noncurrent assets" or "Other noncurrent assets" account in the consolidated statement of financial position.*

Financial assets are considered past due when collections are not received on due date.

Credit Quality of Financial Assets
The financial assets are grouped according to stage whose description is explained as follows:

Stage 1 - those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date

Stage 3 - those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The credit quality of the Group's financial assets are as follows:

	2024			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
High Grade				
Cash and cash equivalent*	**₱1,744,285,918**	**₱–**	**₱–**	**₱1,744,285,918**
Notes receivable	**2,100,000,000**	**–**	**–**	**2,100,000,000**
Receivables	**410,085,315**	**–**	**–**	**410,085,315**
Guarantee deposits**	**79,000,000**	**–**	**–**	**79,000,000**
Advances to contractors***	**139,738,757**	**–**	**–**	**139,738,757**
Refundable deposits***	**2,291,727**	**–**	**–**	**2,291,727**
Substandard Grade				
Receivables	**–**	**–**	**545,456,156**	**543,515,942**
Gross Carrying Amount	**₱4,475,401,717**	**₱–**	**₱545,456,156**	**₱5,020,857,873**

**Excluding cash on hand.*
***Presented under "Other current assets" account in the consolidated statement of financial position.*
****Presented under "Other noncurrent assets" account in the consolidated statement of financial position.*

	2023			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
High Grade				
Cash and cash equivalent*	₱1,999,771,875	₱–	₱–	₱1,999,771,875
Notes receivable	2,100,000,000	–	–	2,100,000,000
Receivables	486,283,555	–	–	486,283,555
Guarantee deposits**	91,000,000	–	–	91,000,000
Advances to contractors***	139,738,757	–	–	139,738,757
Refundable deposit***	3,036,529	–	–	3,036,529
Substandard Grade				
Receivables	–	–	543,515,942	543,515,942
Gross Carrying Amount	₱4,819,830,716	₱–	₱543,515,942	₱5,363,346,658

**Excluding cash on hand.*
***Presented under "Other current assets account in the consolidated statement of financial position.*
****Presented under "Other noncurrent assets" or "Other noncurrent assets" account in the consolidated statement of financial position.*

High grade financial assets pertain to receivables from clients or customers who have no history of delayed payment while medium grade includes receivables from clients or customers who have history of delayed payment but is currently updated.

Cash in banks are deposited with the top ten banks in the Philippines; hence, considered high grade.

Investment held for trading and financial assets at FVOCI are assessed as high grade based on financial status of the counterparty and its current stock price performance in the market.

Equity Price Risk. Equity price risk is the risk that the fair value of quoted investment held for trading and financial assets at FVOCI in listed equities decreases as a result of changes in the value of individual stock. The Group's exposure to equity price risk relates primarily to the Group's investment held for trading. The Group monitors the equity investments based on market expectations. Significant movements within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the BOD.

The following table demonstrates the sensitivity to a reasonably possible change in equity price, with all other variables held constant, of the Group's 2023 and 2022 consolidated total comprehensive income before income tax:

Increase (Decrease) in Equity Price	**2024**	2023
Impact in profit or loss		
5%	**₱2,137,226**	₱5,000,638
(5%)	**(₱2,137,226)**	(5,000,638)
Impact in comprehensive income		
1%	**1,780,607**	1,296,667
(1%)	**(1,780,607)**	(1,296,667)

Liquidity Risk. Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and service its maturing debts. The Group's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information. The Group considers obtaining borrowings as the need arises.

The table also analyzes the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments and liquidity.

	2024				
	Less than 3 months	**3-6 months**	**6-12 months**	**More than 12 months**	**Total**
Trade payables and other current liabilities*	**₱242,372,746**	**₱–**	**₱–**	**₱12,356,873**	**₱254,729,619**
Loan payable	**–**	**–**	**138,980,392**	**277,960,784**	**416,941,176**
Lease liabilities**	**57,445**	**–**	**–**	**–**	**57,445**
	₱242,430,191	**₱–**	**₱138,980,392**	**₱290,317,657**	**₱671,728,240**

**Excluding provisions and statutory payables*
***Based on undiscounted payments*

	2023				
	Less than 3 months	3-6 months	6-12 months	More than 12 months	Total
Trade payables and other current liabilities*	₱314,614,496	₱–	₱–	₱58,832,186	₱373,446,682
Loan payable	58,823,529	–	–	411,764,706	470,588,235
Lease liabilities**	373,960	–	–	305,745	679,705
	₱373,811,985	₱–	₱–	₱470,902,637	₱844,714,622

**Excluding provisions and statutory payables*
***Based on undiscounted payments*

Foreign Currency Risk. Foreign currency risk is the risk that the fair value or future cash flows of financial asset or financial liability will fluctuate due to changes in foreign exchange rates.

As at December 31, 2024 and 2023, foreign currency-denominated financial asset and financial liability in US dollars, translated into Philippine peso at the closing rate:

	2024		2023	
	USD	**Peso Equivalent**	USD	Peso Equivalent
Cash	**$1,137,079**	**₱65,962,131**	$1,027,608	₱56,693,402
Trade payables*	**(2,180,257)**	**(126,127,922)**	(160,700)	(8,865,861)
Foreign currency-denominated financial assets (liabilities)	**($1,043,178)**	**(₱60,165,791)**	$866,908	₱47,827,541

**Presented under "Trade and other current liabilities" account in the consolidated statement of financial position.*

In translating the foreign currency-denominated financial liabilities into peso amounts, the exchange rate used was ₱58.01 to US$1.0 and ₱55.17 to US$1.0, as at December 31, 2024 and 2023, respectively.

It is the Group's policy to ensure that capabilities exist for active but conservative management of its foreign currency risk. The Group seeks to mitigate its transactional currency exposure by maintaining its costs at consistently low levels, regardless of any upward or downward movement in the foreign currency exchange rate.

The following table demonstrates the sensitivity to a reasonably possible change in the U.S. dollar exchange rates, with all other variables held constant, of the Group's consolidated income before tax as at December 31, 2024 and 2023. There is no other impact on the Group's equity other than those already affecting the profit or loss in the consolidated statement of comprehensive income.

	2024		2023	
	Increase in US$ Rate	**Decrease in US$ Rate**	Increase in US$ Rate	Decrease in US$ Rate
Change in US$ rate	**3%**	**(3%)**	3%	(3%)
Effect on income before income tax	**(₱2,164,407)**	**(2,164,407)**	₱2,748,044	(₱2,748,044)

The increase in US$ rate means stronger US dollar against peso while the decrease in US$ means stronger peso against the US dollar.

Capital Management

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

The Group manages its capital structure and adjusts it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes made in the objectives, policies or processes in 2024 and 2023.

The Company considers the total equity attributable to the equity holders of the Parent as its capital amounting to ₱16,267.6 million as at December 31, 2024 (₱16,587.5 million as at December 31, 2023).

The Group is not subject to any externally imposed capital requirements.

Fair Value of Assets and Financial Liabilities

Set out below is a comparison by category and by class of carrying values and fair values of the Group's assets and financial liabilities:

	2024		2023	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
At FVPL				
Investments held for trading	**₱42,744,518**	**₱42,744,518**	₱100,012,769	₱100,012,769
At FVOCI				
Financial assets at FVOCI	**178,060,714**	**178,060,714**	129,666,731	129,666,731
	₱220,805,232	**₱220,805,232**	₱229,679,500	₱229,679,500
Financial Liabilities				
Loan Payable	**₱416,941,176**	**₱416,941,176**	₱470,588,235	₱463,882,778

Financial Assets at FVPL and Financial Assets at FVOCI. The fair values of financial assets at FVPL and financial assets at FVOCI in quoted equity shares are based on quoted prices in the PSE or those shares whose prices are readily available from brokers or other regulatory agency as at reporting date. There are no quoted market prices for the unlisted shares and there are no other reliable sources of their fair values, therefore, these are carried at cost, net of any impairment loss. The fair value measurement of financial assets at FVPL and FVOCI is classified as Level 1.

Loan Payable. The fair value is based on the discounted value of expected future cash flows using the applicable interest rate for similar types of instruments. Discount rate used for loan payable 6.05% in 2024 and 5.31% in 2023. The fair value measurement of loan payable is classified as Level 2.

The carrying values of the following financial instruments approximate their fair values:

	2024	2023
Financial Assets at Amortized Cost:		
Cash and cash equivalents	**₱1,744,285,918**	₱2,000,178,939
Notes receivable	**2,100,000,000**	2,100,000,000
Receivables	**410,085,315**	486,283,555
Guarantee deposits*	**79,000,000**	91,000,000
Advances to contractors*	**139,738,757**	139,738,757
Refundable deposits*	**2,291,727**	3,036,529
	₱4,475,401,717	₱4,820,237,780
Financial Liabilities at Amortized Cost:		
Trade and other current liabilities**	**₱109,383,198**	₱373,446,682

**Presented under "Other current assets" account in the consolidated statements of financial position.*
***Presented under "Other noncurrent assets" account in the consolidated statements of financial position.*
****Excluding provisions, unearned income and statutory payables*

Cash and Cash Equivalents, Notes Receivables, Receivables, Contract Asset, Trade and Other Current Liabilities (excluding provisions, unearned income and statutory payables). The carrying values of these financial instruments approximate their fair values due to the relatively short-term maturities of these financial assets and financial liabilities.

Refundable Deposits and Guarantee deposits. The carrying value of refundable deposits and guaranteed deposit approximates fair value as at December 31, 2024 and 2023 due to unavailability of information as to the repayment date that would provide reasonable basis for the fair value measurement.

The Group has no financial liabilities measured at fair value as at December 31, 2024 and 2023. There were no transfers between fair value measurements in 2024 and 2023.

Other Required Disclosures

A.) The attached financial reports were prepared in accordance with accounting standards generally accepted in the Philippines.

B.) Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the period.

C.) There were no material changes in estimates of amounts reported in prior periods that have material effects in the current period.

D.) Except as disclosed in the MD&A, there were no other issuance, repurchases and repayments of debt and equity securities.

E.) There were no material events that occurred subsequent to December 31, 2024 and up to the date of this report that need disclosure herein.

F.) There were no changes in the composition of the Company during the period such as business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring, and discontinued operations, except for the accounting for the PinoyLotto Technologies Corporation as a joint operation as discussed above.

G.) There were no changes in contingent liabilities or contingent assets since December 31, 2024, as of the date of this report.

H.) There exist no material contingencies and other material events or transactions affecting the current period.

Key Variables and other Qualitative and Quantitative Factors

The Company expects no material commitments for capital expenditures and expected funds in 2024. To the best of the Company's knowledge, aside from what has already been mentioned in the preceding, there are no known trends, events or uncertainties that will have a material impact on sales; no significant elements of income or loss that did not arise from continuing operations aside from those disclosed in the Notes to the Audited Financial Statements; and no seasonal aspects with material effect on results of operations.

PLC maintains sufficient cash balances to meet minimum operational requirements, as determined by management from time to time. Additional cash requirements are sourced from affiliates. To the best of the Corporation's knowledge, there are no known trends, events or uncertainties that will have a material impact on its liquidity.

Information on Independent Accountant and Other Related Matters

a. External Audit Fees

a.1. Audit and Audit-Related Fees
The aggregate fees paid by the Corporation for professional services (excluding Value Added Tax) rendered by the external auditor for the audit of financial statements for the years ended 31 December 2024 and 2023 are as follows:

	(₱000's omitted)
2024	₱919.0
2023	995.0

a.2. There were no other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the registrant's financial statements.

b. Tax Fees

There were no professional services rendered by the external auditor for tax accounting compliance, advice, planning and any other form of tax services in each of the last two years.

c. All Other Fees

There were no other professional services rendered by the external auditors for each of the last two years other than item (a) and (b) above.

d. The Audit Committee's approval policies and procedures for the above services

The Audit Committee has the oversight responsibility over the audit function and activities of the Corporation's internal and external auditors. It provides assurance that financial disclosures made by the Management as presented in the Auditor's Report reasonably reflect (a) the financial condition; the result of operation; and the plans and long-term commitments; and (b) internal controls are operating as intended.

The Audit Committee has the responsibility to recommend an external auditor to be selected and appointed by the stockholders during each ASM.

It reviews the audit coverage of the External Auditors and deliberates on their audit report prior to endorsement to the Board and presented to the stockholder's for approval.

Item 7. Financial Statements

Please see attached consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules.

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

There have been no disagreements with any accountant or any matter of accounting principles or practices, financial statement disclosure or auditing scope of procedure.

Independent Public Accountants, External Audit Fees and Services

Reyes Tacandong & Co. (RT&Co.) is the Company’s external auditor for the current year. Representatives of RT&Co. are expected to be present at the Annual Meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.

Over the past five (5) years, there was no event where RT&Co. or previous auditors and the Company had any disagreement with regard to any matter relating to accounting principles or practices, disclosure of financial statements or auditing scope or procedure.

Based on the code of ethics adapted by the SEC through the revised SRC Rule 68, the engagement partners for audit of the Company’s financials were changed at least every seven (7) years, as follows:

	Year/s	Partner-in-Charge
1.	2007-2009	Mr. Juanito A. Fullecido
2.	2010-2011	Mr. Roel E. Lucas
3.	2012-2013	Ms. Clairma T. Mangangey
4.	2014	Ms. Marydith C. Miguel
5.	2015-2020	Ms. Belinda T. Beng Hui
6.	2021-2024	Ms. Belinda B. Fernando

The Audit Committee composed of Mr. Laurito E. Serrano, Atty. Maria Gracia P. Tan, and Mr. Jacinto C. Ng, Jr. recommends to the Board of Directors the appointment of the external auditors. The Board of Directors and the stockholders approve the Audit Committee’s recommendation. The Board of Directors or the Executive Committee approves the audit fees as recommended by the Management.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

(1) Directors and Executive Officers

The names and ages of all the incumbent Directors, elected on April 22, 2024 during the Annual Stockholders' Meeting and who are to serve for a term of one (1) year until their successor shall have been duly elected and qualified, and the Executive Officers are as follows:

Name	Citizenship	Age	Position	Period Served
Willy N. Ocier	Filipino	68	Chairman of the Board; Executive Director	June 25, 1999 - present
Armin Antonio B. Raquel Santos	Filipino	57	President and Chief Executive Officer; Executive Director	July 01, 2017 – present
Laurito E. Serrano	Filipino	63	Independent Director	April 24, 2023 – April
Exequiel P. Villacorta, Jr.	Filipino	78	Non-Executive Director	July 18, 2014 – April 22, 2024
Jacinto C. Ng, Jr.	Filipino	55	Non-Executive Director	April 22, 2025 – present
Gregory L. Domingo	Filipino	70	Non-Executive Director	April 22, 2024 – present
Paquito N. Ochoa, Jr.	Filipino	64	Independent Director	April 22, 2024 - present
Maria Gracia P. Tan	Filipino	69	Independent Director	June 25, 2021 – present
Roberto V. Antonio	Filipino	62	Independent Director	August 24, 2022 – April 22, 2024
Jerry C. Tiu	Filipino	67	Independent Director	June 25, 2021 – April 22, 2024
Dioville M. Villarias	Filipino	35	Chief Finance Officer and Treasurer	August 22, 2023 – present
Elmer B. Serrano	Filipino	57	Corporate Secretary	April 27, 2015 – present
Arthur A. Sy	Filipino	55	Assistant Corporate Secretary	July 19, 2011 – present
Phil Ivan A. Chan	Filipino	42	Assistant Corporate Secretary	May 11, 2015 – present
Anna Josefina G. Esteban	Filipino	57	Chief Audit Executive	September 11, 2018 – February 10, 2025
Michelle Angeli T. Hernandez	Filipino	53	Chief Risk Officer Compliance Officer	June 25, 2021 – present April 28, 2022 – present

The following are the business experience/s of the incumbent members of the Board during the last five (5) years.

Willy N. Ocier
Chairman, Executive Director
Date of first appointment – June 1999
Chairman, Executive Committee
Chairman, Compensation and Remuneration Committee

Mr. Ocier, 68, Filipino, is a Director and the Chairman of Premium Leisure Corp., its subsidiaries PremiumLeisure and Amusement, Inc., Pacific Online Systems Corporation and Total Gaming and Technologies, Inc. He is likewise the Chairman and Director of Belle Corporation and APC Group, Inc. He is the Chairman and Director of Tagaytay Midlands Golf Club, Inc., and Vice Chairman of Tagaytay Highlands International Golf Club, Inc. and Highlands Prime, Inc. Mr. Ocier is also the Chairman, President, and Chief Executive Officer of Philippine Global Communications, Inc.

He also sits as a Director of the following unaffiliated corporations: DigiPlus Interactive Corp., Vantage Equities, Inc., Philequity Management, Inc., AbaCore Capital Holdings, Inc. and Toyota Corporation Batangas. He was formerly President and Chief Operating Officer of Eastern Securities Development Corporation.

Mr. Ocier graduated from Ateneo de Manila University with a Bachelor of Arts degree in Economics. In recognition of Mr. Ocier's corporate leadership and role in providing employment opportunities to Filipinos, the University of Batangas conferred him a degree in Doctor of Humanities, honoris causa.

Armin Antonio B. Raquel Santos
Executive Director, President and Chief Executive Officer
Date of first election/appointment as director/President and CEO – July 2017
Date of first appointment as officer – July 2014
Member, Compensation and Remuneration Committee
Member, Executive Committee

Mr. Raquel Santos, 57, Filipino, is the Executive Director and the President and Chief Executive Officer of Premium Leisure Corp. as well as its subsidiaries, PremiumLeisure and Amusement, Inc. and Pacific Online Systems Corporation. He is likewise the Executive Director, President and Chief Executive Officer of Belle Corporation. He is also a Director of APC Group, Inc., Pinoy Lotto Technologies Corporation, Sagittarius Mines, Inc., Tagaytay Highlands International Golf Club, Inc., Manila Golf and Country Club and member of the Board of Trustees of Melco Resorts (Philippines) Foundation Corporation.

Formerly, he was Chief Finance Officer of Aboitizland, Inc., Cebu Industrial Park, Inc. and Mactan Economic Zone II and First Philippine Electric Company. He was also former Governor of the Board of Investments (BOI), served as Assistant Secretary with the Department of Trade and Industry (DTI), Vice Chairman and CEO of Philippine Retirement Authority (PRA), Executive Vice President of Philippine International Trading Corporation (PITC), and Deputy Administrator of Subic Bay Metropolitan Authority (SBMA). His experience includes stints with multinational companies; Securities 2000 Inc. (Singapore Technologies Group) and First Chicago Trust Company of New York.

Mr. Raquel Santos holds a Master of Arts in Liberal Studies from Dartmouth College, U.S.A. and Bachelor of Science in Business Administration Major in Finance from Iona College, U.S.A.

Exequiel P. Villacorta, Jr
Non-Executive Director
Date of first appointment – July 2014
Member, Audit Committee
Member, Risk Oversight Committee
Member, Executive Committee

Mr. Villacorta, 79, Filipino, was a Non-Executive Director of Premium Leisure Corp. until April 22, 2024. He was a Director of BDO Leasing and Finance, Inc., Equitable PCI Bank, EBC Insurance Brokerage, and Maxicare Healthcare Corporation. He was the former Chairman of EBC Strategic Holdings Corporation, EBC Investments (now BDO Strategic Holdings), Jardine Equitable Finance Corporation, Strategic Property Holdings, PCIB Properties, Equitable Data Center, and PCI Automation Center. He was a past President and CEO of Banco De Oro Universal Bank and TA Bank of the Philippines, and was Vice President of the Private Development Corporation of the Philippines. He was Senior Adviser and BSP Controller of Equitable PCI Bank and PBCom, and Adviser to the Board of PCI Capital Corporation.

Mr. Villacorta holds a Bachelor of Science degree in Business Administration from De La Salle University and a Master's degree in Business Management from the Asian Institute of Management.

Jacinto C. Ng, Jr.
Non-Executive Director
Date of first election as director – April 2024
Member, Executive Committee
Member, Audit Committee
Member, Compensation and Remuneration Committee

Mr. Ng, Jr., 55, Filipino, is a Non-Executive Director of the Company. He is also a Non-Executive Director of Belle Corporation.

He is likewise the Group Executive Officer of the Joy~Nostalg Group, Founder and Chairman of the Joy~Nostalg Foundation, Chairman of Joy~Nostalg Hearth Corporation, a member of the Rebisco Foundation, XS86 Men for Others Foundation, Inc., Xavier School Educational Trust Fund and Xavier School Inc.'s Board of Trustees. He is also a director of Tagaytay Midlands Golf Club, Inc. and Rayvanes Realty Corporation.

Mr. Ng, Jr. holds a Bachelor of Science degree in Architecture from the University of the Philippines.

Maria Gracia P. Tan
Independent Director
Date of first election – June 2021
Chairperson, Risk Oversight Committee
Member, Corporate Governance Committee
Member, Audit Committee
Member, Related Party Transactions Committee

Atty. Tan, 69, Filipino, is the Lead Independent Director of the Company. She is likewise the Lead Independent Director of Belle Corporation and Pacific Online Systems Corporation. She is also a Director of Palm Concepcion Power Corporation, Peak Power Energy, Inc. and Trifels, Inc. She is currently a Trustee of the Justice George A. Malcolm Foundation, Inc., and a member of the Tax Faculty of the Philippine Judicial Academy. She is also an arbitrator for the Construction Industry Authority of the Philippines and the Philippine Center for Dispute Resolution, Inc.; a professional lecturer of the University of the Philippines Law Center; a member of the Philippine Institute of Construction Arbitrators and Mediators, Inc., Society of Construction Law Philippines, Dispute Resolution Board Foundation, Office of Alternative Dispute Resolution, International Tax Specialist Group, and the Philippine Institute of Arbitrators.

Atty. Tan is the first woman Chairperson of the Commission on Audit. She also served as Undersecretary of Finance, Commissioner of the Presidential Commission on Good Government., and Chairman of the United Nations Independent Audit Advisory Committee, the first Filipino to have been elected to this 5-member Committee. She is also a professor at the University of the Philippines for Mandatory Continuing Legal Education.

Backed by four decades of professional work in the Philippines and abroad as a private law and accounting practitioner, government official, arbitrator and international consultant. She is an expert in the fields of legal, finance, audit, governance, dispute resolution and administration.

She graduated from the University of the Philippines in 1976 with a degree in Bachelor of Science in Business Administration and Accountancy and in 1981 with Juris Doctor. In 1987, she obtained her Master of Laws (Tax) from the New York University. She is a lawyer and Certified Public Accountant.

Jerry C. Tiu
Independent Director
Date of first election – June 2021
Chairman, Related Party Transactions Committee
Member, Compensation and Remuneration Committee
Member, Risk Oversight Committee

Mr. Tiu, 67, Filipino, was an independent director of Premium Leisure Corp. until April 22, 2024. He is likewise an Independent Director of APC Group, Inc. He is a director and the President of Tagaytay Highlands Community Condominium Association, Inc., Tagaytay Midlands Community Homeowners' Association, Inc., and Greenlands Community Homeowners' Association, Inc. He is also the President of the following companies: Tagaytay Highlands International Golf Club, Inc., The Country Club at Tagaytay Highlands, Inc., Tagaytay Midlands Golf Club, Inc., and The Spa & Lodge at Tagaytay Highlands, Inc. He is a former Director of the Manila Polo Club.

Mr. Tiu holds a Bachelor of Science degree in Commerce (Major in Marketing) from the University of British Columbia.

Roberto V. Antonio
Independent Director
Date of first election – August 24, 2022
Chairman, Corporate Governance Committee
Member, Audit Committee
Member, Risk Oversight Committee
Member, Related Party Transactions Committee

Mr. Antonio, 62, Filipino, was an independent director of the Company until April 22, 2024. He is also an Independent Director of Pacific Online Systems Corporation and the Development Bank of the Philippines. He is currently the President of Kalimera, Inc., RVA and Sons, Inc., RVA International Trading Corporation, and La Salle Greenhills Foundation. He is also the Vice Chairman of Right Eight Security Agency, Inc. He also serves as a Consultant for Mustang Holdings, Inc. and Board Member of the La Salle Greenhills Alumni. Mr. Antonio served as one of the Department of Tourism's Undersecretaries from 1998-2000 and Senior Consultant from 2004-2010.

He graduated from De La Salle University with a degree in Economics major in Marketing Management in 1984. He obtained his Juris Doctor (candidate) at the Ateneo De Manila University Law School in 1989. He finished his Masters in Business Economics at the University of Asia and the Pacific in 1997.

Laurito E. Serrano
Independent Director
Date of first election – April 2023
Chairman, Audit Committee
Member, Corporate Governance Committee
Member, Related Party Transactions Committee
Member, Risk Oversight Committee

Mr. Serrano, 64, Filipino, is an Independent Director of the Company. He concurrently serves as Independent Director of Rizal Commercial Banking Corporation, Axelum Resources Corp., Anglo-Philippine Holdings, Inc., Century Peak Holdings Corporation and Belle Corporation. He is also a director in RCBC Trust Corporation, Malayan Insurance Company, and MRT Development Corporation.

As independent director in the above entities, Mr. Serrano serves as chairman or member of such companies' audit, compliance, and risk oversight committees. Mr. Serrano is a former partner of the Corporate Finance Consulting Group of SGV & Co. and was likewise associated, among others, with the Metro Rail Transit Group, Fil-Estate Group, Resorts World Manila, Atlas Mining & Development Corporation, Sagittarius Mines, United Paragon Mining Corporation, 2Go Group Inc., and Philippine Veterans Bank.

He is a Philippine Certified Public Accountant and has a Master's degree in Business Administration from the Harvard Graduate School of Business. His area of specialization is Financial Advisory and Corporate Finance in a broad range of clients and industry sectors.

Paquito N. Ochoa, Jr.
Independent Director
Date of first election – April 2024
Chairman, Corporate Governance Committee
Chairman, Related Party Transactions Committee

Atty. Ochoa, 64, Filipino, is an Independent Director of Premium Leisure Corp. He is likewise an Independent Director of Belle Corporation and 2Go. He founded PNO Management and Legal Consulting in September 2016 after completing his term as a government official. He is currently the President of Manuel L. Quezon University (MLQU) from October 2020.

He was a founding member and partner of Marcos Ochoa Serapio Tan Law Firm from 2006 to 2010 and a partner in De Mesa & Ochoa Law Offices from 1995 to 2001.

Atty. Ochoa served as Executive Secretary (Office of the President, Republic of the Philippines) from July 2010 to June 2016. During this period, he also chaired various national government committees among which were, the National Organizing Committee of the 2015 Asia-Pacific Economic Cooperation (APEC), and National Organizing Committee on the Visit of His Holiness Pope Francis in January 2015. He is the longest serving Executive Secretary to date and the only individual to serve the full term of a President.

He also served as City Administrator of the Quezon City Local Government from January 2003 to June 2010 during which period, he introduced prudent spending practices which together with improved revenue collection, allowed the City Government to balance its budget and achieve unprecedented increase in income.

After his career in public administration (from 2016 to present), Atty. Ochoa focused on leading a team that provides advisory services in two major areas: 1) financial advisory services which include conduct of customary financial due diligence; analysis of business operations, financial condition, and prospects; evaluation of debt capacity and capital structure alternatives; financial restructuring; pre acquisition and post-acquisition evaluation; negotiations leading to Transactions (BOT or JV); and 2) legal and regulatory compliance which include legal due diligence; preparation of contracts and other documents covering Transactions, including negotiations; and compliance with government rules and regulations.

Atty. Ochoa holds a Bachelor of Laws degree from the Ateneo De Manila University (class of 1985).
He completed his Bachelor of Arts degree in Economics from the University of Santo Tomas in 1981.

Other Executive Officers

Carlo R. Climaco

Mr. Climaco, 48, Filipino, is the Vice President for Operations and Regulatory of both Premium Leisure Corp. and its subsidiary PremiumLeisure and Amusement, Inc. He concurrently handles the Integrated Resorts business unit of Belle Corporation. He has 14 years of experience in the gaming industry having been previously connected with the Compliance Monitoring and Enforcement Department of the Philippine Amusement and Gaming Corporation.

He has a Bachelor of Arts degree in Humanities from the Ateneo de Manila University, and Bachelor of Laws degree from the Philippine Law School.

Dioville M. Villarias

Ms. Villarias, 35, Filipino, is the Chief Finance Officer and Treasurer of the Company. She is a CFO APAC Regional Awardee with 11 years of experience in general accounting and financial reporting including financial audits of financial institutions. She was previously connected with UBS Securities Philippines, Inc. and UBS Investments Philippines, Inc. as Head of Finance and CFO.

She is a Certified Public Accountant. She earned her Bachelor of Science in Accountancy from the University of the Philippines Visayas-Tacloban College in 2011, and completed her Master's in Business Administration at De La Salle University.

Elmer B. Serrano

Atty. Elmer B. Serrano, 57, Filipino, is the Corporate Secretary of the Company. Mr. Serrano is a practicing lawyer specializing in corporate law and is the Managing Partner and founder of the law firm SERRANO LAW. Mr. Serrano has been awarded "Asia Best Lawyer" by the International Financial Law Review (IFLR), "Leading Lawyer-Highly Regarded" by IFLR 1000,and named "Leading Individual" by the Legal 500 Asia Pacific.

Mr. Serrano is the Chairman of Dominion Holdings, Inc. (formerly BDO Leasing and Finance, Inc.), a director of EEI Corporation and DFNN Inc., and an independent director of Philippine Telegraph and Telephone Corporation and Benguet Corporation. He is also a director of 2GO Group, Inc. He is also the Corporate Information Officer of BDO Unibank, Inc. and serves as the corporate secretary of bank's subsidiaries and affiliates.

Mr. Serrano is also the Corporate Secretary of SM Investments Corporation, SM Prime Holdings, Inc., Atlas Consolidated Mining and Development Corporation, as well as subsidiaries of BDO Unibank, Inc., and of DFNN Inc. He is also Corporate Secretary of, or counsel to, prominent financial industry organizations, such as the Bankers Association of the Philippines, the Philippine Payments Management, Inc. and the PDS Group of Companies.

Mr. Serrano is a Certified Associate Treasury Professional and was among the top graduates of the Trust Institute of the Philippines in 2001. Mr. Serrano holds a Juris Doctor degree from the Ateneo de Manila University and a BS Legal Management degree from the same university.

Arthur A. Sy

Atty. Sy, 55, Filipino, is the Assistant Corporate Secretary of Premium Leisure Corp. He is the Senior Vice President for Legal Department and Assistant Corporate Secretary at SM Investments Corporation. He is likewise the Assistant Corporate Secretary of SM Prime Holdings, Inc., Belle Corporation and 2GO Group, Inc. Further, he is currently the Corporate Secretary of various major corporations within the SM Group of Companies. He is also the Corporate Secretary of National University. Admitted to practice in the Philippines and the State of New York, Atty. Sy holds a Juris Doctor degree from the Ateneo de Manila University, School of Law.

Phil Ivan A. Chan

Atty. Chan, 42, Filipino, is the Assistant Corporate Secretary of Premium Leisure Corp. He is a co-founder of Serrano Law. He was previously a partner at Martinez Vergara Gonzalez & Serrano. In 2023, Atty. Chan was recognized as "Rising Star Partner" by IFLR1000. Most recently, Atty. Chan was recognized by the Legal 500 Asia Pacific as "Next Generation Partner" for Corporate and M&A in its Legal 500 Asia 2024 Rankings.

Atty. Chan holds a degree of B.S. Legal Management from Ateneo de Manila University and a Juris Doctor degree from Ateneo Law School.

Anna Josefina G. Esteban

Ms. Esteban, 57, Filipino, is the Chief Audit Executive of the following publicly listed companies: (i) Premium Leisure Corp.; (ii) Belle Corporation; (iii) Pacific Online Systems Corporation; and (iv) APC Group, Inc. Prior to joining the Belle Group, she served as Treasurer and Chief Finance Officer of Miriam (formerly Maryknoll) College Foundation, Inc. and worked at the Asian Development Bank for 18 years as Senior Officer at the Office of the Treasurer, Office of the Auditor General and Operations Evaluation Office. Earlier on, she was the Head of the Finance Systems and Audit Unit of Magnolia Nestle Corporation (a joint venture of San Miguel Corporation and Nestle S.A.). She was an auditor and management consultant at Carlos J. Valdes & Co. and was an accounting/finance professor at the College of St. Benilde and the Graduate School of Business of De La Salle University (DLSU). Ms. Esteban is a Certified Public

Accountant, Certified Information Systems Auditor and Certified Data Privacy Auditor. She earned her Bachelor of Science degree in Accounting at the College of the Holy Spirit, Manila and her Master in Business Administration (with distinction) at DLSU.

Michelle Angeli T. Hernandez

Ms. Hernandez, 53, Filipino, is the Compliance Officer and Chief Risk Officer of the Company. She is also the Vice President for Governance, Compliance Officer and Chief Risk Officer of Belle Corporation in which capacity she is mainly responsible for developing, implementing and managing various strategies, processes and policies related to Corporate Governance, Enterprise Risk Management and Corporate Affairs for the Company and its subsidiaries, Likewise, she is the Compliance Officer of Pacific Online Systems Corporation and the Chief Risk Officer of APC Group, Inc. She has a bachelor's degree in Tourism (Cum Laude) from the University of Sto. Tomas.

(2) Significant Employees

The Company has no employee who is not an executive officer but is expected to make a significant contribution to the business.

(3) Family Relationships

No director and/or executive officer of PLC are related up to the fourth degree by affinity or consanguinity.

(4) Involvement in Certain Legal Proceedings

"TMA Australia Pty. Ltd. And TMA Group Philippines, Inc. v. Pacific Online." RTC 66, Pasig City-Civil Case No. R-PSG-17-02130 [321-108]

This refers to a complaint for Tortious Interference and payment of Damages filed by TMA Australia Pty. Ltd. and TMA Philippines (the "TMA Group") against Pacific Online in August 2017. The TMA Group alleged that Pacific Online wrongfully interfered with the implementation of the Contractual Joint Venture Agreement (CJVA) between the TMA Group and PCSO when it entered into several equipment lease agreements with the latter that included a supply of paper provision. The TMA Group also applied for a writ of preliminary injunction (WPI) against Pacific Online and prayed for damages in the amount of at least One Million Pesos(P1,000,000.00). On March 21, 2018, the RTC granted the TMA Group's application for WPI, enjoining Pacific Online from continuing to deliver lotto paper to PCSO. During the pendency of this case, the Supreme Court issued a decision in Philippine Charity Sweepstake Office v. TMA Group of Companies (G.R. Nos. 212143, 225457, and 236888, 28 August 2019) stating that the WPI issued by RTC Makati against PCSO directing it to source its paper from TMA was improperly issued, and that the CJVA – the same CJVA in the case before RTC Pasig – could not have been a valid source of rights against PCSO. TMA filed a Motion for Reconsideration, but this was denied by the Supreme Court in a Resolution dated March 4, 2020. POSC then filed a Manifestation and a Supplemental Manifestation asking for the dismissal of the tortious interference case filed by the TMA Group.

On February 8, 2021, the court dismissed the case against POSC.

Except as here disclosed or attached, the Company is not aware of any of the following events wherein any of its directors, executive officers, nominees for election as director, underwriter or control persons were involved during the past five (5) years up to the latest date:

(1) Any bankruptcy petition filed by or against any business of which any of the above persons was a general partner or executive officer either at the time of bankruptcy or within two years prior to that time;
(2) Any conviction by final judgment, in a criminal proceeding, domestic or foreign;
(3) Any order or judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the above persons in any type of business, securities, commodities, or banking activities; and,
(4) Any findings by a domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that

any of the above persons has violated a securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Legal proceedings that the Company, its major subsidiaries and associates or any of their properties are subject to will not potentially affect their operations and financial capabilities.

(5) Disagreement with Director

No director has resigned nor declined to stand for re-election to the Board of Directors since the date of the last annual meeting of stockholders because of a disagreement with the Company on any matter relating to the latter's operations, policies, or practices.

Item 10. Compensation of Directors and Executive Officers

Summary of Annual Compensation

*estimates

Name and Principal Position	Year	Salary/ Per Diem Allowance	Bonus	Other Annual Compensation	Total Annual Compensation
Willy N. Ocier, Chairman of the Board and Executive Director Armin Antonio B. Raquel Santos, President & CEO Carlo R. Climaco, VP for Operations Dioville M. Villarias, Chief Financial Officer Anna Josefina G. Esteban, Chief Audit Executive					
President and 4 most	2025*	15,627,635	-	769,416	**16,397,051**
highly compensated	2024	14,911,383	-	732,777	**15,644,160**
executive officers	2023	13,193,030	-	464,528	**13,657,558**
All other officers and	2025*	13,537,972	-	-	**13,537,972**
directors as a Group	2024	12,987,176	-	-	**12,987,176**
(Unnamed)	2023	10,855,200	-	-	**10,855,200**

*estimates

Other annual compensation pertains to leave conversion and other employee benefits. Except as provided above, there are no other officers of the Company receiving compensation.

Per Diem for Meetings Attended by Directors

Each member of the Board of Directors received the following as Directors for the year 2023. The amounts represent their per diem for the meetings attended and all other responsibilities undertaken for the Company.

	Directors' Name	Total (Php)
ID	Maria Gracia P. Tan	**1,596,000**
ID	Laurito E. Serrano	**1,596,000**
ID	Paquito N. Ochoa Jr.*	**1,096,400**
NED	Jacinto C. Ng*	**841,664**
NED	Gregory Domingo*	**841,664**
ID	Exequiel P. Villacorta Jr.**	**399,600**
ID	Roberto V. Antonio**	**399,600**
ID	Jerry C. Tiu**	**399,600**
ED	Willy N. Ocier	**1,229,996**
ED	Armin Antonio B. Raquel Santos	**1,229,996**

* elected on April 22, 2024
** tenure until April 22, 2024

Except for reasonable per diems, directors, as such, shall be entitled to receive only such compensation as may be granted to them by the vote of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders. In no case shall the total yearly compensation of directors, as such, exceed 10% of the net income before income tax of the Company during the preceding year.
Below is the summary of Board meetings held/attended by each director during 2024:

ATTENDANCE TO 2024 PLC BOARD OF DIRECTORS' MEETINGS

Members of the Board	10-Jan-24	21-Feb-24	28-Feb-24	11-Mar-24	20-Mar-24	22-Apr-24[1]	22-Apr-24[2]	8-Aug-24	7-Nov-24	5-Dec-24	20-Dec-24[3]	Total	%
Ocier, Willy N.	√	√	√	√	√	√	√	√	√	√	√	11/11	100
Raquel Santos, Armin Antonio B.	√	√	√	√	√	√	√	√	√	√	√	11/11	100
Villacorta, Exequiel P. Jr.[4]	√	√	√	√	-	-	n/a	n/a	n/a	n/a	n/a	4/6	67
Tan, Maria Gracia P.	√	√	√	√	-	√	√	√	√	√	√	11/11	100
Tiu, Jerry C.[4]	√	√	√	√	√	√	n/a	n/a	n/a	n/a	n/a	6/6	100
Antonio, Roberto V.[4]	√	√	√	√	√	√	n/a	n/a	n/a	n/a	n/a	6/6	100
Serrano, Laurito E.	√	√	√	√	√	√	√	√	-	√	√	10/11	91
Domingo, Gregory L.[5]	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√	√	√	5/5	100
Ochoa, Paquito N. Jr.[5]	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√	√	√	5/5	100
Ng, Jacinto Jr. C.[5]	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√	√	√	5/5	100

[1] - Annual Stockholders' Meeting
[2] - Organizational Meeting
[3] -Special Stockholders' Meeting
[4] End of tenure effective April 22, 2024
[5] Tenure Commencement effective April 22, 2024

The Board Committees met in 2024 as shown below:

ATTENDANCE TO 2024 PLC CORPORATION EXECUTIVE COMMITTEE MEETINGS

	EXECUTIVE COMMITTEE	19-Sep-24	%
Chairman	Ocier, Willy N.	√	100
Member	Raquel Santos, Armin Antonio B.	√	100
Member	Domingo, Gregory L.[2]	√	100
Member	Ng, Jacinto Jr. C.[2]	√	100
Member	Villacorta, Exequiel P. Jr.[1]	n/a	-

[1]-End of tenure effective April 22, 2024
[2]-Tenure Commencement effective April 22, 2024

ATTENDANCE TO 2024 PLC CORPORATION AUDIT COMMITTEE MEETINGS

	AUDIT COMMITTEE	20-Feb-24	18-Apr-24	7-Aug-24	06-Nov-24	%
Chairman	Serrano, Laurito E. (ID)	√	√	√	√	100
Member	Tan, Maria Gracia P. (ID)	√	√	√	√	100
Member	Antonio, Roberto V. (ID)[1]	√	√	n/a	n/a	100
Member	Villacorta, Exequiel Jr. P.[1]	√	√	n/a	n/a	100
Member	Ng, Jacinto Jr. C.[2]	n/a	n/a	√	√	100

[1]-End of tenure effective April 22, 2024
[2]-Tenure Commencement effective April 22, 2024

ATTENDANCE TO 2024 PLC CORPORATION CORPORATE GOVERNANCE COMMITTEE MEETINGS

	CORPORATE GOVERNANCE COMMITTEE	20-Feb-24	6-Nov-24	%
Chairman	Antonio, Roberto V. (ID)[1]	√	n/a	100
Member	Tan, Maria Gracia P. (ID)	√	√	100
Member	Serrano, Laurito E. (ID)	√	√	100
Chairman	Ochoa, Paquito Jr. N. (ID)[2]	n/a	√	100

[1]-End of tenure effective April 22, 2024
[2]-Tenure Commencement effective April 22, 2024

ATTENDANCE TO 2024 PLC CORPORATION COMPENSATION AND REMUNERATION COMMITTEE MEETINGS

	COMPENSATION AND REMUNERATION COMMITTEE	20-Feb-24	5-Dec-24	%
Chairperson	Tiu, Jerry C.[1]	√	n/a	100
Member	Raquel Santos, Armin Antonio B.	√	√	100
Member	Serrano, Laurito E.[1]	√	n/a	100
Chairperson	Ocier, Willy N.[2]	n/a	√	100
Member	Ng, Jacinto Jr. C.[2]	n/a	√	100

[1]-End of tenure effective April 22, 2024
[2]-Tenure Commencement effective April 22, 2024

ATTENDANCE TO 2024 PLC CORPORATION RISK OVERSIGHT COMMITTEE MEETINGS

	RISK OVERSIGHT COMMITTEE	20-Feb-24	6-Nov-24	%
Chairperson	Tan, Maria Gracia P. (ID)	√	√	100
Member	Antonio, Roberto V. (ID)[1]	√	n/a	100
Member	Tiu, Jerry C. (ID)[1]	√	n/a	100
Member	Villacorta, Exequiel Jr. P.[1]	√	n/a	100
Member	Domingo, Gregory L.[2]	n/a	√	100
Member	Serrano, Laurito E. (ID)[2]	n/a	√	100

[1]-End of tenure effective April 22, 2024
[2]-Tenure Commencement effective April 22, 2024

ATTENDANCE TO 2024 PLC CORPORATION RELATED PARTY TRANSACTIONS COMMITTEE MEETINGS

	RELATED PARTY TRANSACTIONS COMMITTEE	20-Feb-24	6-Nov-24	%
Chairman	Tiu, Jerry C. (ID)[1]	√	n/a	100
Member	Serrano, Laurito E. (ID)	√	√	100
Member	Antonio, Roberto V. (ID)1	√	n/a	100
Chairman	Ochoa, Paquito N. (ID)[2]	n/a	√	100
Member	Tan, Maria Gracia P. (ID)[2]	n/a	√	100

[1]-End of tenure effective April 22, 2024
[2]-Tenure Commencement effective April 22, 2024

Employment Contracts and Termination of Employment and Change in Control Arrangements

There is no compensatory plan or arrangement with respect to named executive officers that resulted or will result from the resignation, retirement or termination of such executive officer or from a change-in-control in the Company.

Warrants and Options Outstanding

There are no outstanding warrants or options held by directors and officers of the Company. There are also no actions to be taken regarding election, any compensatory plan, contract, or arrangement, any bonus or profit-sharing, change in pension/retirement plan, granting of or extension of any options, warrants or rights to purchase any securities.

Item 11. Security Ownership of Certain Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

The persons or groups identified in the table below are known to the Company as directly or indirectly the record or beneficial owners of more than five percent (5%) of the Company's voting securities as of **December 31, 2024**:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name and Address of Beneficial Owner and Relationship with Record Owner	Citizen-ship	No. of Shares	Percent of ownership
Common	Belle Corporation (Belle) * 5th Floor Tower A, Two E-Com Center, Palm Coast Ave., Mall of Asia Complex, Pasay City, Metro Manila, Philippines (a)	Belle Corporation	Filipino	31,077,096,570,9	99.55

*Belle Corporation is the parent company of Premium Leisure Corp. The shares held by Belle Corporation, being a corporate shareholder, shall be voted or disposed of, by the persons who shall be duly authorized by Belle for the purpose. The natural person/s that has/have the power to vote on the shares of Belle shall be determined upon the submission of its proxy form to the Company, which is not later than three (3) business days before the date of the meeting.

As of December 31, 2024, 69,580,152 Common Shares of the Company are owned by non-Filipinos, constituting approximately 0.22% of the Company's outstanding capital stock.

(2) Security Ownership of Management

The following table shows the shares beneficially owned by the directors and executive officers of the Company as of December 31, 2024:

Title of Class	Name of BeneficialOwner	Amount* andNature of Beneficial Ownership	Citizenship	Percent
Common	Willy N. Ocier	3,042,001 Direct	Filipino	0.01%
Common	Armin Antonio B. Raquel Santos	1,001 Direct	Filipino	0%
Common	Maria Gracia M. Pulido Tan	10,001 Direct	Filipino	0%
Common	Jacinto C. Ng, Jr.	1,000 Direct	Filipino	0%
Common	Gregory L. Domingo	1 Direct	Filipino	0%
Common	Paquito N. Ochoa, Jr.	1 Direct	Filipino	0%
Common	Laurito E. Serrano	101 Direct	Filipino	0%
Common	Arthur A. Sy	0	Filipino	0%
Common	Carlo R. Climaco	0	Filipino	0%
Common	Dioville M. Villarias	0	Filipino	0%
Common	Elmer B. Serrano	0	Filipino	0%
Common	Phil Ivan A. Chan	0	Filipino	0%
Common	Anna Josefina G. Esteban	0	Filipino	0%
Common	Michelle Angeli T. Hernandez	0	Filipino	0%

*No. reflects the number of shares beneficially owned by the Company's directors and executive officers

**Shares of Mr. Jerry C. Tiu are lodged with broker duly registered in Mr. Tiu's name

(3) Voting Trust Holders of 5% or More

The Company is not aware of any party which holds any voting trust or any similar agreement for 5% or more of Premium Leisure Corp.'s voting securities.

(4) Change in Control

The Company is not aware of any change in control or arrangement that may result in a change in control of the Company since the beginning of its last fiscal year. As of December 31, 2023, there are no existing or planned stock warrant offerings by PLC. There are no arrangements which may result in a change in control of the Company.

On June 2, 2014, the Company's Board of Directors approved to take on the gaming business and interests of the Belle Group. The transaction involved the sale to Belle of PLC's non-gaming assets (comprising primarily real properties and corporate club membership shares) and acquisition of all of Belle's interest in PremiumLeisure and Amusement, Inc. (PLAI) and 34.5% interest in POSC Systems Corporation (POSC). The transfers of the said assets were completed on July 24, 2014. As part of the consideration for the transfer of assets, PLC undertook to increase its authorized capital stock, and out of such increase, Belle agreed to subscribe to new shares to increase its stake in the Company to 90% of the outstanding capital.

As a result of the transactions, the Company directly owns 100% of PLAI and 34.5% of POSC. Belle, together with other principal shareholders agreed to offer a certain number of shares for sale, and as a result of which, its shareholdings in PLC was reduced. As of December 31, 2015, Belle directly owns 78.745% (24,904,904,324 shares) of PLC.

On August 5, 2015, PLC acquired additional 47,851,315 shares of POSC, thereby increasing its ownership from 34.5% to 50.1%. This resulted to the line by line consolidation of POSC by PLC. As of December 31, 2018, PLC owns 53.1% of POSC's outstanding shares.

On July 1, 2017, Lucky Circle Corporation (LCC), a subsidiary of POSC that operates and/or manages several outlets throughout the Philippines that sell products of POSC, including lotto, keno and instant scratch tickets, acquired 100% ownership interest in nine entities.

On February 6, 2020, POSC's BOD approved the sale of LCC for POSC to focus its resources to its principal business of providing modern and efficient online gaming facilities and equipment to its customers. LCC is included as part of "Lottery equipment, leasing, distribution and others" in the Company's reportable segment.

On February 13, 2020, POSC has concluded the sale of all of the POSC's equity interest in LCC, equivalent to 127.0 million shares for Php1.082 per share to a third party for a total consideration of Php137.4 million.

On September 7, 2021, Pinoylotto, a joint venture corporation owned by POSC, Philippine Gaming Management Corp. (PGMC) and International Lottery & Totalizator Systems, Inc. (ILTS), was incorporated with the SEC. PinoyLotto was awarded the five years lease of the customized PCSO Lottery System, also known as '2021 PLS Project'.

The Group's interest in PinoyLotto was classified as a joint operation. PinoyLotto is 50% owned by POSC but controlled jointly with the other owner. PinoyLotto has been classified as a joint operation because the parties have equal number of board representatives and because relevant activities that significantly affect the return on the investment requires approval of representatives from both partners.

Item 12. Certain Relationships and Related Transactions

No director or executive officer or any member of their immediate family has, during the last two years, had direct or indirect, material interest in a transaction of proposed transaction to which the Company was a party.

As summarized and disclosed in its consolidated financial statements, in the ordinary course of business, the Company has transactions with related parties which consist mainly of extension of interest-bearing notes to, or availment of noninterest-bearing advances from Belle Corporation. The outstanding balances at year-end are due and demandable. There have been no guarantees provided or received for any related party receivables or payables.

Related party transactions amounting to 10% or higher of the Company's consolidated total assets are subject to the approval of the BOD. Aside from these transactions and those identified in the attached Audited Financial Statements, the Company has no other significant transactions that need to be disclosed.

The related party transactions are described in Note 23 (Related Party Transactions) of the Notes to the Consolidated Financial Statements.

PART IV – CORPORATE GOVERNANCE

COMPLIANCE WITH CORPORATE GOVERNANCE PRACTICES

PLC is cognizant of the important role of adherence to good governance practices in the operations of its business, increasing shareholder value and sustaining growth. The Company's platform of governance remains rooted in its Revised Manual on Corporate Governance and Code of Business Conduct and Ethics, which supports the principles of fairness, accountability and transparency. The Company promotes these principles to all in the organization and to all its stakeholders, and continues to keep pace with the global corporate governance best practices under the guidance of its Board of Directors (the "Board").

The Board's primary role is to foster the long-term success of the Company, secure its sustained competitiveness consistent with its fiduciary responsibility in a manner that ensures the best interests of the Company, its shareholders and its stakeholders.

Board Attendance

Regular meetings of the Board are scheduled at the beginning of the year and are held at least six (6) times annually. Special meetings may also be called by the Chairman, the President or Corporate Secretary. A director's absence or non-participation in more than fifty percent (50%) of all meetings in a year is a ground for temporary disqualification in the succeeding election. In 2024, each of the Company's directors have complied with the requirements.

Below table shows the attendance of each board member in the meetings conducted during the year:

ATTENDANCE TO 2024 PLC BOARD OF DIRECTORS' MEETINGS

Members of the Board	10-Jan-24	21-Feb-24	28-Feb-24	11-Mar-24	20-Mar-24	22-Apr-24[1]	22-Apr-24[2]	8-Aug-24	7-Nov-24	5-Dec-24	20-Dec-24[3]	Total	%
Ocier, Willy N.	√	√	√	√	√	√	√	√	√	√	√	11/11	100
Raquel Santos, Armin Antonio B.	√	√	√	√	√	√	√	√	√	√	√	11/11	100
Villacorta, Exequiel P. Jr.[4]	√	√	√	√	-	-	n/a	n/a	n/a	n/a	n/a	4/6	67
Tan, Maria Gracia P.	√	√	√	√	-	√	√	√	√	√	√	11/11	100
Tiu, Jerry C.[4]	√	√	√	√	√	√	n/a	n/a	n/a	n/a	n/a	6/6	100
Antonio, Roberto V.[4]	√	√	√	√	√	√	n/a	n/a	n/a	n/a	n/a	6/6	100
Serrano, Laurito E.	√	√	√	√	√	√	√	√	-	√	√	10/11	91
Domingo, Gregory L.[5]	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√	√	√	5/5	100
Ochoa, Paquito N. Jr.[5]	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√	√	√	5/5	100
Ng, Jacinto Jr. C.[5]	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√	√	√	5/5	100

[1] - Annual Stockholders' Meeting
[2] - Organizational Meeting
[3] -Special Stockholders' Meeting
[4] End of tenure effective April 22, 2024
[5] -Tenure Commencement effective April 22, 2024

The Board of Directors during its meeting in November 2024 approved the scheduling of the 2025 Board and Committee Meetings in adherence to good governance practices.

Board Performance Evaluation

The Company, through its Corporate Governance Committee, conducts annual performance evaluations of the Board, its individual members and Board Committees to ensure optimum Board performance. The evaluation seeks to assess the effectiveness and collective performance of the Board through a self-assessment. In this evaluation process, directors identify areas for improvement, such as:

1. The timeliness and integrity of information given to them;
2. Directors' access to management, the Corporate Secretary and Board Advisors, and
3. Other forms of assistance as needed.

The detailed Board Evaluation Form can be found in the Company's website. Directors are asked to rate the performance of the collective Board, the Board Committees, themselves as directors, the Company's Chairman of the Board, the Chief Executive Officer, and key officers.

Criteria for Board and Management Ratings are as follows:

1. Collective Board Rating – relates to:

- Board Composition – relates to how the Board members assess the Board as a whole based on their balance/diversity, knowledge/competencies, qualifications/background and experience.
- Board Efficiency and Importance – relates to how the Board members assess the Board's overall performance, oversight over Management's activities, discussions on short and long term goals, business

strategies and plans, risk, and regulation, follow up of business plan, strategy, objective and budget, promotion of good governance principles, policies and mechanisms, and promotion of continuing education and/or training
- Board Meetings and Participation – relates to how Board members assess frequency of Board meetings, if they were given chance to fully and positively participate, were provided quality materials and sufficient time for study, provided easy and timely access to information or inputs and whether there is efficient use of the time allocated for each meeting

2. Board Committees Rating – relates to how the Committee members and Management rate the performance of the following Committees for the past year:
- Executive Committee
- Audit Committee
- Risk Oversight Committee
- Corporate Governance Committee
- Related Party Transaction Committee
- Compensation and Remuneration Committee

3. Individual Directors' Self-rating – relates to how the Directors assess their independence, participation and expertise

4. Officers Rating – relates to how well the Chairman of the Board and the President/CEO demonstrates leadership, integrity, diligence and adherence to corporate governance principles and practices as well as the assessment of the following key officers for their over-all performance:
- Chief Risk Officer
- Compliance Officer
- Chief Audit Executive

The Board reviews the results of this evaluation and agrees on clear action plans to address any issues raised. In line with governance best practices, the Company also ensures that board evaluations shall be facilitated by a third-party independent assessor every three (3) years.

The annual Board performance evaluation for 2024 was conducted in February 2025. The results of the evaluation, which found the Board to be functioning well to its mandate, were discussed and presented to the Board through the Corporate Governance Committee.

Continuing Education Programs

The Board identifies areas of continuing education on corporate governance topics they require. To keep the Board and key officers well-informed of governance-related developments, regular annual education programs are conducted in coordination with SM Investments Corporation and training providers duly accredited by the SEC.

Ocier	Willy	N.	Director, Chairman	Instiute of Corporate Directors (ICD)	8/27/2024	Global Economic and Geopolitical Outlook / Artificial Intelligence / Cybersecurity
Raquel Santos	Armin Antonio	B.	Director, President & CEO			
Ng	Jacinto Jr.	C.	Director			
Ochoa	Paquito Jr.	N.	Independent Director			
Serrano	Laurito	E.	Independent Director			
Domingo	Gregory	L.	Director	BDO Unibank, Inc.	7/26/2024	Updated Retail Banking Trends with Generative AI / Cyber Threat Landscape / Risk Managing Cyber Risk
Tan	Maria Gracia	P.	Independent Director	SEC-PSE	11/28/2024	Corporate Governance

Villarias	Dioville	M.	Chief Financial Officer and Treasurer	Instiute of Corporate Directors (ICD)	27-Aug-24	Global Economic and Geopolitical Outlook / Artificial Intelligence / Cybersecurity
Serrano	Elmer	B.	Corporate Secretary			
Sy	Arthur	A.	Assistant Corporate Secretary			
Chan	Phil Ivan	A.	Assistant Corporate Secretary			
Climaco	Carlo	R.	Vice President for Operation and Regulatory			
Esteban	Anna Josefina	G.	Chief Audit Executive			
Hernandez	Michelle	T.	Compliance Officer and Chief Risk Officer			

Manual on Corporate Governance

In compliance with the initiative of the SEC, PLC submitted its Revised Manual on Corporate Governance (the "Revised Manual") to the SEC. The Revised Manual institutionalizes the principles of good corporate governance in the entire Company. PLC believes that corporate governance, the framework of rules, systems and processes governing the performance of the Board and Management of their respective duties and responsibilities, and from which the organization's values and ethics emerge, is of utmost importance to the Company's shareholders and other stakeholders, which include, among others, clients, employees, suppliers, financiers, government and community in which it operates.

The Company undertakes every effort possible to create awareness throughout the entire organization by keeping abreast with the promulgations from the Securities and Exchange Commission, the Philippine Stock Exchange and other government agencies. the Board of Directors discussed and approved the Company's Revised Manual of Corporate Governance on October 28, 2021.

The Company conducts regular monitoring of its and its directors and officers' compliance with the Manual of Corporate Governance. The Company submits every year its Integrated Annual Corporate Governance Report, which shows that it has complied with the recommendations under the Code of Corporate Governance for Publicly-Listed Companies.

In 2024, there are no significant deviations and in general, the Company has fully complied with the provisions and requirements of the Corporate Governance Manual.

The Company also keeps itself abreast of relevant regulatory issuances and requirements and global best practices and familiarizes itself with updates and trends even before they are required by local regulations. This is part of the continuing efforts and plans to improve corporate governance of PLC.

Board Committees

Even prior to the submission of its Manual, the Company already created various Board-level committees. These committees were comprised of:

1. The Executive Committee – to oversee the management of the Company and is responsible for the Company's goals, finances and policies;
2. Audit Committee – to review financial and accounting matters;
3. Compensation and Remuneration Committee – to look into an appropriate remuneration system;
4. Risk Oversight Committee – to review the policies and procedures relating to the identification, analysis, management, monitoring and reporting of financial and non-financial risks;
5. Related Party Transactions Committee – to assess material agreements with related parties to ensure that the RPT are conducted at market rates and on an arm's length basis; and
6. Corporate Governance Committee – to assist and advise the Board in performing corporate governance compliance responsibilities in relation with the Company's Revised Manual on Corporate Governance, the Philippine Code of Corporate Governance, and the disclsoure rules of the SEC and the PSE.
    - Nomination Committee – for the selection and evaluation of qualifications of directors and officers. On April 24, 2017, the Nomination Committee was merged with the Corporate Governance Committee.

Each of the above is guided by their respective Committee Charters that indicates the purpose, composition, duties and responsibilities. The Board Committee Charters are reviewed annually.

Below is the attendance of the members of the Board Committees for 2024.

ATTENDANCE TO 2024 PLC AUDIT COMMITTEE MEETINGS

	Members	20-Feb-24	18-Apr-24	7-Aug-24	06-Nov-24	%
Chairman	Serrano, Laurito E. (ID)	√	√	√	√	100
Member	Tan, Maria Gracia P. (ID)	√	√	√	√	100
Member	Antonio, Roberto V. (ID)[1]	√	√	n/a	n/a	100
Member	Villacorta, Exequiel Jr. P.[1]	√	√	n/a	n/a	100
Member	Ng, Jacinto Jr. C. [2]	n/a	n/a	√	√	100

[1] -End of tenure effective April 22, 2024

[2] -Tenure commencement effective April 22, 2024

ATTENDANCE TO 2024 PLC CORPORATE GOVERNANCE COMMITTEE MEETINGS

	Members	20-Feb-24	6-Nov-24	%
Chairman	Antonio, Roberto V. (ID)[1]	√	n/a	100
Member	Tan, Maria Gracia P. (ID)	√	√	100
Member	Serrano, Laurito E. (ID)	√	√	100
Chairman	Ochoa, Paquito Jr. N. (ID)[2]	n/a	√	100

[1] -End of tenure effective April 22, 2024

[2] -Tenure commencement effective April 22, 2024

ATTENDANCE TO 2024 PLC COMPENSATION AND REMUNERATION COMMITTEE MEETINGS

	Members	20-Feb-24	5-Dec-24	%
Chairperson	Tiu, Jerry C.[1]	√	n/a	100
Member	Raquel Santos, Armin Antonio B.	√	√	100
Member	Serrano, Laurito E.[1]	√	n/a	100
Chairperson	Ocier, Willy N. [2]	n/a	√	100
Member	Ng, Jacinto Jr. C. [2]	n/a	√	100

[1] -End of tenure effective April 22, 2024

[2] -Tenure commencement effective April 22, 2024

ATTENDANCE TO 2024 PLC RISK OVERSIGHT COMMITTEE MEETINGS

	Members	20-Feb-24	6-Nov-24	%
Chairperson	Tan, Maria Gracia P. (ID)	√	√	100
Member	Antonio, Roberto V. (ID)[1]	√	n/a	100
Member	Tiu, Jerry C. (ID)[1]	√	n/a	100
Member	Villacorta, Exequiel Jr. P.[1]	√	n/a	100
Member	Domingo, Gregory L.[2]	n/a	√	100
Member	Serrano, Laurito E. (ID)[2]	n/a	√	100

[1] -End of tenure effective April 22, 2024

[2] -Tenure commencement effective April 22, 2024

ATTENDANCE TO 2024 PLC RELATED PARTY TRANSACTIONS COMMITTEE MEETINGS

	Members	20-Feb-24	6-Nov-24	%
Chairman	Tiu, Jerry C. (ID)[1]	√	n/a	100
Member	Serrano, Laurito E. (ID)	√	√	100
Member	Antonio, Roberto V. (ID)1	√	n/a	100
Chairman	Ochoa, Paquito N. (ID)[2]	n/a	√	100
Member	Tan, Maria Gracia P. (ID)[2]	n/a	√	100

[1] -End of tenure effective April 22, 2024

[2] -Tenure commencement effective April 22, 2024

Risk Oversight Committee

The Company has adopted a risk management policy that establishes a culture of disclosing, evaluating and managing risks, from the Board and throughout the organization toward achieving its goals and objectives, which include, among others, the protection and preservation its employees' and clients' safety and welfare, the value and condition of its properties and assets, and its local and global reputation. The Company aligns its risk appetite with its long-term strategic objectives.

The Risk Oversight Committee (ROC) evaluates the effectiveness of the Company's risk management system on an annual basis. The Board of Directors, through the ROC, has reviewed the Company's risk management system for 2024 and has found the same effective and adequate.

The Audit Committee

The Audit Committee reviews annually the effectiveness of the Company's internal control system, including information technology security and controls. To facilitate their review, the Committee understands and evaluates the scope of the internal and external auditors' review of internal controls over financial reporting, and obtains regular reports on significant findings and recommendations, together with management's responses, to obtain reasonable assurance that the Company's key organizational and procedural controls are effective, appropriate and complied with.

The Board of Directors, through the Audit Committee, has reviewed the effectiveness of the Company's internal control system, including the information technology security controls. Effective and adequate internal control mechanisms are in place, implemented and properly complied with for the year 2024.

Corporate Objectives

The Board establishes the corporate objectives, which are:

- To create opportunities for growth through strategic and lucrative investments and to enhance shareholder value for PLC's partners and investors
    - Declaration of regular dividends of at least 80% of the prior year's unrestricted retained earnings, taking into consideration the Company's operating result, cash flow, regulatory requirements and other factors.
    - Adoption of good governance practices, and being assessed as one of the top 100 Philippine Publicly-Listed Companies scoring above 100% in the annual ASEAN Corporate Governance Scorecard.
    - Endeavor to realize increases in net income, surpassing operating performance in 2018-2019, by continuous exercise of financial prudence and undertaking of business risks only upon careful study and evaluation.
- To promote mutually beneficial relationship with all the stakeholders that is grounded on transparency, integrity and respect and to enhance the quality of life of the communities it serves
    - Participation in activities that uplift the quality of life in surrounding communities thru coordination with Belle Kaagapay, which is Belle Corporation's corporate social responsibility arm. Such activities include joining the Department of Education's *Brigada Eskwela*, feeding programs, medical and dental / eye and ear missions, tree-planting and livelihood programs

Code of Business Conduct and Ethics

The Company remains committed to align with the best corporate governance practices through its Revised Manual, the Company's Code of Business Conduct and Ethics (CBCE) which define good governance, ethics and compliance practices expected throughout the organization. The Revised Manual and CBCE are communicated to directors, officers and employees to ensure familiarity and adherence. These documents are also made public through the Company's website.

Governance Policies

Corporate policies on governance were developed, submitted to and approved by the Board to protect the interests and rights of the shareholders and stakeholders and to promote transparency and accountability. Such governance related policies are shown below and may be viewed through the PLC Corporate website https://www.premiumleisurecorp.com/governance-plc/corporate-policies: These policies and procedures are initially cascaded throughout the organization via email blast, intranet portal and annual corporate governance trainings. The Board, through its various Board Committees, ensures that adequate internal control mechanisms are implemented and properly complied in all levels.

1. Accountability, Integrity and Vigilance (Whistle-Blowing)
2. Alternative Dispute Resolution
3. Board Diversity
4. Conflict of Interest
5. Corporate Disclosures
6. Directors' Board Seats Held in Other Companies
7. Employees' Safety, Health and Welfare
8. Gifts / Hospitality / Entertainment

9. Insider Trading
10. Related Party Transactions
11. Succession Planning and Retirement Age for Directors and Key Officers
12. Tenure of Independent Directors
13. Vendor Accreditation and Selection
14. Material Related Party Transactions

Board Diversity

The Corporate values and promotes a diversity policy in the composition of our Board to reinforce its effectiveness in providing strategic direction, oversight and compliance with laws and regulations.

Diversity in age, gender, ethnicity, experience, field expertise, and personal qualities shall be considered by the Board as it installs a process of selection to ensure a mix of competent directors and key officers. Diversity will foster critical discussion and promote balanced decisions by the Board by utilizing the difference in perspective of its directors.

PLC Board Skill Set Matrix as of 31 December 2024				INDUSTRY EXPERIENCE / EXPERTISE / COMPETENCIES																	
NAME and DESIGNATION	AGE	GENDER	EDUCATIONAL BACKGROUND	Accounting / Audit	Anti-Money Laundering	Banking	Construc-tion	Corp. Gov.	Econo-mics	Finance	Hospitality / Leisure	IT / Comm	Insu-rance	Invest-ment	Internal Control	Law	Manage-ment	Mining	Real Estate	Risk Mgmt.	Sales & Mktg.
Willy N. Ocier Chairman Non-Executive Director	68	M	Bachelor of Arts in Economics		✓		✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓
Armin Antonio B. Raquel Santos President and CEO Executive Director	57	M	Bachelor of Science in Business Administration Major in Finance Master of Arts in Liberal Studies	✓	✓		✓	✓	✓	✓	✓			✓	✓		✓	✓	✓	✓	✓
Jacinto C. Ng, Jr. Non-Executive Director	55	M	Bachelor of Science Degree in Architecture	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓		✓	✓	✓
Ma. Gracia P. Tan Lead Independent Director	69	F	Bachelor of Science-Business Administration and Accounting, and Bachelor of Laws Masters in Law (Tax)	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	
Laurito E. Serrano Independent Director	64	M	Masters in Business Administration Certified Public Accountant	✓	✓	✓		✓	✓	✓		✓		✓	✓		✓	✓	✓	✓	✓
Paquito N. Ochoa Independent Director	64	M	AB Economics Degree and Bachelor of Laws	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓			✓	
Gregory L. Domingo Director	70	M	Bachelor of Science in Management Engineering Master in Business Administration Master of Science in Operations Research	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓

Directors' disclosures on self-dealing and related party transactions.

All business decisions and actions must be based on the best interests of the Company and not motivated by personal considerations or relationships which may interfere with the exercise of independent judgment. The Company aims to conduct business in accordance with the highest standards of business ethics. To this end, all business dealings should be compliant with all applicable laws and must not in any way compromise the good name and reputation of the Company.

All Directors, Officers and Employees shall act with utmost integrity and shall not engage in unfair dealing practices. The Company prohibits any conflict of interest, unfair competition, breach of trust, or any other act inimical to the Company's interest. All Directors, Officers and Employees are required to disclose in writing to the Management, within forty- eight (48) hours, any financial or personal interest in any transaction involving the Company to ensure that potential conflicts of interest are brought to the attention of Management.

Directors shall inhibit themselves from participating in any discussion, deliberation and decision-making concerning any issue or transaction where they may be conflicted.

The Company shall not extend loans to Directors and Officers unless these grants are conducted at arms-length basis and at prevailing market rates.

Tenure of Independent Directors

Further, the Board has approved the setting of maximum tenure of nine (9) years with year 2012, or the commencements of their term assuming it is later than January 2012, as reckoning date. The Independent Director (ID) may serve as a Non-Executive Director after his term as an ID.

Compliance Officer

The Company, through its Compliance Officer, stresses full compliance with applicable laws and adherence to ethical practices as stated in the Code of Business Conduct and Ethics (CBCE) and the Revised Manual on Corporate Governance.

The Board established the major goals, policies, and objectives of the Company, as well as the means to monitor and evaluate the performance of Management. The Board also ensures that adequate internal control mechanisms are implemented and properly complied in all levels.

The Company is not aware of any non-compliance with its Revised Manual on Corporate Governance, by any of its directors, officers or employees.

For governance related issues or concerns, stakeholders may refer to:

Governance and Corporate Affairs Department
5th Floor Tower A, Two E-com Center
Palm Coast Avenue, Mall of Asia Complex
Pasay City 1300 Philippines
Tel.No.:(632) 8662-8888
Email: governance@bellecorp.com

Investor Relations
Carlo R. Climaco
Vice President for Operations and Regulatory
Premium Leisure Corp.
5th Floor Tower A, Two E-com CenterPalm Coast Avenue
Mall of Asia Complex Pasay City 1300 Philippines
Tel.No.:(632) 8662-8888
Email: carlo.climaco@premiumleisurecorp.com

The Company, through its Chief Compliance Officer, stresses full compliance with applicable laws and adherence to ethical practices as stated in the Code of Business Conduct and Ethics (CBCE) and the Revised Manual. PLC is not aware of any non-compliance with the Revised Manual by any of its directors, officers or employees.

PART V - EXHIBITS AND SCHEDULES

Item 13. Exhibits and Reports on SEC Form 17-C

a. Exhibits on SEC Form 17-C

There are no exhibits to be provided/applicable to the Company.

b. Reports on SEC Form 17-C

Date	Matter
02/29/2024	Material Information/Transactions Approval of Consolidated Financial Statements for the year ended December 31, 2023
03/11/2024	Results of Board Meeting Approval of Voluntary Delisting of PLC Shares, subject to the successful tender offer by Belle Corporation and in accordance with the requirements of the PSE for voluntary delisting
03/21/2024	Receipt of Tender Offer Report (SEC Form 19-1 including exhibits and annexes)
04/22/2024	Results of Annual Stockholders' Meeting
10/31/2024	Declaration of Dividend
11/08/2024	Matters approved by the Board of Directors on November 7, 2024 1. Increase in the par value of the common shares of PLC 2. Amendment of the Seventh Article of the Articles of Incorporation of PLC to reflect the increase in the par value of the common shares 3. Setting of the Special Stockholders' Meeting of PLC on December 20, 2024 4. Financial Statements of PLC for the third quarter of 2024

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasay on ____ day of ___________ 2025.

APR 1 1 2025

By:

Willy N. Ocier Chairman of the Board	Armin Antonio B. Raquel Santos President and Chief Executive Officer
Dioville M. Villarias Chief Financial Officer/ Treasurer	Atty. Elmer B. Serrano Corporate Secretary

APR 1 1 2025

SUBSCRIBED AND SWORN to before me this ___ th day of __________ 2025 affiants exhibiting to me their ________________________________, as follows:

NAME	PASSPORT/ TIN No.	EXPIRATION DATE	PLACE OF ISSUE
Willy N. Ocier			
Armin Antonio B. Raquel Santos			
Dioville M. Villarias			
Atty. Elmer B. Serrano			

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-20...
PTR No. 10466008 Jan. 2, 2025/Makati
IBP No. 488534 Dec. 27, 2024
MCLE NO. VII-0027570 Roll No. 27...
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

DOC NO. 377
PAGE NO. 77
BOOK NO. 12
SERIES OF 2025

PREMIUM LEISURE CORP.
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

FORM 17-A, Item 7

INDEX TO EXHIBITS

Form 11-A

No.		**Page No.**
(3)	Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	*
(5)	Instruments Defining the Rights of Security Holders, Including Indentures	*
(8)	Voting Trust Agreement	*
(9)	Material Contracts	*
(10)	Annual Report to Security Holders, Form 11-Q or Quarterly Report to Security Holders	*
(13)	Letter re Change in Certifying Accountant	*
(16)	Report Furnished to Security Holders	*
(19)	Published Report Regarding Matters Submitted to Vote of Security Holders	*
(20)	Consent of Experts and Independent Counsel	*
(21)	Power of Attorney	*

*These Exhibits are either not applicable to the Company or require no answer.

Premium Leisure Corp.
Sustainability Reporting Template

Contextual Information

Company Details	
Name of Organization	Premium Leisure Corp. ("PLC" or the "Corporation")
Location of Headquarters	5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City, Metro Manila
Location of Operations	PLC's principal address is 5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City, Metro Manila. As an investments holding company, the Corporation is invested in companies operating and located in the Philippines. Among its subsidiaries is PremiumLeisure and Amusement, Inc. ("PLAI"), which holds office at 5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City.
Report Boundary: Legal entities (e.g. subsidiaries) included in this report	Within PLC and PLAI
Business Model, including Primary Activities, Brands, Products, and Services	Premium Leisure Corp., formerly Sinophil Corporation, ("PLC" or the "Corporation"), incorporated and registered with the Philippine Securities and Exchange Commission ("SEC") as Sinophil Exploration Co., Inc. on November 26, 1993, was originally organized with oil and gas exploration and development as its primary purpose and investments and development as among its secondary purposes. On June 3, 1997, the SEC approved PLC's application for a change in its primary purpose from oil and gas exploration and development to investment holding and real estate development. On September 5, 2014, the SEC approved the change in PLC's primary purpose to that of engagement and/or investment in gaming-related businesses. In March 2024, PLC received a tender offer from Belle Corporation (Belle), majority owner of the Corporation, to acquire all outstanding common shares of PLC. Belle intended to conduct this tender offer to voluntarily delist PLC from the Main Board of the Philippine Stock Exchange (PSE). In May 2024, Belle purchased the shares each at P0.85, and upon the completion of said tender offer, resulted to Belle owning over 99% of PLC's outstanding common shares.

	On June 28, 2024, the Philippine Stock Exchange ("PSE") approved the voluntary delisting of PLC effective July 9, 2024 citing its failure to reach the 10% minimum public float. PLC and its subsidiaries have an investment portfolio consisting of investment holding, gaming businesses, and provision and management of online lottery systems, terminals and software for the Philippine lottery gaming industry. Meanwhile, PLAI, a fully owned subsidiary of PLC, is a grantee by the Philippine Amusement and Gaming Corporation of a license to operate integrated resorts, including casinos, within PAGCOR's Entertainment City in Paranaque City, Metro Manila. Through its partnership with Melco Resorts and Entertainment (Philippines) Corporation, a leading developer, owner and operator of casino gaming and entertainment resort facilities in Asia, PLAI has an interest in the development of City of Dreams Manila, an integrated entertainment and gaming complex located at the PAGCOR Entertainment City, and from where PLAI receives its share in gaming revenues. Pacific Online Systems Corporation ("Pacific Online"), PLC's subsidiary, is engaged in the provision and management of online lottery systems, terminals and software for the Philippine lottery gaming industry. In 2021, Pacific Online entered into a joint venture agreement with Philippine Gaming Management Corporation and International Lottery Totalizator Systems for the five-year contract to provide a nationwide online lottery system for the Philippine Charity Sweepstakes Office.
Reporting Period	January 1 to December 31, 2024
Highest Ranking Person responsible for this report	Mr. Armin Antonio B. Raquel Santos, President and Chief Executive Officer of the Corporation

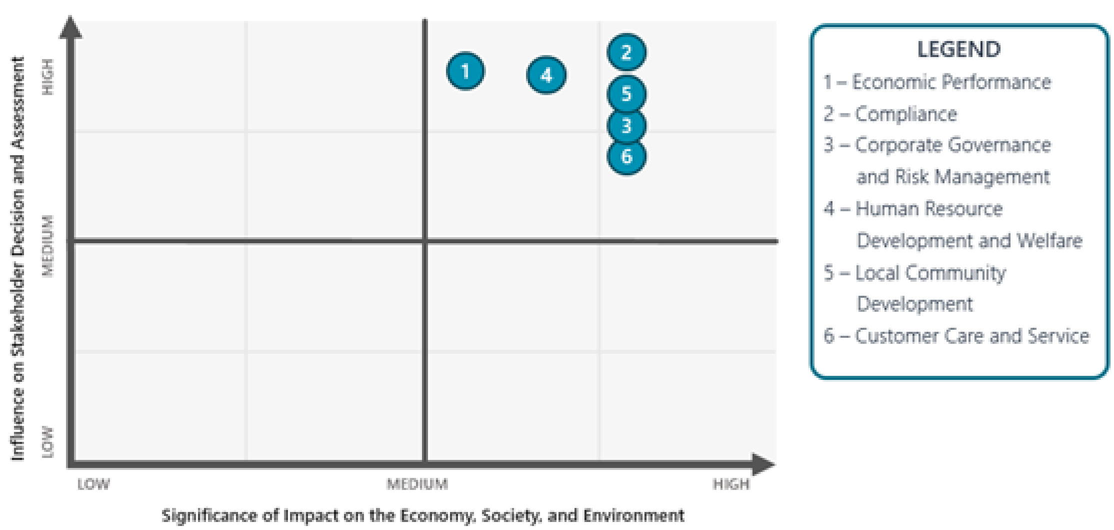
Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.
To identify our Corporation's material economic, environmental, social, and governance topics, we went through the following process:

Materiality Process

Steps Taken	1 **Build Corporate Capacity**	2 **Review of Business Model with Senior Management and Employees**	3 **Identify Material Topics**	4 **Prioritize Material Topics**	5 **Process Review**
Description	Participation and attendance to SEC workshops on sustainability reporting, and internal training	Review of vision, operations, policies and practices, and identification of aspects which have critical impact on the economy, society, and environment	Identification of material topics based on review of business	Engagement with internal and external stakeholders through dialogues and online surveys	Review of material topics and existing disclosures

Materiality Matrix



ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Figures in Php millions

Disclosure	Amount	Units
Direct economic value generated (revenue)	2,422	PhP
Direct economic value distributed:	2,965	
a. Operating costs	170	PhP
b. Employee wages and benefits	19	PhP
c. Payments to suppliers, other operating costs	-	Php
d. Dividends given to stockholders and interest payments to loan providers	2,764	PhP
e. Taxes given to government	14	PhP
f. Investments to community (e.g. donations, CSR)	*	PhP
Economic value retained:	(543)	PhP

*Note: As a co-licensee, 2% of the gaming revenue share is allotted for social development fund

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Primary business operations and supply chain of the organization	Employees, investors / shareholders, suppliers, business partners, host communities, local government units	PLC endeavors to deliver and sustain direct economic impact despite business disruptions and uncertainties such as the Covid19 pandemic. It generates and distributes economic value to various stakeholders in its primary business operations and supply chain. The Corporation recognizes the importance of sustainability to its businesses. To be able to uphold its sustainability programs, the Corporation, through its parent company, Belle, has adopted a global standard guiding principle aligned to the United Nations Global Compact to ensure proper implementation of current practices and to seek for further enhancements. Led by its Board of Directors and Management, the Corporation regularly

		engages with its stakeholders in order to safeguard their interests. In alignment with Belle and other co-subsidiaries, and as part of the SM Group of Companies, the Corporation anchored its sustainable development strategy to the seventeen (17) Sustainable Development Goals of the United Nations. Having a strategic and focused portfolio of businesses that delivers stable and reliable economic returns is a manifestation of PLC's approach to doing business sustainably.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Competition Risk As Entertainment City Manila expands and accommodates more tourist arrivals and players due to the economic re-opening and return of demand, the increase in competition poses a risk to the Corporation especially as it obtains gaming revenue share, through PLAI, from City of Dreams Manila, whose operations may be affected by the flight of players to other integrated resorts. Aside from Entertainment City Manila, new developments are also expected in other parts of Metro Manila as well as in other cities such as Cebu.	Employees, host community members, investors/shareholders, suppliers, business partners, and customers/clients	Despite increased competition, growth in the number of players in the gaming industry and tax friendly status are boons to the Philippines' ability to attract more foreign and domestic players to Entertainment City Manila, thereby further enhancing the Philippine gaming industry's growth prospects and making it more robust. The Corporation also monitors its performance and of its competitors. PLC also remains up-to-date on market trends.
Credit Risk Credit risk is the risk that the Corporation will incur a loss because its counterparties failed to discharge their	Employees, host community members, investors/shareholders, suppliers, business partners, and customers/clients	High grade financial assets pertain to receivables from related parties or customers that consistently pay on or before the maturity date, while medium grade includes those financial assets

contractual obligations. Credit risk arises from the Corporation's financial assets, which are composed of cash and cash equivalents, trade receivables and others, financial assets at FVOCI and AFS financial assets.		being collected on due dates with an effort of collection. The Corporation assessed its cash in bank and cash equivalents as high grade since this is deposited with reputable banks.
Liquidity Risk Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities, which are settled by paying cash or other financial assets.	Employees, host community members, investors/shareholders, suppliers/business partners, and customers/clients	PLC seeks to manage its liquidity profile to be able to finance its investments and pay its outstanding liabilities. To limit this risk, the Corporation closely monitors its cash flows and ensures that credit facilities are available to meet its obligations as and when they fall due. To cover its financing requirements, the Corporation uses internally generated funds as well as a committed line of credit that it can access to meet liquidity needs. PLC maintains sufficient cash to finance its operations. Any excess cash is invested in short-term money market placements. These placements are maintained to meet the requirements for additional capital expenditures, maturing obligations and payments of cash dividends.
Equity Price Risk Equity price risk is the risk that the fair value of quoted investment held for trading, AFS financial assets, and financial assets at fair value through other comprehensive income decrease as the result of changes in the value of individual stocks. The Corporation's exposure to equity price risk is primarily due to the Corporation's quoted investments held for trading, AFS financial assets and financial assets at FVOCI.	Employees, host community members, investors/shareholders, suppliers, business partners, and customers/clients	The Corporation monitors equity investments based on market expectations. Significant movements within the portfolio are managed on an individual basis, and all buy and sell decisions are approved by the BOD.

What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Increase of PLC's shareholder value for investors and partners	Employees, host community members, suppliers, business partners, customers/clients, and investors/shareholders	The Corporation is committed to looking for new business ventures and various opportunities for growth through profitable and sustainable investments, which can help improve the economic value it generates and distributes to its stakeholders.

Climate-related risks and opportunities[1]

- Due to the nature of PLC's businesses, climate-related risks and opportunities have not been identified.

Governance	Strategy	Risk Management	Metrics and Targets
No relevant governance matters identified	-	-	0
Recommended Disclosures			
No relevant disclosures needed	-	-	0

Procurement Practices

Proportion of spending on local suppliers

- Due to the nature of PLC as primarily an investments holding company, procurement is occasional and is done on a per project and/or requirement basis.

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
No relevant impacts nor locations of occurrence identified	-	-
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
No relevant risks identified	-	-

[1] Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
No relevant opportunities identified	-	-

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Established anti-corruption policies, standards, and practices due to information dissemination campaigns	Employees, host community members, suppliers, business partners, customers/clients, and investors/shareholders	The Board has been identifying areas for continuing education on corporate governance topics, which covers anti-corruption. To keep the Board and key officers well informed of good governance practices and standards, regular annual education programs are conducted in coordination with SM Investments Corporation (SMIC) and training providers duly accredited by the Securities and Exchange Commission (SEC), while employees and business partners are being informed of the Corporation's governance-related policies and practices upon on-boarding and timely updates. The Corporation also has an existing policy on whistle-blowing. Furthermore, the Ethics Committee (Management level) was formed to receive reports on

		questionable activities, unethical conduct, fraud or malpractice in strictest confidence without the fear of retaliation. Composed of the Heads of Human Resources, Internal Audit and Governance Departments, they will collectively evaluate, and conduct an immediate investigation, as necessary. https://www.premiumleisurecorp.com/wp-content/uploads/GCA-PAIV-07042018-m.pdf https://www.premiumleisurecorp.com/corporate-governance/corporate-policies/
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The Corporation will be put in a disadvantageous position due to conflict of interests, which could trigger loss of trust and integrity issues.	Employees, suppliers, business partners	Guided by the principles of good governance, the Corporation constantly reviews its policies on anti-corruption, amends them as necessary, and cascades to all concerned thereafter.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
To maintain and increase stakeholders' trust and confidence to the Corporation, which can possibly influence potential investors and business partners, and be recognized as one of the leading corporations for its good governance practices.	Employees, host community members, suppliers, business partners, customers/clients, and investors/shareholders	PLC upholds its commitment to the enhancement of stakeholder value by continuously seeking enhancements on the Corporation's policies, processes, and procedures, especially on corporate governance, particularly on anti-corruption. https://www.premiumleisurecorp.com/wp-content/uploads/PLC-Code-of-Business-Conduct-and-Ethics-May-2018.pdf https://www.premiumleisurecorp.com/corporate-governance/corporate-policies/

Incidents of Corruption

No incidents of corruption recorded throughout the Corporation during the reporting period

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Primary business operations and supply chain caused by the organization and through its business relationship	Employees, host community members, suppliers, business partners, customers/clients, and investors/shareholders	The Board has been identifying areas of continuing education on corporate governance topics, which cover anti-corruption. To keep the Board and key officers well informed of good governance practices and standards, regular annual education programs are conducted in coordination with SMIC and training providers duly accredited by the SEC, while employees and business partners are regularly informed of the Corporation's governance-related policies and practices upon onboarding and timely updates. The Corporation also has an existing policy on whistle-blowing. Furthermore, the Ethics Committee (Management level) was formed to receive reports on questionable activities, unethical conduct fraud or malpractice in strictest confidence without the fear of retaliation. Composed of the Heads of Human Resources, Internal Audit and Governance Departments, they will collectively evaluate and conduct an immediate investigation, as necessary.

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Corporation will be put in a disadvantageous position due to conflict of interests, which could trigger loss of trust and integrity issues.	Employees, suppliers, business partners	Guided by the principles of good governance, the Corporation constantly reviews, amends as necessary, and communicates to all concerned its policies on anti-corruption.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
To maintain and increase stakeholders' trust and confidence in the Corporation, which can possibly influence potential investors and business partners, and be recognized as one of the leading corporations for its good governance practices.	Employees, host community members, suppliers, business partners, customers/clients, and investors/shareholders	PLC upholds its commitment to the enhancement of stakeholder value by continuously seeking for improvements on the Corporation's policies, processes, and procedures, particularly on corporate governance and anti-corruption. https://www.premiumleisurecorp.com/wp-content/uploads/PLC-Code-of-Business-Conduct-and-Ethics-May-2018.pdf https://www.premiumleisurecorp.com/corporate-governance/corporate-policies/

ENVIRONMENT

Resource Management

Energy consumption within the organization:

- Due to the nature of PLC as primarily an investments holding company, it is not manpower intensive and is therefore able to save on general expenses such as energy consumption. Its business transactions are strategically managed through seasonal secondments of personnel from its affiliates on an as-needed basis. This arrangement has been resorted to in keeping with austerity measures adopted due to the prevailing economic conditions. These personnel seconded to the Company are not subject to Collective Bargaining Agreements.

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity)	0	kWh

Reduction of energy consumption

- PLC saved on energy consumption because of the aforementioned strategic arrangements.

Disclosure	Quantity	Units
Energy reduction (gasoline)	0	GJ
Energy reduction (LPG)	0	GJ
Energy reduction (diesel)	0	GJ
Energy reduction (electricity)	0	kWh
Energy reduction (gasoline)	0	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
No relevant impacts nor locations of occurrence identified	-	-
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
No relevant risks identified	-	-
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

No relevant opportunities identified	-	-

Water consumption within the organization

- PLC saved on water consumption because of the aforementioned strategic arrangements.

Disclosure	Quantity	Units
Water withdrawal	0	Cubic meters
Water consumption	0	Cubic meters
Water recycled and reused	0	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No relevant impacts nor locations of occurrence identified		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
No relevant risks identified		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
No relevant opportunities identified		

Materials used by the organization

- Due to the nature of PLC as primarily an investments holding company, materials are seldom used for its daily operations.

Disclosure	Quantity	Units
Materials used by weight or volume	0	
• renewable	0	kg/liters
• non-renewable	0	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No relevant impacts nor locations of occurrence identified	-	-
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
No relevant risks identified	-	-
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
No relevant opportunities identified	-	-

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

- Due to the nature of PLC as primarily an investments holding company, its businesses are mainly in the metropolis and far from uplands, watersheds or the coasts.

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	0	
Habitats protected or restored	0	ha
IUCN[2] Red List species and national conservation list species with habitats in areas affected by operations	0	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No relevant impacts nor locations of occurrence identified	-	-
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**

[2] International Union for Conservation of Nature

No relevant risks identified	-	-
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
No relevant opportunities identified	-	-

Environmental impact management

Air Emissions

GHG

- PLC did not generate GHG emissions because of the aforementioned strategic arrangements.

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	0	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No relevant impacts nor locations of occurrence identified	-	-
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
No relevant risks identified	-	-
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
No relevant opportunities identified	-	-

Air pollutants

- PLC did not generate air pollutants because of the aforementioned strategic arrangements.

Disclosure	Quantity	Units
NOx	0	kg
S~~o~~x	0	kg
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No relevant impacts nor locations of occurrence identified	-	-
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
No relevant risks identified	-	-
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
No relevant opportunities identified	-	-

Solid and Hazardous Wastes

Solid Waste

- PLC did not generate any solid waste because of the aforementioned strategic arrangements.

Disclosure	Quantity	Units
Total solid waste generated	0	kg
Reusable	0	kg
Recyclable	0	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No relevant impacts nor locations of occurrence identified		
No relevant risks identified		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
No relevant opportunities identified		

Hazardous Waste

- 0 to the Corporation

Disclosure	Quantity	Units
Total weight of hazardous waste generated	0	kg
Total weight of hazardous waste transported	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No relevant impacts nor locations of occurrence identified		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
No relevant risks identified		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
No relevant opportunities identified		

Effluents

- 0 to the Corporation

Disclosure	Quantity	Units
Total volume of water discharges	0	Cubic meters
Percent of wastewater recycled	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No relevant impacts nor locations of occurrence identified		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
No relevant risks identified		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
No relevant opportunities identified		

Environmental compliance

Non-compliance with Environmental Laws and Regulations

- 0 to the Corporation

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No relevant impacts nor locations of occurrence identified		

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
No relevant risks identified		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
No relevant opportunities identified		

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[3]	7	#
a. Number of female employees	5	#
b. Number of male employees	2	#
Attrition rate[4]	14	rate (%)
Ratio of lowest paid employee against minimum wage	Not available	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	100%	100%
PhilHealth	Y	100%	100%
Pag-ibig	Y	100%	100%
Parental leaves	N	0%	0%
Paid Time Off (PTO)	Y	100%	100%
Calamity Leave	Y	100%	100%
Bereavement Leave	N	0%	0%
Bereavement Assistance	N	0%	0%
Medical benefits (aside from PhilHealth)	Y	100%	100%
Housing assistance (aside from Pag-ibig)	N	0%	0%
Gratuity Pay / Retirement fund (aside from SSS) payment of benefits c/o PLAI	N	0%	0%
Further education support	N	0%	0%
Company stock options	N	0%	0%
Telecommuting	N	0%	0%
Flexible-working Hours	N	0%	0%
Mobile Phone / Communication Tools	Y	50%	33%
Medicine allowance	Y	100%	100%

[3] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)
[4] Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Primary business operations caused by the organization and employment opportunities that benefit both the employees and their respective families	PLC values and gives importance to its employees by empowering them and fulfilling their career aspirations to help progress their capabilities, and to encourage loyalty, dedication, passion and productivity at work. The Corporation also believes that investing in its people and developing a diverse talent pool are critical to its success and growth. PLC provides resources, services and facilities to equip its employees with the necessary knowledge and skills to better perform their duties as well as offer them various opportunities to continuously enhance their professional knowledge and skills, and to improve themselves as individuals and as members of the community. The Corporation also exerts its best effort to maintain a climate conducive to work and provides a substantial level of job security, benefits and personal rewards for their employees. The performance evaluation system has been designed and established to provide a common and equitable basis for evaluating the performance of individual employees. It also implements policies on promotions and salary adjustments in support of PLC/PLAI's aim to empower and fulfill the career aspirations of employees.
What are the Risk/s Identified?	**Management Approach**
One of the risks identified is the possibility of higher attrition rate, which could hamper the operations and consequently affect the delivery of services. Aside from incurring costs due to onboarding and training provided, time spent for training could have been allotted to business operations.	All our employees are treated fairly by providing opportunities for career development based on merit, regardless of gender, age. All officers and employees are selected, engaged, and compensated based on qualifications and performance. They are treated fairly and accorded respect and dignity. Their individual and collective rights are not violated. Opportunities for career advancement are provided based on clear performance and qualifications criteria. PLC also provides continuous learning and development opportunities to improve and increase their level of competency, efficiency and general well-being, leading to professional growth. https://www.premiumleisurecorp.com/wp-content/uploads/PLC-Code-of-Business-Conduct-and-Ethics-May-2018.pdf

What are the Opportunity/ies Identified?	**Management Approach**
Talent motivation and retention, and assurance of internal pay equity	The Corporation constantly explores human resource developments and enhancements, particularly on employment, benefits and other prerequisites.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees*	11	
a. Female employees	11	Hours
b. Male employees	0	Hours
Average training hours provided to employees**		
a. Female employees	2	hours/employee
b. Male employees	0	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Primary business operations caused by the organization – having a pool of skilled workers	PLC values and gives importance to its employees by empowering them and fulfilling their career aspirations to help progress their capabilities, and to encourage loyalty, dedication, passion and productivity at work. The Corporation also believes that investing in its people and developing a diverse talent pool are critical to its success and growth. PLC provides resources, services and facilities to equip its employees with the necessary knowledge and skills to better perform their duties as well as offer them various opportunities to continuously enhance their professional knowledge and skills, and to improve themselves as individuals and as members of the community. Upon being hired by the Corporation, an employee undergoes induction and orientation as may be determined by the Human Resources Department (HRD). Each newly hired employee is

	introduced to the organization and is oriented on the personnel policies, guidelines and benefits through a Corporate Orientation Program. An annual mandated Corporate Training is also done to refresh employees on the Corporation's Codes and Policies conducted by officers from HRD, Administration, Governance Department and Data Privacy. Specific technical training and compliance to Continuing Professional Development are among Management's approach to ensure learning and development of employees.

What are the Risk/s Identified?	**Management Approach**
Time spent for training, which consume resources and result in opportunity cost	All our employees are treated fairly by providing opportunities for career development based on merit, regardless of gender and age. All officers and employees are selected, engaged, and compensated based on qualifications and performance. They are treated fairly and accorded respect and dignity. Their individual and collective rights are not violated. Opportunities for career advancement are provided based on clear performance and qualifications criteria. PLC also provides continuous learning and development opportunities to improve and increase their level of competency, efficiency and general well-being leading to professional growth.
What are the Opportunity/ies Identified?	**Management Approach**
Acquiring and implementing leading edge career advancement programs and succession plans	The Corporation constantly explores human resource trends and opportunities, particularly on employee training and development.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Primary business operations caused by the organization and through the business relationship – effective cooperation between the management and labor workforce	PLC maintains open lines of communication among its directors and management, and among its management and its personnel. It is also a goal and part of the mission of the Corporation to enhance the positive atmosphere and goodwill and the maintenance of a productive work environment conducive to high performance and harmonious employer-employee relationship.
What are the Risk/s Identified?	**Management Approach**
Disagreements between management and employees leading to disruption of operations/suspension of services	The Corporation values the importance of its employees. It espouses leadership by example and establishes and continues to review its Code of Business Conduct and Ethics to serve as a guide for employee discipline and the grounds for disciplinary actions. https://www.premiumleisurecorp.com/wp-content/uploads/PLC-Code-of-Business-Conduct-and-Ethics-May-2018.pdf In order to create an environment where concerns are freely communicated, the Ethics Committee composed of the Heads of HRD, Internal Audit and Governance was formed. The Committee is tasked to hear grievances and accept whistle-blowing reports, evaluate and investigate, determine their authenticity, and recommend the sanctions as applicable for approval by the Board as endorsed by the Corporate Governance Committee.

What are the Opportunity/ies Identified?	Management Approach
A clear and systematic cascade of directions to achieve the Corporation's goals	Preserve communication mechanisms and channels, and maintain labor peace

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	71	%
% of male workers in the workforce	29	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Primary business operations caused by the organization – Variety of equally treated individuals with diverse approach and viewpoints to realize a common goal	The Corporation provides equal opportunities for its employees, regardless of age, gender, or creed and adopted policies, which promote and observe diversity and equality throughout the Corporation. https://www.premiumleisurecorp.com/corporate-governance/corporate-policies/ PLC encourages respect among its employees by setting policies and codes that support diversity in the workplace. It adheres to relevant labor standards that support vulnerable sectors of the community such as RA 9710, RA 9262, and etc.
What are the Risk/s Identified?	**Management Approach**
Discrimination in the workplace	Regardless of the location of operations and markets served of PLC – from the hiring and promotion of employees to selection of suppliers and contractors – the Corporation decides on the basis of merit and value to shareholders and does not discriminate on the basis of race, ethnicity, religion, or gender. All board members, officers, and employees are prohibited from practicing any form of discrimination or harassment in the workplace. This obligation to refrain from such behaviors extends to contractors, vendors,

	suppliers, or visitors, to the extent that their conduct affects the work environment. https://www.premiumleisurecorp.com/corporate-governance/corporate-policies/
What are the Opportunity/ies Identified?	**Management Approach**
Capturing different perspectives and ideas, with equal appreciation, with the intention of achieving the Corporation's goals	Interminable improvement of the Corporation's policies on governance, particularly on diversity and equality

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	13,981	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	1	#

** Full year*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Primary business operations caused by the organization – having active and fit employees, and a working environment free from harm	PLC strongly implements the strict compliance of the Corporation's safety, health and welfare policy. PLC provides medical/clinical benefits to all employees. Employees are entitled to a free standard check-up in the Medical Clinic and are provided the available medicine supplies from there. The Corporation also implements and conducts various health-related activities and programs including but not limited to annual physical examinations, influenza and HPV vaccinations, Blood Donation Program, Drug-Free Workplace, Lifestyle Change Program, among others. https://www.premiumleisurecorp.com/wp-content/uploads/PLC-Code-of-Business-Conduct-and-Ethics-May-2018.pdf

What are the Risk/s Identified?	**Management Approach**
Due to the nature of our operations, the risk of injury is minimal.	While there is minimal risk, continuous review of requirements to compliance is done.
What are the Opportunity/ies Identified?	**Management Approach**
A more motivational and secure working atmosphere for the employees, including the maintenance of workplace safety	Continuing feedback mechanisms to consider and acknowledge insights from employees

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	The Corporation has its Manual on Corporate Governance, which contain best corporate governance practices and standards, and applicable laws, rules and regulations. This covers forced and child labor, and human rights. https://www.premiumleisurecorp.com/corporate-governance/manual-corporate-governance/ https://www.premiumleisurecorp.com/wp-content/uploads/plc_mcg_28oct2021_-_website.pdf
Child labor	Y	
Human Rights	Y	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Good standing for moral values for recognizing labor laws and human rights	PLC continues to pursue the observance to pertinent rules, and regularly look out for relevant issuances as provided for by law. https://www.premiumleisurecorp.com/corporate-governance/manual-corporate-governance/
What are the Risk/s Identified?	**Management Approach**

Risk of violation of labor laws leading to possible filing of lawsuits; loss of confidence from investors; demoralized employees	PLC strongly adheres to labor laws and protection of human rights as much as violations done by employees are not tolerated. https://www.premiumleisurecorp.com/corporate-governance/manual-corporate-governance/
What are the Opportunity/ies Identified?	**Management Approach**
To further the employees and other stakeholders' certainty and optimism towards the Management's labor laws and human rights initiatives	Issuance of certification of full compliance, and confirmation of data with zero complaints, through various reports

Supply Chain Management

- 0 to the Corporation

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

-

____

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	0	0
Forced labor	0	0
Child labor	0	0
Human rights	0	0
Bribery and corruption	0	0

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
No relevant impacts nor locations of occurrence identified	
What are the Risk/s Identified?	**Management Approach**
No relevant risks identified	
What are the Opportunity/ies Identified?	**Management Approach**
No relevant opportunities identified	

Relationship with Community

Significant Impacts on Local Communities

- 0 to the Corporation

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
0					

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____________

Certificates	Quantity	Units
FPIC process is still undergoing	0	#
CP secured	0	#

What are the Risk/s Identified?	Management Approach
No relevant risks identified	
What are the Opportunity/ies Identified?	**Management Approach**
No relevant opportunities identified	

Customer Management

Customer Satisfaction

- 0 for the Corporation

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	0	0

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
No relevant impacts nor locations of occurrence identified	

What are the Risk/s Identified?	Management Approach
No relevant risks identified	
What are the Opportunity/ies Identified?	**Management Approach**
No relevant opportunities identified	

Health and Safety

- 0 to the Corporation

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*		#
No. of complaints addressed		#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
No relevant impacts nor locations of occurrence identified	
What are the Risk/s Identified?	**Management Approach**
No relevant risks identified	
What are the Opportunity/ies Identified?	**Management Approach**
No relevant opportunities identified	

Marketing and labelling

- 0 to the Corporation

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	-	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach

No relevant impacts nor locations of occurrence identified	
What are the Risk/s Identified?	**Management Approach**
No relevant risks identified	
What are the Opportunity/ies Identified?	**Management Approach**
No relevant opportunities identified	

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	-	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Secured data management through complex and layered safekeeping – no customer privacy complaints received during the reporting period	A policy on record management, aligned with the Data Privacy Act, is in place and has been properly implemented https://www.premiumleisurecorp.com/wp-content/uploads/PLC-Data-Privacy-Act-Records-Management-Policy.pdf https://www.premiumleisurecorp.com/corporate-governance/corporate-policies/

What are the Risk/s Identified?	Management Approach
PLC may be at risk for breach of data privacy as detailed information is gathered from customers and prospective buyers.	This risk is mitigated through company-wide orientation on the Data Privacy Act, the topics of which include legal bases and implementing rules

	and regulations, rights of the individuals owning the information, exercising breach reporting procedures and other advisories.
What are the Opportunity/ies Identified?	**Management Approach**
Opportunity in tightening measures to secure customer data privacy	The Corporation ensures the continuous review of the processes and systems in place. The Corporation regularly reviews and evaluates the policies related to data privacy, and makes recommendations for their amendment as applicable for the Board to approve, management to implement and employees to adhere to.

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Secured data management through complex and layered safekeeping – no data security complaints received during the reporting period	A policy on record management, aligned with the Data Privacy Act, is in place and has been properly implemented. https://www.premiumleisurecorp.com/wp-content/uploads/PLC-Data-Privacy-Act-Records-Management-Policy.pdf
What are the Risk/s Identified?	**Management Approach**
PLC may be at risk for breach of data privacy as detailed information is gathered from its stakeholders.	This risk is mitigated through company-wide orientation on the Data Privacy Act, the topics of which include legal bases and implementing rules and regulations, rights of the individuals owning the information, exercising breach reporting procedures and other advisories.

What are the Opportunity/ies Identified?	Management Approach

Work actively with the Corporation's Information Technology Department to ensure that the integrity of the Corporation is protected; automate processes to increase overall efficiency	The Corporation ensures that its network system is secure and runs smoothly; hardware and software are updated; employs redundant security levels to guard against theft, hacking.

Compliance

Non-compliance with Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with laws and/or regulations	1	PhP130,000
No. of non-monetary sanctions for non-compliance with laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	-	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Full compliance with the Corporation's Manual on Corporate Governance, which mandates compliance with best corporate governance practices and standards, and applicable laws, rules and regulations.	Employees, customers/clients, investors/shareholders, and regulators	The Board has been identifying areas of continuing education on corporate governance topics. To keep the Board and key officers well informed of good governance practices and standards, regular annual education programs are conducted in coordination with SMIC and training providers duly accredited by the SEC, while employees and business partners are being informed of the Corporation's governance-related policies and practices upon on-boarding. Management shall continue to monitor updates from regulators, and comply with circulars and regulations.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Although laws and regulations are enacted for the common benefit, changes to these laws and regulations may create negative effects to the operating and financial condition of PLC,	Employees, host community members, suppliers, business partners, customers/clients,	In order to mitigate this risk, the Corporation continues to exercise fiscal prudence and adopts what it considers conservative financial and operational controls.

including its subsidiaries and affiliates.	investors/shareholders, and regulators	
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
To maintain and increase stakeholders' trust and confidence to the Corporation, which can possibly influence potential investors and business partners, and be recognized as one of leading corporations for its compliance and good governance practices	Employees, host community members, suppliers, business partners, customers/clients, and investors/shareholders	PLC upholds its commitment to the enhancement of stakeholder value by continuously seeking for improvements on the Corporation's policies, processes, and procedures, especially on corporate governance and sustainability. Provide different avenues of communication to stakeholders such as holding of annual stockholders' meetings, stating the contact information for officer handling stakeholders' concerns in the company website, periodic updating of websites for disclosures and company announcements.

Local Community Development

Disclosure	Quantity	Units
Number of direct beneficiaries of corporate social responsibility initiative/s	Exact statistics unavailable	#
Number of communities benefitted from corporate social responsibility initiative/s*	3 *(Tanauan, Batangas; Sapang Bato, Mabalacat, Pampanga)*	#

** In coordination with Belle Kaagapay, the Corporate Social Responsibility Arm of PLC's parent company, Belle Corporation.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
A vigorous collaboration between PLC, the Belle Group, and concerned localities in developing sustainable communities.	Constant cooperation with stakeholders by what method to espouse in maintaining and/or refining the Corporation's local community development initiatives such as *Brigada Eskwela*, full scholarship programs for college students, and provision of medical aid and assistance.
What are the Risk/s Identified?	**Management Approach**

Risk of malnutrition and illiteracy in host communities	PLC's focus on its CSR activities are geared towards providing access to basic social services in the areas of education and health.
What are the Opportunity/ies Identified?	**Management Approach**
Create a more active partnership with the host communities by providing opportunities such as livelihood programs, educational scholarships that will contribute to the improvement of their overall well-being.	PLC remains committed to look for various opportunities for growth through profitable investments that will increase the Corporation's shareholder value for partners and investors alike. It shall likewise continue to partner with its parent corporation's corporate social responsibility arm, Belle Kaagapay, to continue enhancing the quality of life for its host communities.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Please refer to the Business Model, including Primary Activities, Brands, Products, and Services, under Contextual Information of this Report	SDG 1: No Poverty PhP14 million taxes paid in 2024; and In partnership with Belle Kaagapay, the activities participated in by the Corporation promoted the spirit of volunteerism among the employees. In	The Company's contribution has only resulted in positive impacts.	PLC regularly pays taxes that help provide sustainable growth. The Corporation maintains a partnership with Melco Resorts and Entertainment (Philippines), Inc., manager-operator of City of Dreams Manila, from where it derives its share in the gaming revenues.

	2024, the efforts were directed towards environmental protection such as water and power conservation, and recycling initiatives, and education.		
	SDG 8: Decent Work and Economic Growth	Insufficient opportunities for the vulnerable sector	The Corporation targets growth in accordance with national conditions, and full and productive employment for all women and men, including young and disabled people, with equal pay for work and value. The Corporation prioritizes the welfare of its employees, recognizes its top performers and provides a safe and healthy working environment. It also aspires to be an employer of choice by providing benefits, career growth, training and work-life balance, engagement programs, among others. Through its parent company's corporate social responsibility arm, Belle Kaagapay, the Corporation participates in various activities such as recycling initiatives, livelihood programs, *Brigada Eskwela*, free college education, medical aid and assistance, and tree planting activities that help improve the lives of its host communities. The Corporation also developed various policies (please refer to the following links) to implement and ensure that overall employee and other stakeholders' welfare and interests are being valued. https://www.premiumleisurecorp.com/wp-content/uploads/plc_mcg_28oct2021_-_website.pdf;

			https://www.premiumleisurecorp.com/wp-content/uploads/PLC-Code-of-Business-Conduct-and-Ethics-May-2018.pdf; and https://www.premiumleisurecorp.com/corporate-governance/corporate-policies/

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

PREMIUM
LEISURE CORP.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of **Premium Leisure Corp and Subsidiaries** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended **December 31, 2024 and 2023**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, for the periods December 31, 2024 and 2023 have audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

WILLY N. OCIER
Chairman of the Board

ARMIN ANTONIO B. RAQUEL SANTOS
President and Chief Executive Officer

DIOVILLE M. VILLARIAS
Chief Finance Officer / Treasurer

Signed this 21st day of February 2025

SUBSCRIBED AND SWORN to before me this ____ day of FEB 21 2025 2025 affiants exhibiting to me their Passport and Tax Identification Numbers, as follows:

NAME	PASSPORT/ TAX IDENTIFICATION NUMBER	DATE OF EXPIRY	PLACE OF ISSUE
WILLY N. OCIER			
ARMIN ANTONIO B. RAQUEL SANTOS			
DIOVILLE M. VILLARIAS			

DOC NO. : 469
PAGE NO. : 95
BOOK NO. : 11
SERIES OF : 2025.

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 488534 Dec. 27, 2024
MCLE NO. VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

PREMIUM LEISURE CORP. AND SUBSIDIARIES

Consolidated Financial Statements
As at December 31, 2024 and 2023
And for the Years Ended
December 31, 2024, 2023 and 2022

With independent auditors' report provided by

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

C O V E R   S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	3	0	0	9	2	8	9

COMPANY NAME

PREMIUM LEISURE CORP. AND SUBSIDIARIES

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

5/F Tower A, Two E-com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City, Metro Manila

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
AACFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
plc_governance@bellecorp.com	(02) 8662-8888	+639175691734

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
528	Any Day in May	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Dioville M. Villarias	dioville.villarias@premiumleisurecorp.com	(02) 8662-8888	+639178057405

CONTACT PERSON'S ADDRESS

5/F, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City

NOTE 1: *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2: *All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.*

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Premium Leisure Corp. and Subsidiaries
5/F Tower A
Two E-Com Center, Palm Coast Avenue
Mall of Asia Complex, Pasay City
Metro Manila

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Premium Leisure Corp. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2024, 2023 and 2022, and notes to consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2024, 2023, and 2022 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with PFRS, 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.

Auditors' 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 auditors' 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 PSA 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, these 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 PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess 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 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 auditors' 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 the auditors' 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.

- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 audits.

REYES TACANDONG & CO.

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782/P-005; Valid until June 6, 2026
BIR Accreditation No. 08-005144-004-2022
Valid until October 16, 2025
PTR No. 10467126
Issued January 2, 2025, Makati City

February 21, 2025
Makati City, Metro Manila

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY CONSOLIDATED FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Stockholders and the Board of Directors
Premium Leisure Corp. and Subsidiaries
5/F Tower A
Two E-Com Center, Palm Coast Avenue
Mall of Asia Complex, Pasay City
Metro Manila

We have audited the accompanying financial statements of Premium Leisure Corp. (the Parent Company) and its Subsidiaries as at and December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, on which we have rendered our report dated February 21, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Parent Company has 499 stockholders owning 100 or more shares each.

REYES TACANDONG & CO.

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782/P-005; Valid until June 6, 2026
BIR Accreditation No. 08-005144-004-2022
Valid until October 16, 2025
PTR No. 10467126
Issued January 2, 2025, Makati City

February 21, 2025
Makati City, Metro Manila

PREMIUM LEISURE CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	**2024**	2023
ASSETS			
Current Assets			
Cash and cash equivalents	5	**₱1,744,650,647**	₱2,000,178,939
Investments held for trading	6	**42,744,518**	100,012,769
Notes receivable	7	**2,100,000,000**	2,100,000,000
Receivables	8	**410,085,315**	486,283,555
Other current assets	9	**537,816,947**	306,687,874
Total Current Assets		**4,835,297,427**	4,993,163,137
Noncurrent Assets			
Financial assets at fair value through other comprehensive income (FVOCI)	11	**178,060,714**	129,666,731
Property and equipment	13	**652,211,504**	706,342,434
Right-of-use (ROU) assets	23	**2,611,361,416**	2,655,189,953
Investment properties	12	**285,510,452**	285,510,452
Intangible asset	10	**7,998,764,583**	8,237,237,067
Goodwill	14	**926,007,748**	926,007,748
Net deferred tax assets	21	**–**	3,248,780
Other noncurrent assets	9	**250,306,379**	384,383,991
Total Noncurrent Assets		**12,902,222,796**	13,327,587,156
		₱17,737,520,223	₱18,320,750,293
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables and other current liabilities	15	**₱688,666,278**	₱785,392,630
Current portion of loans payable	4	**138,980,392**	58,823,529
Current portion of lease liabilities	23	**57,445**	294,303
Total Current Liabilities		**827,704,115**	844,510,462
Noncurrent Liabilities			
Loans payable - net of current portion	4	**277,960,784**	411,764,706
Lease liabilities - net of current portion	23	**–**	208,495
Net retirement liability	16	**25,579,975**	16,014,299
Net deferred tax liability	21	**4,882,801**	–
Total Noncurrent Liabilities		**308,423,560**	427,987,500
Total Liabilities		**1,136,127,675**	1,272,497,962

(Forward)

		December 31	
	Note	**2024**	2023
Equity attributable to the Equity Holders of the Parent Company	17		
Capital stock		**₱7,906,827,500**	₱7,906,827,500
Additional paid-in capital		**7,238,721,924**	7,238,721,924
Treasury stock - at cost		**(220,430,080)**	(220,430,080)
Cost of Parent Company common shares held by a subsidiary		**–**	(509,597,055)
Other equity reserves		**(923,138,351)**	(785,086,348)
Retained earnings		**2,265,651,784**	2,957,045,719
		16,267,632,777	16,587,481,660
Non-controlling Interests		**333,759,771**	460,770,671
Total Equity		**16,601,392,548**	17,048,252,331
		₱17,737,520,223	₱18,320,750,293

See accompanying Notes to Consolidated Financial Statements.

PREMIUM LEISURE CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	**2024**	2023	2022
REVENUE				
Gaming revenue share	26	**₱2,290,602,702**	₱2,339,334,874	₱1,560,845,412
Equipment rental	23	**527,482,143**	599,221,040	519,051,226
Commission income	26	**–**	2,332,616	–
		2,818,084,845	2,940,888,530	2,079,896,638
COST AND EXPENSES				
Cost of services	18	**601,245,384**	528,440,721	503,646,918
General and administrative	19	**351,614,098**	450,399,236	438,961,707
		952,859,482	978,839,957	942,608,625
OTHER INCOME (CHARGES)				
Interest income	5	**255,204,090**	254,011,944	147,434,493
Finance cost	4, 23	**(36,577,881)**	(17,903,206)	(220,505)
Marked-to-market gains (losses) on investments held for trading	6	**(952,007)**	54,078,646	(371,193)
Dividend income	11	**–**	5,999,263	–
Others - net	20	**28,686,944**	199,483,142	6,901,066
		246,361,146	495,669,789	153,743,861
INCOME BEFORE INCOME TAX		**2,111,586,509**	2,457,718,362	1,291,031,874
PROVISION FOR INCOME TAX	21	**30,781,746**	133,799,458	35,084,426
NET INCOME		**2,080,804,763**	2,323,918,904	1,255,947,448
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified to profit or loss:				
Unrealized valuation gain on financial assets at FVOCI	11	**48,393,983**	153,203,945	54,225,946
Remeasurement gains (losses) on net retirement liability, net of tax	16	**5,162,703**	(9,233,066)	8,655,955
		53,556,686	143,970,879	62,881,901
TOTAL COMPREHENSIVE INCOME		**₱2,134,361,449**	₱2,467,889,783	₱1,318,829,349
Net income attributable to:				
Equity holders of the parent company		**₱2,072,240,966**	₱2,185,274,122	₱1,159,554,790
Non-controlling interests		**8,563,797**	138,644,782	96,392,658
		₱2,080,804,763	₱2,323,918,904	₱1,255,947,448
Total comprehensive income attributable to:				
Equity holders of the parent company		**₱2,123,193,528**	₱2,333,860,610	₱1,220,228,226
Non-controlling interests		**11,167,921**	134,029,173	98,601,123
		₱2,134,361,449	₱2,467,889,783	₱1,318,829,349
Basic/Diluted Earnings per Common Share	24	**₱0.0667**	₱0.0709	₱0.0376

See accompanying Notes to Consolidated Financial Statements.

PREMIUM LEISURE CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31		
		2024	2023	2022
CAPITAL STOCK	17	**₱7,906,827,500**	₱7,906,827,500	₱7,906,827,500
ADDITIONAL PAID-IN CAPITAL	17	**7,238,721,924**	7,238,721,924	7,238,721,924
TREASURY STOCK - at cost	17	**(220,430,080)**	(220,430,080)	(220,430,080)
COST OF PARENT COMPANY SHARES HELD BY A SUBSIDIARY	17			
Balance at beginning of year		**(509,597,055)**	(509,597,055)	(509,597,055)
Disposal		**509,597,055**	–	–
Balance at end of year		**–**	(509,597,055)	(509,597,055)
RETAINED EARNINGS				
Balance at beginning of year		**2,957,045,719**	2,094,797,559	2,566,288,233
Net income		**2,072,240,966**	2,185,274,122	1,159,554,790
Dividends declared	17	**(2,763,634,901)**	(1,549,390,947)	(1,549,390,949)
Realized portion of the fair value reserve	11	**–**	226,364,985	(87,305,366)
Reclassification to retained earnings of retirement benefit reserve		**–**	–	5,650,851
Balance at end of year		**2,265,651,784**	2,957,045,719	2,094,797,559
OTHER EQUITY RESERVES	17			
Cumulative Unrealized Losses on Financial Assets at FVOCI	11			
Balance at beginning of year		**(537,667,720)**	(464,506,680)	(606,037,992)
Net unrealized gains		**48,393,983**	153,203,945	54,225,946
Realized portion of the fair value reserve		**–**	(226,364,985)	87,305,366
Balance at end of year		**(489,273,737)**	(537,667,720)	(464,506,680)
Cumulative Remeasurement Gains on Net Retirement Liability	16			
Balance at beginning of year		**6,901,069**	11,518,526	9,309,174
Net remeasurement gains (losses)		**2,581,868**	(4,617,457)	6,447,490
Reclassification to retained earnings of retirement benefit reserve		**–**	–	(4,238,138)
Balance at end of year		**9,482,937**	6,901,069	11,518,526
Other Reserves				
Balance at beginning of year		**(254,319,697)**	(254,319,697)	(254,319,697)
Loss on disposal of Parent Company shares held by a subsidiary	17	**(189,027,854)**	–	–
Balance at end of year		**(443,347,551)**	(254,319,697)	(254,319,697)
		(923,138,351)	(785,086,348)	(707,307,851)
Equity Attributable to the Equity Holders of the Parent Company		**16,267,632,777**	16,587,481,660	15,803,011,997
Non-controlling Interests				
Balance at beginning of year		**460,770,671**	366,371,813	267,770,690
Impact of additional shares acquired by a subsidiary		**(99,327,616)**	–	–
Dividends declared		**(38,827,916)**	(39,630,315)	–
Share in net income		**8,563,797**	138,644,782	96,392,658
Share in other comprehensive income (loss)		**2,580,835**	(4,615,609)	2,208,465
Balance at end of year		**333,759,771**	460,770,671	366,371,813
TOTAL EQUITY		**₱16,601,392,548**	₱17,048,252,331	₱16,169,383,810

See accompanying Notes to Consolidated Financial Statements.

PREMIUM LEISURE CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	**2024**	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		**₱2,111,586,509**	₱2,457,718,362	₱1,291,031,874
Adjustments for:				
Interest income	5	**(255,204,090)**	(254,011,944)	(147,434,493)
Amortization of intangible asset	10	**238,472,484**	238,472,484	238,472,484
Depreciation and amortization	13	**154,732,039**	39,049,219	29,127,843
Amortization on ROU asset	13	**43,851,524**	9,147,229	4,645,028
Finance costs	4, 23	**36,577,881**	17,903,206	220,505
Reversals of long-outstanding payables	15	**30,637,063**	–	–
Provisions	19	**11,346,464**	124,685,209	187,363,193
Retirement benefits	16	**7,065,402**	5,370,147	8,802,230
Unrealized foreign exchange loss		**996,948**	2,351,019	170,916
Mark-to-market (gains) losses on investments held for trading	6	**952,007**	(54,078,646)	371,193
Loss (gain) on disposal of:				
Investments held for trading	6	**(885,410)**	(146,545,079)	–
Property and equipment	13	**(290,267)**	(38,845)	(395,719)
Net assets of subsidiaries	20	**–**	–	(542,645)
Provision for (reversal of) impairment loss on:				
Trade and other receivables	20	**1,940,214**	–	–
Other current assets	9	**–**	8,088	(32,673,528)
Interest expense on lease liabilities	23	**30,797**	–	–
Dividend income	11	**–**	(5,999,263)	–
Operating income before working capital changes		**2,381,809,565**	2,434,031,186	1,579,158,881
Decrease (increase) in:				
Receivables		**74,258,026**	(273,715,324)	51,886,620
Other current assets		**(190,083,948)**	(124,329,981)	77,205,123
Decrease in trade payables and other current liabilities		**(133,368,364)**	(65,019,319)	(88,908,677)
Net cash generated from operations		**2,132,615,279**	1,970,966,562	1,619,341,947
Interest received		**255,204,090**	254,011,944	143,436,911
Income taxes paid		**(104,244,107)**	(96,811,948)	–
Retirement contributions	16	**–**	(19,569,605)	(10,000,000)
Retirement benefits paid		**–**	–	(252,285)
Net cash provided by operating activities		**2,283,575,262**	2,108,596,953	1,752,526,573

(Forward)

		Years Ended December 31		
	Note	**2024**	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of:				
Investments held for trading	6	**₱57,201,654**	₱173,293,408	₱–
Property and equipment	13	**373,591**	1,362,047	3,869,287
Financial assets at FVOCI	11	**–**	710,268,432	88,661,791
Acquisition of:				
Property and equipment	13, 27	**(100,684,433)**	(537,557,130)	(85,500)
Net assets of subsidiaries, net of cash disposed		**–**	–	(3,910,087)
Decrease (increase) in other noncurrent asset		**134,077,612**	23,710,270	(29,320,112)
Collection of notes receivable	7	**–**	1,605,925,000	–
Dividends received	11	**–**	5,999,263	–
Advances to suppliers for acquisition of property and equipment	27	**–**	–	(207,054,331)
Net cash provided by (used in) investing activities		**90,968,424**	1,983,001,290	(147,838,952)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	27	**(2,763,634,901)**	(1,589,021,262)	(1,549,390,949)
Proceeds from:				
Disposal of Parent Company shares	17	**320,569,201**	–	–
Loan availments	4	**80,000,000**	500,000,000	67,500,000
Payments of:				
Loans payable	4	**(133,647,059)**	(96,911,765)	–
Interest on loans payable	27	**(32,535,518)**	(17,878,309)	–
Acquisition of shares by a subsidiary	4	**(99,327,616)**	–	–
Payments of lease liabilities	23	**(499,137)**	(2,663,827,027)	(4,989,872)
Net cash used in financing activities		**(2,629,075,030)**	(3,867,638,363)	(1,486,880,821)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(254,531,344)**	223,959,880	117,806,800
EFFECTS OF EXCHANGE RATE CHANGES ON CASH		**(996,948)**	(2,351,019)	(170,916)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**2,000,178,939**	1,778,570,078	1,660,934,194
CASH AND CASH EQUIVALENTS AT END OF YEAR		**₱1,744,650,647**	₱2,000,178,939	₱1,778,570,078

NONCASH FINANCIAL INFORMATION				
Reclassification from advances to suppliers to property and equipment	13	**₱68,850**	₱207,054,331	₱–
Impact of lease modification on right-of-use assets and lease liabilities	23	**22,987**	–	–

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024 AND 2023, AND FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

1. **General Information**

Corporate Information

Premium Leisure Corp. (PLC or the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) as Sinophil Exploration Co., Inc. on November 26, 1993. On September 5, 2014, the SEC approved the change in PLC's primary purpose to that of engagement and/or investment in gaming-related businesses. On July 19, 2019 the SEC approved the change in PLC's primary purpose to exclude real estate business activities.

As at December 31, 2023, PLC, a publicly-listed company in the Philippine Stock Exchange (PSE) since September 17, 2014, is 79.78% (directly and indirectly) owned by Belle Corporation (Belle or the Ultimate Parent Company) and the rest by the public.

On March 11, 2024, the Board of Directors (BOD) of Belle approved its conduct of a tender offer for up to 6,312,026,669 common shares constituting 20.22% of the issued and outstanding common stock of PLC (the Tender Offer). On the same date, the BOD of PLC approved the voluntary delisting of PLC shares from the PSE, subject to the successful Tender Offer by Belle and in accordance with the requirements of the PSE for voluntary delisting. This was ratified by the shareholders on April 22, 2024.

The Tender Offer commenced on March 22, 2024 and ended on April 24, 2024 (the Tender Offer Period). During the Tender Offer Period, a total of 6,172,192,242 common shares or approximately 19.77% of the total issued and outstanding common stock of PLC were tendered and accepted by Belle for a total consideration of ₱5,246.4 million. On May 9, 2024, Belle successfully completed the Tender Offer. On July 9, 2024, PLC was delisted from the PSE.

As at December 31, 2024, PLC is 99.55% owned by Belle.

The registered office address of the Parent Company is 5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City, Metro Manila.

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries and interest in a joint operation, all of which are incorporated and domiciled in the Philippines:

		Percentage of Ownership			
		2024		2023	
	Industry	**Direct**	**Indirect**	Direct	Indirect
Subsidiaries					
PremiumLeisure and Amusement, Inc. (PLAI)	Gaming	**100.00**	**–**	100.00	–
Foundation Capital Resources, Inc. (FCRI)	Non-operating	**100.00**	**–**	100.00	–
Sinophil Leisure and Resorts Corporation (SLRC)	Non-operating	**100.00**	**–**	100.00	–
Pacific Online Systems Corporation (POSC)	Gaming	**50.10**	**–**	50.10	–
Subsidiaries of POSC					
Loto Pacific Leisure Corporation (LotoPac)	Gaming	**–**	**100.00**	–	100.00
Total Gaming Technologies, Inc. (TGTI)	Gaming	**–**	**98.92**	–	98.92
Falcon Resources, Inc. (FRI)	Gaming	**–**	**100.00**	–	100.00
Futurelab Interactive Corp.	Gaming	**–**	**100.00**	–	100.00
Interest in Joint Operation					
PinoyLotto Technologies Corp. (PinoyLotto)	Gaming	**–**	**50.00**	–	50.00

The Parent Company, its subsidiaries and interest in joint operation are collectively referred herein as "the Group."

Approval of the Consolidated Financial Statements

The consolidated financial statements as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 were endorsed by the Audit Committee to the BOD on February 20, 2025 and were approved and authorized by the BOD for issuance on February 21, 2025.

2. Summary of Material Accounting Policy Information

The material accounting policy information that have been used in the preparation of the financial statements have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation and Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

Measurement Bases

The consolidated financial statements are presented in Philippine Peso (Peso), the Group's functional currency. All amounts are rounded to the nearest Peso unless otherwise stated.

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for:

- investments held for trading which are measured at fair value;
- financial assets at fair value through other comprehensive income (FVOCI); and
  retirement asset or liability which is measured as the difference between the present value of defined benefit obligation and the fair value of plan assets.

Historical cost is generally based on the fair value of the consideration given in exchange of assets and fair value of the consideration received in exchange for incurring a liability.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of market observable data to a possible extent. Fair values are categorized into different levels in a fair value hierarchy, as described below, based on lowest level inputs used that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 6 - *Investments held for Trading*
- Note 11 - *Financial Assets at FVOCI*
- Note 12 - *Investment Properties*
- Note 25 - *Financial Instruments*

Adoption of Amendments to PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS.

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to PFRS 16, *Leases - Lease Liability in a Sale and Leaseback* – The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements in PFRS 15, *Revenue from Contracts with Customers*, to be accounted for as a sale, is a lease liability to which PFRS 16 applies and give rise to a right-of-use (ROU) asset. For the subsequent measurement, the seller-lessee shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of a lease. Any gain or loss relating to the partial or full termination of the lease does not relate to the right of use retained but to the right of use terminated.

- Amendments to PAS 1, *Presentation of Financial Statements - Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements.

- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7, *Financial Instruments: Disclosures - Supplier Finance Arrangements* – The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information.

The adoption of the amendments to PFRS did not materially affect the consolidated financial statements of the Group. Additional disclosures were included in the consolidated financial statements, as applicable.

Amendments to PFRS in Issue But Not Yet Effective or Adopted
Relevant amendments to PFRS, which are not yet effective as at December 31, 2024 and have not been applied in preparing the consolidated financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2025 -

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* – The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2026 -

- Amendments to PFRS 9, *Financial Instruments,* and PFRS 7, *Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.

- Amendments to PFRS 9, *Transaction Price and Lessee Derecognition of Lease Liabilities* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9*,* the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments also replace the reference to *'transaction price as defined by PFRS 15'* to *'the amount determined by applying PFRS 15'* to remove potential confusion. Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Volume 11:

  - Amendments to PFRS 7– The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.

  - Amendments to PFRS 10, *Consolidated Financial Statements - Determination of a 'de facto agent'* – The amendments remove inconsistencies by clarifying that an entity must use judgment to determine whether other parties are acting as de facto agents. Earlier application is permitted.

  - Amendments to PAS 7, *Cost Method* – The amendments replace the term 'cost method' with 'at cost' following the deletion of the definition of 'cost method'. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2027 -

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1 and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

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* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing amendments to PFRS, is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company including its interest in its subsidiaries and joint operation.

Subsidiaries. Subsidiaries are entities controlled by the Parent Company. Control is achieved when the Parent Company is exposed, or has right, to variable returns from its investment with the investee and it has the ability to affect those returns through its powers over the investee.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in the NCI interests having a deficit balance. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

NCI represent the portion of net results and net assets not held by the Parent Company. These are presented in the consolidated statements of financial position within equity, apart from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statements of comprehensive income. NCI represent the equity interest in POSC and its subsidiaries not held by the Parent Company.

If the Parent Company loses control over a subsidiary, it derecognizes the assets including goodwill, liabilities and NCI in the subsidiary. The Parent Company recognizes the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in the consolidated statements of comprehensive income.

Business Combinations and Goodwill. Business combinations are accounted for using the acquisition method except for business combinations under common control in which an accounting similar to pooling of interest method is used. Business combinations under common control are those in which all of the combining entities or businesses are controlled by the same party or parties both before and after the business combination, and that control is not transitory. However, business combinations under common control may also be accounted for using the acquisition method of accounting when the transaction has commercial substance from the perspective of the reporting entity.

Under the acquisition method, the cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed outright.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9 is measured at fair value with the changes in fair value recognized in profit or loss in accordance with PFRS 9. Other contingent consideration that is not within the scope of PFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill acquired in a business combination is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for NCI and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in consolidated statements of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units (CGUs), or group of cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or group of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than an operating segment or determined in accordance with PFRS 8, *Operating Segment*.

Goodwill is tested for impairment annually as at December 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the CGU or group of CGUs, to which the goodwill relates. When the recoverable amount of the CGU or group of CGUs is less than the carrying amount, an impairment loss is recognized. Impairment loss with respect to goodwill cannot be reversed in future periods.

When goodwill has been allocated to a CGU or group of CGUs and part of the operations within the unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed and the portion of the CGU retained.

Joint Arrangements. Joint arrangements represent activities where the Parent Company has joint control established by a contractual agreement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the requires unanimous consent for financial and operational decisions of the parties sharing the control. A joint arrangement is either a joint operation, whereby the parties have rights to the assets and obligations for the liabilities, or a joint venture, whereby the parties have rights to the net assets.

The Group accounted for its interest in PinoyLotto as a joint operation. Accordingly, the Group recognizes (i) its assets, including its share of any assets held jointly, (ii) its liabilities, including its share of any liabilities incurred jointly, (iii) its revenues and share in revenues from the output of the joint operation, and (iv) its expenses, including its share of any expenses incurred jointly.

The Parent Company reports items of a similar nature to those on the financial statements of the joint arrangement, on a line-by-line basis, from the date that joint control commences until the date that joint control ceases.

The financial statements of PinoyLotto with a fiscal period ended June 30, are incorporated in the consolidated financial statements as at December 31. Adjustments and disclosures are made for the effects of significant transactions or events that occurred between the date of PinoyLotto's financial statements and the date of the consolidated financial statements. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable is done using settlement date accounting.

Initial Recognition. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Classification of Financial Instruments. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and, (c) financial assets at FVOCI. The classification of a financial asset largely depends its contractual cash flow characteristics and on the Group's business model for managing them.

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

Equity securities that have been designated to be measured at FVOCI can no longer be reclassified to a different category.

There were no reclassifications of financial assets in 2024 and 2023.

As at December 31, 2024 and 2023, the Group does not have financial liabilities at FVPL and debt instruments measured at FVOCI.

Financial Assets at FVPL. Financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if these are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless these are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are measured at fair value at each reporting date, with any fair value gains or losses recognized in profit or loss to the extent these are not part of a designated hedging relationship.

Classified under this category are the Group's investments in equity securities included under "Investments held for trading" account and share warrants component of investment in Black Spade Acquisition Co. (BSA).

Financial Assets at Amortized Cost. A financial asset shall be measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

Classified under this category are the Group's cash and cash equivalents, notes receivable, receivables, guarantee deposits (presented as part of "Other currents assets") advances to contractors and refundable deposits (presented as part of "Other noncurrent assets").

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 dates of placement and are subject to an insignificant risk of changes in value.

Financial Assets at FVOCI. Equity securities which are not held for trading are irrevocably designated at initial recognition under the FVOCI category.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, financial assets at FVOCI are measured at fair value with unrealized gains or losses recognized in other comprehensive income and are included under “Other equity reserves” account in the equity section of the consolidated statement of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods. On disposal of these equity securities, any cumulative valuation gains or losses will be reclassified to retained earnings.

Classified under this category are the Group’s investments in quoted and unquoted shares included under “Financial assets at FVOCI” account.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

Classified under this category are the Group’s trade payables and other current liabilities (excluding provisions and statutory payables), loans payable and lease liabilities.

Impairment of Financial Assets at Amortized Cost
The Group records an allowance for expected credit loss (ECL) on financial assets at amortized cost based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset’s original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group measures loss allowances at an amount equivalent to the 12-month ECL for financial assets on which credit risk has not increased significantly since initial recognition or that are determined to have low credit risk at reporting date. Otherwise, impairment loss will be based on lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at reporting date with the risk of a default occurring on the financial instrument on the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort. In addition, 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.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost at reversal date.

A financial asset is written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Trade Receivables. The Group has applied the simplified approach in measuring the ECL on trade receivables. Simplified approach requires that ECL should always be based on the lifetime ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Other Financial Instruments Measured at Amortized Cost. For these financial assets, the Group applies the general approach in determining ECL. The Group recognizes an allowance based on either the 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition.

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The right to receive cash flows from the asset has expired;
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- The Group has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or 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. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Assets and Liabilities
Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;

- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or

- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Advances to Contractors and Suppliers
Advances to contractors and suppliers represent payment for purchased goods or services which are not yet delivered to the Group as at reporting date. Advances to contractors and suppliers are measured at the amount of cash paid. Subsequently, these are transferred to appropriate account upon receipt of the goods or services.

Advances to Officers and Employees
Advances to officers and employees represent cash advances made for use in the operations. These are noninterest-bearing and are settled through liquidation within the year.

Creditable Withholding Taxes (CWT)
CWT represents the amount withheld by the Group's customers in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. CWT is stated at its net realizable amount.

Prepayments
Prepayments are expenses not yet incurred but paid in advance. Prepayments are apportioned over the period covered by the payment and charged to the appropriate account in profit or loss when incurred.

Spare Parts and Supplies
Spare parts and supplies are valued at the lower of cost and net realizable value (NRV). Cost is determined using the weighted average method and includes expenditures incurred in acquiring the supplies and bringing them to their existing location and condition. NRV is the current replacement cost.

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

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

The net amount of tax recoverable from (payable to) the taxation authority is included as part of "Other current assets" account or "Trade payables and other current liabilities" account in the consolidated statements of financial position.

Intangible Asset
Intangible asset acquired separately is measured on initial recognition at cost. The cost of intangible asset acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible asset is carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible asset, excluding capitalized development costs, is not capitalized and the related expenditure is reflected in the consolidated statements of comprehensive income in the year the expenditure is incurred.

The useful life of an intangible asset is assessed as either finite or indefinite.

Intangible asset with finite life is amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. If an intangible asset arises from contractual or other legal rights that are conveyed for a limited term that can be renewed, the useful life should include the renewal period only if there is evidence to support renewal by the entity without significant cost to the entity.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with finite life is recognized in the consolidated statements of comprehensive income in the expense category consistent with the function of intangible asset.

Intangible asset with indefinite useful life is not amortized, but is tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in the useful life from the indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statements of comprehensive income when the asset is derecognized.

The Group made upfront payments to purchase a license. The license has been granted for a period of 18.6 years and renewable for another 25 years by the relevant government agency. The license was assessed as having a finite life and is amortized on a straight-line basis over 43.6 years.

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

The initial cost of property and equipment consists of its purchase price, including import duties, nonrefundable taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred if the recognition criteria are met. Software or intangible assets that is an integral part of the related hardware are treated as property and equipment.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to profit or loss in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

Each part of the property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation and amortization commence when property and equipment is in its location or condition capable of being operated in the manner intended by management. Depreciation and amortization cease at the earlier of the date that the item is classified as held for sale and the date the property and equipment is derecognized.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the depreciable assets as follows:

Asset Type	Number of Years
Lottery equipment	54-10 or term of lease, whichever is shorter
Office furniture, fixtures and equipment	3-5
Leasehold improvements	4 or the term of the lease, whichever is shorter
Transportation equipment	4-5

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation is consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Fully depreciated assets are retained in the accounts until these are no longer in use.

Investment Properties
Investment properties comprise of parcels of land held by the Group for capital appreciation. Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. Subsequent to initial recognition, land is stated at cost less accumulated impairment loss, if any.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy on property and equipment up to the date of change in use.

Investment property is derecognized when either they have been disposed of or when the investment properties are permanently withdrawn from use and no further economic benefit is expected from its disposal. Any gain or loss on the retirement of disposal of an investment property is recognized in profit or loss in the year of retirement or disposal.

Software Development
Software development cost is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, an internally generated software development is measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization is calculated to write off the cost of intangible assets less their estimated residual values, if any, using the straight-line method over their estimated useful lives, of two to three years and amortization of intangible assets is recognized in profit or loss. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment of Nonfinancial Assets (excluding Goodwill)
Nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Equity

Capital Stock and Additional Paid-in Capital. Capital stock is measured at par value for all shares issued and outstanding. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital.

Incremental costs directly attributable to the issue of new capital stock are recognized as a deduction, net of tax, from the equity.

Treasury Stock. Own equity instruments which are reacquired (treasury stock) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized as additional paid-in capital. Voting rights related to treasury stock are nullified for the Group and no dividends are allocated to them.

Cost of Parent Company Shares Held by a Subsidiary. Parent Company's shares which are held by a subsidiary are treated similar to treasury stock and recognized and deducted from equity at cost. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Any difference between the carrying amount and the consideration is recognized in other reserves.

Other Equity Reserves. Other equity reserves primarily comprise of items of income and expenses that are not recognized in profit or loss for the year in accordance with PFRS. Other equity reserves of the Group mainly pertain to cumulative unrealized losses of financial assets at FVOCI and, cumulative remeasurement gains of net retirement liability and other reserves. Other reverses arise from the disposal of Parent Company shares held by subsidiaries.

Retained Earnings. Retained earnings represent the cumulative balance of the Group's results of operations and reclassification of realized equity reserves, net of dividends declared to date.

Revenue Recognition
Revenue from contracts with customers is recognized when control of the 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 services.

The Group has generally concluded that it is the principal in its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized.

Gaming Revenue Share. Revenue representing monthly payments from Melco Resorts Leisure (PHP) Corporation (Melco), based on the performance of gaming operations of City of Dreams Manila integrated resort and casino, is recognized when earned pursuant to an Operating Agreement and is measured at the fair value of the consideration received or receivable, net of Philippine Amusement and Gaming Corporation (PAGCOR) license fee.

In determining the transaction price for gaming revenue share, the Group considers the effect of variable consideration. The Group estimates the amount of consideration to which it will be entitled in exchange for transferring the service to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Equipment Rental. Revenue from lease agreements with variable lease payments is recognized based on a certain percentage of gross sales of the lessee's online lottery operations, as computed by the lessee in accordance with the agreement. For lease agreements with fixed payments and is classified as operating lease, revenue is recognized on a straight-line basis over the term of the lease.

Commission Income. Commission income from Web-based Betting Application Platform (WABP) is recognized at a point in time when the related services are provided and is computed based on a certain percentage of gross sales of the web-based lottery operations.

Interest Income. Revenue is recognized as the interest accrues taking into account the effective yield on the asset.

Service Income. Revenue is recognized at a point in time when the service to the customer is performed.

Dividend Income. Revenue is recognized when the Group's right to receive the payment is established.

Other Income. Revenue is recognized when earned.

The related contract balances are the trade receivables which represent the Group's right to an amount of consideration that is unconditional i.e., only the passage of time is required before payment of the consideration is due.

Contract Costs

Costs to Obtain a Contract. The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Costs Incurred to Fulfil a Contract. Costs incurred to fulfil a contract are recognized as an asset if they are (a) directly related to a contract or to an anticipated contract that can be specifically identified by the Group, (b) generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) future performance obligations, and (c) are expected to be recovered.

Amortization, Derecognition and Impairment of Contract Costs. Costs recognized as an asset is amortized on a systematic basis consistently with the transfer of services related to the asset.

A capitalized contract cost is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that contract costs maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract.

Cost and Expense Recognition
Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Cost of Services. Cost of services is recognized as expense when the related services are rendered.

General and Administrative Expenses. General and administrative expenses constitute cost of administering the business. These expenses are recognized in profit or loss when incurred.

Finance Cost. Finance cost is recognized in profit or loss using the effective interest method.

Other Charges. Other charges are recognized when incurred.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

a) The right to obtain substantially all of the economic benefits from the use of the identified asset; and

b) The right to direct the use of the identified asset.

Group as a Lessee. At the commencement date, the Group recognizes ROU assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value. For leases with lease terms of 12 months or less but with an option to extend the lease, the management assesses whether there is reasonable certainty that the Group will extend the lease, by considering all relevant facts and circumstances that create an economic incentive for the lessee to extend or terminate the lease, to determine the appropriate lease term.

ROU Assets. At commencement date, the Group measures ROU assets at cost which is comprised of the following:

a) The amount of the initial measurement of lease liabilities;

b) Any lease payments made at or before the commencement date less any lease incentives received;

c) Any initial direct costs; and

d) An estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

After the commencement date, the ROU assets are carried at cost less any accumulated amortization and accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the ROU assets are amortized over the shorter of the lease terms or the useful lives of the underlying assets.

Lease Liabilities. At commencement date, the Group measures lease liabilities at the present value of future lease payments using the interest rate implicit in the leases, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of lease liabilities consist of the following:

a) Fixed payments, including in-substance fixed payments;

b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) Amounts expected to be payable by the lessee under residual value guarantees; and

d) The exercise price under a purchase option that the Group is reasonably certain to exercise; lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease liabilities are subsequently measured at amortized cost. Interest on the lease liabilities and any variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liabilities are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liabilities are remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liabilities are also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

Short-term Leases and Leases of Low-value Assets. The Group has elected not to recognize ROU assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

For income tax reporting purposes, expenses under lease agreements are treated as deductible expenses in accordance with the terms of the lease agreements.

Group as a Lessor. Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income under operating leases is recognized on a straight-line basis over the lease terms. 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 rent income. Contingent rents are recognized as revenue in the period in which these are earned.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. The retirement liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

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.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset 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 or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, difference between interest income and 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 other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in the profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognized the related restructuring costs.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditures required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Actuarial valuations are made with sufficient regularity that the amounts recognized in the consolidated financial statements do not differ materially from the amounts that would be determined at the reporting period.

Foreign Currency-Denominated Transactions and Translations

Transactions denominated in foreign currencies are initially recorded in Peso using the exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the functional currency using the rate of exchange prevailing at the reporting date. Foreign exchange differences between the rate at transaction date and settlement date or reporting date are credited to or charged against profit or loss. Nonmonetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the dates of initial transactions.

For income tax reporting purposes, foreign exchange gains or losses are treated as taxable income or deductible expenses in the year such are realized.

Income Taxes

Current Tax. Current 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 the tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current income tax relating to item recognized directly in equity is recognized in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax. Deferred tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes except for:

- When it 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 or loss nor taxable profit or loss; or

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits (excess of minimum corporate income taxes or MCIT over regular corporate income taxes or RCIT) and unused tax losses (net operating loss carryover or NOLCO), only if it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient 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 period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of reporting period.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in relation to the underlying transaction either in other comprehensive income or directly in equity.

Offsetting. Current tax assets and current tax liabilities are offset, or deferred tax assets and deferred tax liabilities are offset if, and only if, an enforceable right exists to set off the amounts and it can be demonstrated without undue cost or effort that the Group plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Related Parties and Transactions
Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or a member of the key management personnel of the reporting entity. Parties are also considered to be related if they are subject to common control or common significant influence.

Related party transactions consist of transfers of resources, services or obligations between the Group and its related parties.

Related party transactions are considered material and/or significant if i) these transactions amount to 10% or higher of the Group's total assets, or ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Group's total assets. Details of transactions entered into by the Group with related parties are reviewed in accordance with the Group's related party transactions policy.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are made based on the best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period these arise.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Events after the Reporting Date
Post year-end events that provide additional information about the Group's financial position as of reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

Comparatives
When necessary, comparative figures have been reclassified to conform to the changes in the presentation of the current year.

3. **Significant Judgments, Accounting Estimates and Assumptions**

The preparation of the consolidated financial statements in accordance with PFRS requires management to exercise judgment, make estimates and use assumptions that affect amounts of assets, liabilities, income and expenses reported in the consolidated financial statements. The judgment, accounting estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. While management believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

Judgments

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

Determining the Subsidiaries with Material Non-controlling Interests. The Group is required to disclose certain financial information on its subsidiaries with material non-controlling interests. There are also qualitative considerations including the nature of relationship between the Group and the subsidiary and the nature of their businesses.

Management determines material subsidiaries with material non-controlling interests as those with assets, non-controlling interests, revenues and net income greater than 5% of consolidated assets, non-controlling interests, revenues and net income.

The Group has determined POSC as a subsidiary with material non-controlling interests (see Note 4).

Assessing Joint Control and Determining the Proper Classification of a Joint Arrangement. Management has exercised judgment regarding the classification of the Group's interest in PinoyLotto and classified it as a joint operation. PinoyLotto is 50% owned by the Parent Company but controlled jointly with the other owner. PinoyLotto has been classified as a joint operation because the parties have equal number of board representatives and because relevant activities that significantly affect the return on the investment requires approval of representatives from both partners. Management's considerations include, determining whether the arrangement is structured through a separate vehicle and whether the legal form and contractual arrangements give the entity direct rights to the assets and obligations for the liabilities within the normal course of business. Other facts and circumstances are also assessed by management, including the entity's rights to the economic benefits of assets and its involvement and responsibility for settling liabilities associated with the arrangement.

Evaluating Lease Commitments. The evaluation of whether an arrangement contains a lease is based on its substance. An arrangement is, or contains a lease when the fulfillment of the arrangement depends on specific asset or assets and the arrangement conveys a right to use the asset.

Lease commitments are disclosed in Note 23.

Determining the Classification of Lease. The Group leases to Philippine Charity Sweepstakes Office (PCSO) the lottery equipment it uses for its nationwide on-line lottery operations. The Group has determined that it has retained substantially all the risks and benefits of ownership of the lottery equipment being leased to PCSO. The ownership of the asset is not transferred to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable, the lease term is not for the major part of the asset's economic life, and, certain features of the arrangement does not transfer substantially all risk and rewards to the lessee. Accordingly, the lease is accounted for as an operating lease.

Revenue from equipment rental is disclosed in Note 23.

Determining Capitalizable Contract Costs. Assessing whether costs to obtain a contract will be recognized as an asset depends on the Group's judgment which costs are considered as incremental, i.e., those expenditures which would not have been incurred if the contract had not been secured. On the other hand, the primary focus when deciding on the capitalization of costs incurred to fulfil a contract is determining which costs generate or enhance resources that will be used in satisfying (or in continuing to satisfy) performance obligations in the future

The carrying amount of capitalized contract costs is disclosed in Note 9.

Determining the Fair Value of Financial Instruments. PFRS requires certain financial assets and liabilities to be carried at fair value, which requires extensive use of accounting estimates. Although significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value may differ if the Group utilized different valuation methodologies. Any changes in fair value of these financial assets would affect profit or loss and equity.

The fair value of the Group's financial assets and liabilities are disclosed in Note 25.

Accounting Estimates and Assumptions

The key 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 within the next financial year are discussed below.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Assessing Impairment Losses on Financial Assets at Amortized Cost. Impairment losses on financial assets are determined based on ECL. In assessing the ECL, the Group uses historical loss experience adjusted for the forward-looking factors, as appropriate.

The Group's cash and cash equivalents are maintained at reputable financial institutions with good industry rating and score.

The Group maintains allowance for impairment losses on trade and other receivables at a level considered adequate to provide for potential uncollectible accounts. The level of this allowance is evaluated by the management on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the age and status of receivables, the length of relationship with the customers, the customer's payment behavior and known market factors. The Group reviews the allowance on a continuous basis.

For other financial assets at amortized cost, the Group has applied the general approach and calculated the ECL by considering the consequences and probabilities of possible defaults only for the next 12 months, rather than the life of the asset. It continues to apply this method until a significant increase in credit risk has occurred, at which point the loss allowance is measured based on lifetime ECL.

In 2024, the Group recognized a provision for impairment loss amounting to ₱1.4 million (see Note 8). No provision for impairment losses on financial assets at amortized cost was recognized by the Group in 2023 and 2022.

The carrying amounts and credit quality of financial assets at amortized cost that were subjected to impairment assessment are disclosed in Note 25.

Assessing the Impairment of Significant Nonfinancial Assets (Except Goodwill). The Group assesses whether there are any indicators of impairment for all nonfinancial assets at each reporting date. Nonfinancial assets are tested for impairment when there are indicators that the carrying amount may not be recoverable. Determining the value of these nonfinancial assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause the Group to conclude that such nonfinancial assets are impaired. Any resulting impairment loss could have a material adverse impact on the Group's financial position and performance.

No provision for impairment loss was recognized for significant nonfinancial assets (excluding goodwill) in 2024, 2023 and 2022.

The carrying amount of significant nonfinancial assets (excluding goodwill) as at December 31, 2024 and 2023 are disclosed in Notes 10, 12 and 13.

Assessing the Impairment of Goodwill. The Group determines whether goodwill is impaired at least annually. This requires the estimation of the value in use of the CGUs to which the goodwill is allocated. Estimating value in use requires management to make an estimate of the expected future cash flows from the CGUs and to choose a suitable discount rate to calculate the present value of those cash flows. The key assumptions used in the value in use calculations include discount rate, revenue growth rate and long-term growth rate.

No impairment loss was recognized in 2024,2023 and 2022. The carrying amount of goodwill as at December 31, 2024 and 2023 is disclosed in Note 14.

Estimating the Useful Lives of Property and Equipment and ROU Assets. The Group estimates the useful lives of the property and equipment and ROU assets based on the period over which these assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets. In addition, estimation of the useful lives is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

There were no changes in the estimated useful lives of property and equipment and ROU assets in 2024, 2023 and 2022. The carrying amounts of property and equipment and ROU assets are disclosed in Notes 13 and 23, respectively.

Estimating Useful Life of Gaming License. The useful life of the Group's gaming license recognized as "Intangible asset" account in the consolidated statements of financial position is estimated based on the period over which the asset is expected to be available for use. The estimated useful life of intangible asset is reviewed periodically and updated if expectations differ from previous estimates. If an intangible asset arises from contractual or other legal rights that are conveyed for a limited term that can be renewed, the useful life should include the renewal period only if there is evidence to support renewal by the entity without significant cost to the entity. The gaming license runs concurrent with PAGCOR's congressional franchise which is set to expire in 2033 and renewable for another 25 years. Management concludes that the cost of renewal is not significant compared with the future economic benefits expected to flow to the Group from the renewal of gaming license. Hence, renewal period was included in the amortization period.

In 2024,2023 and 2022, there were no changes in the estimated useful life of gaming license. The carrying amount of the gaming license as at December 31, 2024 and 2023 is disclosed in Note 10.

Assessing the Realizability of Deferred Tax Assets. The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The amount of deferred tax assets that are recognized is based upon the likely timing and level of future taxable profits together with future tax planning strategies to which the deferred tax assets can be utilized.

Details of recognized and unrecognized deferred tax assets are disclosed in Note 21.

Evaluating Contingencies. The Group recognizes provision for possible claims when it is determined that an unfavorable outcome is probable and the amount of the claim can be reasonably estimated. The determination of reserves required, if any, is based on analysis of such individual issue, often with the assistance of outside legal counsel (see Note 15).

4. Material Partly-owned Subsidiary and Interest in Joint Operation

Material Partly-owned Subsidiary

The non-controlling interests of POSC are material to the Group. NCI is 49.9% as at December 31, 2024 and 2023.

Prior to October 1, 2023, POSC's primary source of revenue arises from the Equipment Lease Agreement (ELA) with the PCSO for the lease of lotto terminals, which includes central computer, communications equipment, and the right to use the application software and manuals for the central computer system and draw equipment. The ELA was concluded on September 30, 2023 (see Notes 23 and 26).

POSC remains committed to looking for opportunities in the industry. These opportunities include the lease of a WABP. On August 30, 2023, POSC signed a Memorandum of Agreement with PCSO in connection with the latter's implementation of a trial run for a WABP during which POSC will be acting as PCSO's exclusive agent.

On June 19, 2024, POSC received a Notice of Award for a five-year lease of its WABP from PCSO after a bidding process. With the issuance of the Notice of Award, POSC will now be complying with the post-Notice of Award requirements of the PCSO; thereafter, the contract between POSC and PCSO covering the terms and conditions of the WABP project will be executed. The commercial operation will commence 76 days from receipt of the Notice to Proceed.

On July 12, 2024, the trial period for WABP ended upon the instruction of PCSO as it gears toward making the E-lotto services better and as it transitions to a new platform.

As at December 31, 2024, PCSO has not yet issued the Notice to Proceed (see Note 26).

The summarized financial information of POSC is provided below. This information is based on amounts before intercompany eliminations.

	2024	2023
Total current assets	**₱1,082,177,990**	₱948,422,045
Total noncurrent assets	**654,347,014**	953,357,175
Total current liabilities	**353,533,405**	314,098,180
Total noncurrent liabilities	**285,183,386**	411,973,202
Total equity	**1,097,808,213**	1,175,707,838
Net income	**16,977,825**	274,864,816
Other comprehensive income	**88,134,163**	49,224,099

Interest in Joint Operation

On June 21, 2021, PinoyLotto, a joint venture corporation owned by POSC, Philippine Gaming Management Corp. (PGMC) and International Lottery & Totalizator Systems, Inc. (ILTS), was incorporated and registered with the SEC primarily to provide software support and online lottery equipment service.

Interest in joint operation pertains to POSC's 50% ownership in PinoyLotto, the entity which was awarded a five-year lease of the customized PCSO Lottery System, also known as '2021 PLS Project' with a contract price of ₱5,800.0 million.

PinoyLotto started nationwide operations on October 1, 2023. Pursuant to the contract, 6,500 terminals were installed and are in operation nationwide. Pre-operating expenses amounted to nil, ₱14.4 million and ₱14.0 million in 2024, 2023 and 2022, respectively (see Note 19).

Share in Assets, Liabilities, Revenues, Costs and Expenses

	2024	2023
Cash and cash equivalents	**₱98,816,367**	₱72,608,057
Trade and other receivables	**49,737,037**	99,395,044
CWTs	**16,680,804**	–
Other current assets	**28,901,910**	26,759,374
Total Current Assets	**194,136,118**	198,762,475
Property and equipment	**652,001,130**	706,091,820
Deferred tax assets	**428,878**	–
ROU asset	**54,149**	541,486
Other noncurrent assets	**–**	68,850
Total Noncurrent Assets	**652,484,157**	706,702,156
Total Assets	**₱846,620,275**	₱905,464,631
Trade payables and other current liabilities	**(₱131,845,610)**	(₱110,782,832)
Current portion of loans payable	**(138,980,392)**	(58,823,529)
Current portion of lease liabilities	**(57,445)**	(294,303)
Nontrade payable	**–**	(67,500,000)
Total Current Liabilities	**(270,883,447)**	(237,400,664)
Loans payable - net of current portion	**(277,960,784)**	(411,764,706)
Retirement liability	**(662,330)**	–
Lease liabilities - net of current portion	**–**	(208,495)
Total Noncurrent Liabilities	**(278,623,114)**	(411,973,201)
Total Liabilities	**(₱549,506,561)**	(₱649,373,865)
Revenue from equipment rental	**₱517,857,143**	₱129,464,286
Cost of services	**(264,209,114)**	(57,535,027)
General and administrative expenses	**(130,901,005)**	(46,366,911)
Finance cost	**(36,577,881)**	(17,878,309)
Interest income	**158,808**	84,322
Other charges	**(960,463)**	(2,312,579)
Provision for income taxes	**(13,098,869)**	–
Net income	**₱72,268,619**	₱5,455,782

Loan Agreement
On October 15, 2022, PinoyLotto entered into a long-term loan agreement with a local bank for a loan facility with a maximum aggregate principal amount of ₱1.0 billion, the proceeds of which shall be used to partially finance the capital expenditure requirements of the PLS Project. The loan has a term of five years, payable in equal quarterly installments beginning on the second year from initial drawdown up to the maturity. The loan bears an annual interest ranging from 6.54% to 7.45% in 2024 and 2023.

In 2024, PinoyLotto acquired additional bank loan amounting to ₱160.0 million from the same local bank for the same purpose. The additional loan has a term of four years, payable in equal quarterly installments and bears an annual interest of 8.63%.

Interest expense on loan payable which was recognized as "Finance cost" amounted to ₱36.5 million and ₱17.9 million in 2024 and 2023, respectively. The related accrued interest as at December 31, 2024 amounting to ₱4.0 million was presented as "Accrued expenses, provisions and other payables" under "Trade payables and other current liabilities" account in the consolidated statements of financial position (see Note 15).

The loan is secured by a continuing surety of the Parent Company and PGMC and maintenance of a debt service reserve account.

The movements in the loans payable recognized in the consolidated statements of financial position are presented below:

	2024	2023
Balance at beginning of year	**₱470,588,235**	₱67,500,000
Availments	**80,000,000**	432,500,000
Repayments	**(133,647,059)**	(29,411,765)
Balance at end of year	**₱416,941,176**	₱470,588,235

Pursuant to the terms of these loan agreements, PinoyLotto is required to comply with certain financial covenants starting June 30, 2024 which includes (a) bank debt to equity ratio not exceeding 3.0x, (b) debt-to-equity ratio not exceeding 3.5x and (c) debt service coverage ratio not falling below 1.2x. PinoyLotto is also restricted from performing certain corporate acts including declaration of dividends, material change in business and ownership, among others, without prior consent of the bank and must adhere to all financial and funding requirements. As at December 31, 2024 and 2023, PinoyLotto is compliant with the financial covenants and agreements.

Surety Bond

As at December 31, 2024, PinoyLotto has an existing surety bond agreement with Milestone Guaranty and Assurance Corp. to ensure compliance with its obligations related to the 2021 PLS Project. The surety bond agreement is valid until September 30, 2028.

5. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand	**₱364,729**	₱407,064
Cash in banks	**397,879,774**	540,975,005
Cash equivalents	**1,302,583,547**	1,458,796,870
Restricted cash	**43,822,597**	–
	₱1,744,650,647	₱2,000,178,939

Cash in banks earn interest at the respective bank deposit rates.

Cash equivalents are made for varying periods of up to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Under its loan agreement, PinoyLotto is required to maintain a debt service reserve account for the security of interest and/or principal repayments to the lenders. PinoyLotto is required to deposit cash to the debt service reserve account equivalent to the upcoming interest and/or principal repayment (see Note 4).

Details of interest income follow:

	Note	**2024**	2023	2022
Notes receivable	7	**₱131,650,438**	₱205,583,013	₱125,333,368
Cash in banks and cash equivalents		**123,553,652**	48,428,931	18,420,210
Contract asset		**–**	–	3,680,915
		₱255,204,090	₱254,011,944	₱147,434,493

6. Investments Held for Trading

This account consists of the Group's investments in shares of stock of Vantage Equities, Inc., APC Group, Inc., DigiPlus Interactive Corp and share warrants component of investment in BSA (see Note 11).

Movements in this account are as follows:

	2024	2023
Balance at beginning of year	**₱100,012,769**	₱72,682,452
Mark-to-market gains (losses)	**(952,007)**	54,078,646
Disposals	**(56,316,244)**	(26,748,329)
Balance at end of year	**₱42,744,518**	₱100,012,769

The fair values of these securities are based on the quoted prices on the last market day of the year. The Group determines the cost of investments sold using specific identification method.

Proceeds from disposal of investment held for trading amounted to ₱57.2 million and ₱173.3 million resulting to a gain of ₱885,410 and ₱146.5 million in 2024 and 2023, respectively (see Note 20). Disposals in 2023 include sale of share warrants related to investment in BSA (see Note 11).

7. Notes Receivable

Movements in this account are as follows:

	2024	2023
Balance at beginning of year	**₱2,100,000,000**	₱3,705,925,000
Collection	**–**	(1,605,925,000)
Balance at end of year	**₱2,100,000,000**	₱2,100,000,000

Notes receivable are unsecured, collectible on demand and bear interest at rates ranging from 5.95% to 6.37% and 5.87% to 6.50% in 2024 and 2023, respectively (see Note 22).

Interest income from notes receivable recognized in the consolidated statements of comprehensive income amounted to ₱131.7 million, ₱205.6 million and ₱125.4 million in 2024, 2023 and 2022, respectively (see Notes 5 and 22).

8. Receivables

This account consists of:

	2024	2023
Trade receivables	**₱268,204,379**	₱329,033,920
Receivable from a Share Swap Agreement	**422,341,815**	422,341,815
Nontrade receivables	**133,704,502**	113,677,614
Advances to:		
Consultant	**126,786,600**	147,500,000
Officers and employees	**1,870,155**	873,536
Other receivables	**2,634,020**	16,372,612
	955,541,471	1,029,799,497
Less allowance for impairment losses	**545,456,156**	543,515,942
	₱410,085,315	₱486,283,555

Trade receivables are generally on a 20-day to 60-day credit term. These are mostly receivables arising from lease agreement with PCSO and receivables from Melco for the gaming revenue share in the operations of City of Dreams Manila.

The receivable from a Share Swap Agreement (the Agreement) is a receivable by the Parent Company from Paxell Investment Limited and Metroplex Berhad (both Malaysian companies, collectively referred to as "Metroplex") amounting to ₱422.3 million representing the cost of rescission of the Agreement involving PLC shares. This is fully provided with allowance for impairment loss as at December 31, 2024 and 2023.

Nontrade receivables include amounts due from LCC Group, former investees, where the Group had set up an allowance for impairment because of the delayed payments and disposal of ownership interest in LCC Group.

Advances to consultant pertain to noninterest-bearing advances intended for exploration of projects and business opportunities which are subject for refund in the absence of output.

Advances to officers and employees and other receivables are noninterest-bearing and generally collected within the next financial year.

Other receivables primarily arise from shared services rendered in 2024 and disposal of trademark in 2023 which are collectible in the following financial period (see Note 20).

The movements in allowance for impairment loss on trade and other receivables are as follows:

	Note	2024	2023
Balance at beginning of year		**₱543,515,942**	₱543,515,942
Provision	20	**1,940,214**	–
Balance at end of year		**₱545,456,156**	₱543,515,942

9. **Other Assets**

Other Current Assets

This account consists of:

	Note	2024	2023
CWT		**₱260,573,016**	₱188,875,669
Advances to contractors		**139,738,757**	–
Guarantee deposits	26	**79,000,000**	91,000,000
Prepaid expenses		**46,868,857**	3,773,451
Spare parts and supplies - at cost		**8,170,480**	606,075
Input VAT		**1,495,059**	23,036,803
Others		**2,574,902**	–
		538,421,071	307,291,998
Less allowance for impairment loss		**604,124**	604,124
		₱537,816,947	₱306,687,874

Guarantee deposits pertain to cash bonds held in escrow account as part of the agreement with PCSO (see Note 26).

Prepayments represent mainly insurance and rent. It also includes prepaid technical training, advisory and maintenance services. As at December 31 2024, prepayments also include contract costs amounting to ₱30.7 million, which pertains to costs incurred to fulfil the obligations under the five-year lease of WABP (see Note 26).

Spare parts and accessories are generally used for providing maintenance and repair services on the leased lottery equipment to PCSO.

Other Noncurrent Assets

This account consists of:

	Note	2024	2023
CWT		**₱239,961,695**	₱239,961,705
Advances to contractors		**8,052,957**	139,738,757
Refundable deposits	23	**2,291,727**	3,036,529
Others		–	1,647,000
		₱250,306,379	₱384,383,991

CWT under "Other noncurrent assets" account pertain to CWT from the gaming revenue share of PLAI.

Advances to contractors primarily pertain to noninterest-bearing intended for exploration of projects within the gaming industry. As at report date, the Group decided to discontinue the project and has ongoing negotiations with the contractor to immediately finalize the terms and manner of recovery of the outstanding receivables. Accordingly, the amount was reclassified to current assets in 2024.

Refundable deposits are subject to adjustments every year if rent rates increase and shall be returned to the lessee without interest.

10. Intangible Asset

PLAI Gaming License

Intangible asset, which was part of the assets acquired from Belle in 2014, pertains to the provisional license granted by PAGCOR for which PLAI is a co-licensee to operate integrated resorts, including casinos. On April 29, 2015, PAGCOR granted the Regular Gaming License (License), which has the same terms and conditions of the provisional license. The License runs concurrent with PAGCOR's Congressional Franchise, set to expire in 2033, renewable for another 25 years.

The amortization of the intangible asset started on December 14, 2014, the effectivity of the Notice to Commence Casino Operations granted by PAGCOR. The unamortized life of the license as at December 31, 2024 is 33.5 years.

Movements in intangible asset are as follows:

	Note	**2024**	2023
Cost			
Balance at beginning and end of year		**₱10,843,215,811**	₱10,843,215,811
Accumulated Amortization			
Balance at beginning of year		**2,605,978,744**	2,367,506,260
Amortization	18	**238,472,484**	238,472,484
Balance at end of year		**2,844,451,228**	2,605,978,744
Carrying Amount		**₱7,998,764,583**	₱8,237,237,067

Gaming License Application

In July 2024, the Group, through its wholly-owned subsidiaries SLRC and FRCI, applied for a gaming license with PAGCOR for an Integrated Resort development in Clark Special Economic Zone. As at December 31, 2024, the application is still under assessment by PAGCOR.

11. Financial Assets at FVOCI

This account pertains to investments in equity instruments classified as financial assets at FVOCI as at December 31, 2024 and 2023, consisting of the following:

	Note	2024	2023
Quoted Shares			
Belle-common shares	22	**₱165,979,614**	₱116,985,631
Golf club shares		**12,000,000**	12,600,000
		177,979,614	129,585,631
Unquoted Shares			
Others		**81,100**	81,100
		₱178,060,714	₱129,666,731

The movements of financial assets at FVOCI in 2024 and 2023 are as follows:

	2024	2023
Cost		
Balance at beginning of year	**₱667,334,451**	₱1,151,237,898
Disposal	**–**	(483,903,447)
Balance at end of year	**667,334,451**	667,334,451
Cumulative Unrealized Valuation Gains (Losses) on Financial Assets at FVOCI		
Balance at beginning of year	**(537,667,720)**	(464,506,680)
Unrealized valuation gain	**48,393,983**	153,203,945
Disposal	**–**	(226,364,985)
Balance at end of year	**(489,273,737)**	(537,667,720)
Carrying Amount	**₱178,060,714**	₱129,666,731

The investment in common shares of Belle is based on the quoted price as at reporting date while the investment in golf club shares is based on secondary market prices as at reporting date.

Belle-common shares

In 2023, the Group received dividend income of ₱6.0 million.

BSA

Disposal in 2023 pertains to investment in BSA which is composed of 1,000,000 common shares and 500,000 share warrants. Each whole warrant entitles the holder to purchase one Class A ordinary share at a price of $11.50 per share. Share warrants were classified under “Investments held for trading” account (see Note 6).

On April 17, 2023, the Group redeemed/sold the common shares for ₱710.3 million while the share warrants were sold for ₱147.4 million.

12. Investment Properties

Investment properties pertain to parcels of land amounting to ₱285.5 million as at December 31, 2024 and 2023.

There was no rental income from investment properties in 2024, 2023 and 2022.

Expenses related to investment properties amounted to ₱73,694, ₱33,600 and ₱73,744 in 2024, 2023 and 2022, respectively, which mainly pertain to real property taxes.

The fair value of the investment properties as at December 31, 2024 and 2023 amounting to ₱304.0 million and ₱288.9 million is higher than its carrying value, as determined by an independent appraiser and estimated using market approach. The value of the land was based on the sales and listings of comparable properties registered within the vicinity and within Level 3 fair value hierarchy. The Group assessed that the highest and best use of its properties does not differ from their current use.

13. Property and Equipment

The movements in this account follow:

	2024				
	Lottery Equipment	**Office Furniture, Fixtures and Equipment**	**Leasehold Improvements**	**Transportation Equipment**	**Total**
Cost					
Balance at beginning of year	**₱716,564,344**	**₱41,381,748**	**₱3,537,822**	**₱12,557,629**	**₱774,041,543**
Additions	**98,304,976**	**1,593,819**	**57,004**	**728,634**	**100,684,433**
Disposals and retirement	**–**	**(311,607)**	**–**	**(2,059,610)**	**(2,371,217)**
Balance at end of year	**814,869,320**	**42,663,960**	**3,594,826**	**11,226,653**	**872,354,759**
Accumulated Depreciation and Amortization					
Balance at beginning of year	**35,833,622**	**19,240,441**	**176,890**	**12,448,156**	**67,699,109**
Depreciation and amortization	**149,001,119**	**4,912,166**	**713,266**	**105,488**	**154,732,039**
Disposals and retirement	**–**	**(311,607)**	**–**	**(1,976,286)**	**(2,287,893)**
Balance at end of year	**184,834,741**	**23,841,000**	**890,156**	**10,577,358**	**220,143,255**
Carrying Amount	**₱630,034,579**	**₱18,822,960**	**₱2,704,670**	**₱649,295**	**₱652,211,504**

	2023				
	Lottery Equipment	Office Furniture, Fixtures and Equipment	Leasehold Improvements	Transportation Equipment	Total
Cost					
Balance at beginning of year	₱501,864,242	₱16,872,453	₱6,732,232	₱16,360,639	₱541,829,566
Additions	716,564,344	24,509,295	3,537,822	–	744,611,461
Disposals and retirement	(501,864,242)	–	(6,732,232)	(3,803,010)	(512,399,484)
Balance at end of year	716,564,344	41,381,748	3,537,822	12,557,629	774,041,543
Accumulated Depreciation and Amortization					
Balance at beginning of year	501,864,242	16,782,610	5,576,547	15,502,773	539,726,172
Disposals and retirement	(501,864,242)	–	(5,576,547)	(3,635,493)	(511,076,282)
Depreciation and amortization	35,833,622	2,457,831	176,890	580,876	39,049,219
Balance at end of year	35,833,622	19,240,441	176,890	12,448,156	67,699,109
Carrying Amount	₱680,730,722	₱22,141,307	₱3,360,932	₱109,473	₱706,342,434

The Group sold equipment with a carrying amount of ₱83,324, ₱3.4 million and ₱3.5 million for ₱373,591, ₱1.3 million and ₱3.9 million in 2024, 2023 and 2022, respectively, resulting to a gain on sale of ₱290,267, ₱38,845 and ₱395,719 in 2024, 2023 and 2022, respectively (see Note 20).

Since the ELA was terminated on September 30, 2023, the Group retired fully depreciated lottery equipment with an aggregate cost of ₱501.9 million in 2023.

Depreciation and amortization consist of the following:

	Note	**2024**	2023	2022
Property and equipment		**₱154,732,039**	₱39,049,219	₱17,991,479
ROU assets	23	**43,851,524**	9,147,229	4,645,028
Software development		–	–	11,136,364
		₱198,583,563	₱48,196,448	₱33,772,871

Depreciation and amortization are allocated as follows:

	Note	**2024**	2023	2022
Cost of services	18	**₱192,342,318**	₱45,233,477	₱29,217,792
General and administrative expenses	19	**6,241,245**	2,962,971	4,555,079
		₱198,583,563	₱48,196,448	₱33,772,871

14. Goodwill

The carrying amount of goodwill acquired from business combination amounting to ₱926.0 million as at December 31, 2024 and 2023 pertains to the acquisition of POSC.

No provision for impairment loss on goodwill was recognized in 2024, 2023 and 2022.

The goodwill from the acquisition has been subjected to the annual impairment assessment. The recoverable amounts of the operations have been determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by management. The cash flow projections cover four to five years, taking into consideration the effect of significant events on the macroeconomic factors used in developing the assumptions.

<u>Key Assumptions Used in Value-in-use Calculations</u>
The calculations of value in use for the cash-generating units are most sensitive to the following assumptions:

<u>POSC</u>

Discount Rate. Discount rate reflects management's estimate of the risks specific to the CGU. The pre-tax discount rate of 9.66%, 7.42% and 9.79% was used in 2024, 2023 and 2022, respectively, based on the Weighted Average Cost of Capital (WACC) of POSC. Any future significant increase (decrease) in discount rate will result in lower (higher) recoverable amount.

Revenue Growth Rate, Long-Term Growth Rate and Terminal Values. No growth rate was applied to the five-year cash flow projections for 2023, as the main source of cash flow comes from a fixed-price contract. However, in 2024, a 1% growth rate was applied to the four-year cash flow projections. Management assessed that a contract extension or renewal is highly probable, given POSC's technical expertise and historical experience.

<u>FRI</u>
The recoverable amount of goodwill from the acquisition of FRI by TGTI was determined based on value-in-use calculations using actual past results and observable market data such as growth rates, operating margins, among others. The expected cash flows are discounted by applying a suitable WACC.

With the change in FRI's exclusivity arrangement with its principal, goodwill in FRI was fully provided with allowance for impairment loss as at December 31, 2024 and 2023.

15. Trade Payables and Other Current Liabilities

This account consists of:

	Note	**2024**	2023
Trade payables		**₱93,777,636**	₱257,384,427
Accrued expenses, provisions and other payables		**572,772,432**	497,812,626
Statutory payables		**6,509,193**	2,756,500
Software and license fees payable	26	**–**	8,865,861
Others		**15,607,017**	18,573,216
		₱688,666,278	₱785,392,630

Trade payables are generally on a 30-day credit term.

Accrued expenses and other payables mainly represent provisions. Other than provisions, accruals are usually payable within a 30-day term upon receipt of billing. The Group provides for probable losses. Provisions represent estimated probable losses arising in the normal course of business. As allowed under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, further information are not disclosed so as not to prejudice the Group's position on the matter. In 2024, 2023, and 2022, the Group recognized provisions amounting to ₱11.3 million, ₱124.7 million and ₱187.4 million, respectively (see Note 19).

Software and license fees payable are for consultancy services on gaming operations and the supply of computer hardware and operating system software for online lottery system (see Note 26). These are normally settled within the next financial year.

Statutory payables mainly pertain to statutory contributions, withholding taxes, VAT payable and deferred output VAT and other liabilities to the government agencies, which are generally payable the following month.

In 2024, the Group reversed long-outstanding payables amounting to ₱30.6 million (see Note 20).

16. Retirement Plan

Under the existing regulatory framework, Republic Act No. 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

Changes in the retirement liability of the Group in 2024 and 2023 are as follows:

	2024		
	Fair Value of Plan Assets	**Present Value of Defined Benefit Obligation**	**Net Retirement Liability**
Balance at beginning of year	**₱73,028,676**	**(₱89,042,975)**	**(₱16,014,299)**
Net retirement income (costs) in profit or loss:			
Net interest	**2,079,892**	**(3,431,271)**	**(1,351,379)**
Current service cost	–	**(6,097,696)**	**(6,097,696)**
Past service cost	–	**383,673**	**383,673**
	2,079,892	**(9,145,294)**	**(7,065,402)**
Benefits paid from retirement fund	**(44,939,458)**	**35,555,580**	**(9,383,878)**
Remeasurement gain recognized in OCI:			
Actual return excluding amount included in net interest cost	**887,923**	–	**887,923**
Actuarial changes due to experience adjustment	–	**5,841,880**	**5,841,880**
Actuarial changes arising from changes in financial assumptions	–	**153,801**	**153,801**
	887,923	**5,995,681**	**6,883,604**
Balance at end of year	**₱31,057,033**	**(56,637,008)**	**(₱25,579,975)**

	2023		
	Fair Value of Plan Assets	Present Value of Defined Benefit Obligation	Net Retirement Liability
Balance at beginning of year	₱50,611,659	(₱68,514,661)	(₱17,903,002)
Net retirement income (costs) in profit or loss:			
Net interest	3,219,029	(4,455,195)	(1,236,166)
Current service cost	–	(6,074,809)	(6,074,809)
Past service cost	–	1,940,828	1,940,828
	3,219,029	(8,589,176)	(5,370,147)
Contribution	19,569,605	–	19,569,605
Remeasurement gain recognized in OCI:			
Actual return excluding amount included in net interest cost	(371,617)	–	(371,617)
Actuarial changes due to experience adjustment	–	(7,263,106)	(7,263,106)
Actuarial changes arising from changes in financial assumptions	–	(4,676,032)	(4,676,032)
	(371,617)	(11,939,138)	(12,310,755)
Balance at end of year	₱73,028,676	(₱89,042,975)	(₱16,014,299)

Movements in cumulative remeasurement gains (losses) on net retirement liability consist of the following:

	2024		
	Retirement benefits reserve	**Deferred Tax** (see Note 21)	**Total**
Balance at beginning of year	**₱8,216,710**	**₱2,515,426**	**₱5,701,284**
Remeasurement gain	**6,883,604**	**1,720,901**	**5,162,703**
Balance at end of year	**₱15,100,314**	**₱4,236,327**	**₱10,863,987**

	2023		
	Retirement benefits reserve	Deferred Tax (see Note 21)	Total
Balance at beginning of year	₱20,527,465	₱5,593,115	₱14,934,350
Remeasurement loss	(12,310,755)	(3,077,689)	(9,233,066)
Balance at end of year	₱8,216,710	₱2,515,426	₱5,701,284

The latest actuarial valuation of the Group is as at December 31, 2024.

The Group's plan assets are administered by a Trustee. The Group and the retirement plan have no specific matching strategies between the retirement plan assets and define benefit asset or obligation under the retirement plan.

The following table presents the fair values of the plan assets of the Group as at December 31:

	2024	2023
Cash and cash equivalents	**₱7,266**	₱651,170
Debt instruments-government bonds	**16,560,599**	39,659,754
Debt instruments-other bonds	**4,529,172**	4,317,196
Unit investment trust funds	**9,763,744**	21,424,722
Others	**196,252**	6,975,834
	₱31,057,033	₱73,028,676

The principal assumptions used to determine retirement plan assets as at December 31 are as follows:

	2024	2023
Discount rate	**5.05% - 6.15%**	5.05% - 6.11%
Rate of compensation increase	**6.00% - 8.00%**	6.00% - 8.00%

The Group is not expected to contribute to the plan in 2024.

The retirement benefits expose the Group to the following risks:

- *Salary risk* - any increase in the qualified employees' salary will increase the net retirement liability.

- *Longevity risk* – any increase in the qualified employees' life expectancy will increase the net retirement liability.

- *Interest rate risk* - a decrease in the bond interest rate will increase the present value of the net retirement liability.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2023 and 2022 assuming all other assumptions were held constant:

	2024		2023	
	Increase (Decrease)	**Increase (Decrease) in Defined Benefit Obligation**	Increase (Decrease)	Increase (Decrease) in Defined Benefit Obligation
Discount rate	**+100**	**(₱33,025,750)**	+100	(₱76,572,768)
	-100	**40,868,205**	-100	68,623,123
Salary increase rate	**+100**	**40,859,598**	+100	77,152,897
	-100	**(32,902,565)**	-100	(67,905,939)

The average duration of the defined benefit obligation is 13.02 years in 2024.

The maturity analysis (ten-year projection) of the undiscounted benefit payments follows:

	2024	2023
Less than one year	**₱2,113,464**	₱30,247,221
More than one year to five years	**4,302,736**	9,576,101
More than five years to ten years	**191,924,294**	220,724,900

17. **Equity**

Preferred Stock
As at December 31, 2024 and 2023, PLC has not issued any preferred stock out of the authorized 6,000,000,000 shares with par value of ₱0.25. Under the provision of the Group's articles of incorporation, the rights and features of the preferred stocks shall be determined through a resolution of the BOD prior to issuance.

Common Stock
Common stock as at December 31, 2024 and 2023 consists of the following:

	Number of Shares	Amount
Authorized - ₱0.25 par value per share	37,630,000,000	₱9,407,500,000
Issued and subscribed	31,627,310,000	₱7,906,827,500

The following summarizes the information on the Parent Company's registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized Shares	Number of Shares Issued	Issue/ Offer Price
Common stock			
August 28, 1995	100,000,000,000	1,000,000,000	₱0.01
September 30, 1996	100,000,000,000	1,000,000,000	0.01
March 10, 1997	(198,000,000,000)	–	–
March 10, 1997	12,000,000,000	8,797,310,000	1.00
March 28, 2006	(1,870,000,000)	(1,870,000,000)	1.00
June 24, 2008	(1,000,000,000)	(1,000,000,000)	1.00
July 9, 2009	(1,000,000,000)	(1,000,000,000)	1.00
September 5, 2014	27,500,000,000	24,700,000,000	0.25
	37,630,000,000	31,627,310,000	
Preferred stock			
March 10, 1997	6,000,000,000	–	₱0.25*

**On May 29, 2014, SEC approved the reduction of par value of preferred shares to ₱0.25 from ₱1.00 per share.*

On November 7, 2024, the Parent Company's BOD approved the amendment of the Articles of Incorporation to increase the par value of the Parent Company's common shares from ₱0.25 to ₱1,000.00 per share. This amendment was subsequently approved by the stockholders during the Special Stockholders Meeting held on December 20, 2024. The increase in par value will result in the Parent Company's authorized capital stock of ₱10,907,500,000 being divided into: (a) 9,407,500 common shares with a par value of ₱1,000.00 per share; and (b) 6,000,000,000 preferred shares with a par value of ₱0.25 per share

As at December 31, 2024, the amendment is pending approval from the SEC. The proposed change in par value has no impact on the Parent Company's total equity position.

The Parent Company has 31,627,310,000 shares with 528 and 362 stockholders of record as at December 31, 2024 and 2023, respectively.

Additional Paid-in Capital
Additional paid-in capital as at December 31, 2024 and 2023 consists of the following:

Subscriptions and/or issuances of shares	₱6,941,634,391
Business combination	297,087,533
	₱7,238,721,924

Additional paid-in capital arising from business combination pertains to the excess of consideration from the carrying values of net assets acquired from the step acquisition of POSC in 2015, which was accounted for as business combination under common control using pooling of interest method.

Treasury Stock
The BOD authorized the buy-back of up to ₱500.0 million Parent Company's common shares to enhance the shareholder value.

As at December 31, 2024 and 2023, 410,379,000 shares have been bought back by the Parent Company with a cost of ₱220.4 million.

Parent Company Common Shares Held by a Subsidiary
POSC holds 377,143,000 common shares of the Parent Company equivalent to ₱509.6 million as at December 31, 2023. These are presented as "Cost of Parent Company common shares held by a subsidiary" and is treated as a reduction in equity.

In 2024, POSC sold its investment in shares of the Parent Company for ₱320.6 million as a result of the tender offer conducted by the Ultimate Parent Company for the purpose of voluntary delisting the Parent Company shares from the Main Board of PSE (see Note 1). The sale of the Parent Company shares held by POSC resulted to a loss of ₱189.0 million which was recognized as part of "Other reserves" account in the consolidated statements of changes in equity.

Retained Earnings
On October 26, 2024, the Parent Company's BOD approved the declaration of cash dividends of ₱0.08853 per share amounting to approximately ₱2,763.6 million to shareholders of record as at November 4, 2024. The dividends were paid on November 11, 2024.

On February 28, 2023, the Parent Company's BOD approved the declaration of cash dividends of ₱0.05024 per share amounting to approximately ₱1,568.3 million to shareholders of record as at March 15, 2023. Total dividends are inclusive of dividends payable to a subsidiary which holds Parent Company shares amounting to ₱18.9 million.

On April 18, 2022, the Parent Company's BOD approved the declaration of cash dividends of ₱0.05024 per share amounting to approximately ₱1,568.3 million to shareholders of record as at May 16, 2022. Total dividends are inclusive of dividends paid to a subsidiary which holds Parent Company shares amounting to ₱18.9 million.

The consolidated retained earnings as at December 31, 2024 and 2023 includes the accumulated earnings of the subsidiaries which are not currently available for dividend declaration unless declared by the subsidiaries of the Parent Company. The Parent Company's retained earnings available for dividend declaration, computed based on the regulatory requirements of the SEC amounted to ₱ 2,484.7 million and ₱2,636.1 million as at December 31, 2024 and 2023, respectively.

Other Equity Reserves

Details of other equity reserves shown in the consolidated statements of financial position follows:

	Note	2024	2023
Cumulative unrealized valuation losses on financial assets at FVOCI	11	**(₱489,273,737)**	(₱537,667,720)
Cumulative remeasurement gains on net retirement liability		**9,482,937**	6,901,069
Other reserves		**(443,347,551)**	(254,319,697)
		(₱923,138,351)	(785,086,348)

18. Cost of Services

This account consists of:

	Note	2024	2023	2022
Amortization of intangible asset	10	**₱238,472,484**	₱238,472,484	₱238,472,484
Depreciation and amortization	13	**192,342,318**	45,233,477	29,217,792
Communication		**67,316,596**	35,853,495	43,522,403
Software and license fees	26	**43,447,330**	65,552,554	60,508,456
Online lottery system expenses		**27,613,705**	121,389,224	102,829,369
Payroll and related expenses		**15,057,821**	13,071,218	12,207,289
Service charges		**6,679,913**	–	–
Others		**10,315,217**	8,868,269	16,889,125
		₱601,245,384	₱528,440,721	₱503,646,918

19. General and Administrative Expenses

This account consists of:

	Note	2024	2023	2022
Salaries, wages and benefits		**₱72,852,925**	₱44,332,878	₱42,568,378
Outside services		**61,240,960**	67,563,347	62,805,069
Transportation and travel		**61,163,482**	76,509,531	68,096,691
Rental and utilities		**24,898,221**	14,813,288	5,812,273
Professional, service and management fees		**24,433,389**	25,016,660	20,921,858
Taxes and licenses		**22,910,038**	22,977,685	6,563,665
Marketing, advertising and promotion		**19,590,053**	19,424,873	12,036,387
Other external services		**19,414,987**	–	–
Provisions	15	**11,346,464**	124,685,209	187,363,193
Representation and entertainment		**6,765,183**	4,047,244	2,473,236
Depreciation and amortization	13	**6,241,245**	2,962,971	4,555,079
Placement and listing fee		**4,518,541**	1,517,047	1,374,499
Repairs and maintenance		**3,023,139**	1,598,131	1,251,808
Communication		**2,941,171**	17,922,729	2,508,353
Insurance		**847,079**	736,984	2,556,769
Pre-operating expenses		**–**	14,362,120	13,993,257
Miscellaneous		**9,427,221**	11,928,539	4,081,192
		₱351,614,098	₱450,399,236	₱438,961,707

Pre-operating expenses of PinoyLotto is as follows:

	2023	2022
Taxes and licenses	₱4,360,942	₱2,740,990
Professional fees	4,255,645	6,221,510
Rent and utilities	3,283,261	920,890
Entertainment and representation	535,557	398,094
Bank charges	2,976	3,266,241
Depreciation and amortization	2,224	7,200
Others	1,921,516	438,332
	₱14,362,121	₱13,993,257

Provisions represent estimated probable losses arising in the normal course of business in 2024, 2023, and 2022 (see Note 15).

20. **Other Income (Charges)**

This account consists of:

	Note	**2024**	2023	2022
Reversal of long-outstanding payables	15	**₱30,637,063**	₱–	₱–
Provision for doubtful accounts	8	**(1,940,214)**	–	–
Foreign exchange loss		**(996,948)**	(2,351,019)	(1,830,662)
Gain on sale of property and equipment	13	**290,267**	38,845	395,719
Gain on sale of investments held for trading	6	**885,410**	146,545,079	–
Service income		**–**	–	₱2,035,055
Sale of trademark		**–**	26,785,714	–
Net claims		**–**	20,218,195	–
Sale of scrap items		**–**	–	2,892,120
Others		**(188,634)**	8,246,328	3,408,834
		₱28,686,944	₱199,483,142	₱6,901,066

In November 2023, the Parent Company entered into a Trademark Assignment agreement with Diamond Powerwinners Corp. (DPC) where the Parent Company conveys the subject trademarks and assigns all of its rights, title and interest therein to DPC for a total consideration of ₱30.0 million (inclusive of VAT) payable in ten equal monthly installments. Gain on trademark assignment amounted to ₱26.8 million. All outstanding receivable was collected in 2024.

Others mainly consist of miscellaneous income and bank charges.

21. Income Taxes

The components of income taxes as reported in the consolidated statements of comprehensive income are as follows:

	2024	2023	2022
Current	**₱32,548,226**	₱133,538,442	₱14,627,225
Deferred	**(1,766,480)**	261,016	20,457,201
	₱30,781,746	₱133,799,458	₱35,084,426

Current income tax expense pertains to RCIT of the Parent Company and RCIT and MCIT of certain subsidiaries.

The components of the net deferred tax assets (liabilities) of the Group are as follows:

	2024	2023
Items recognized in profit or loss		
Costs incurred to fulfill a contract	**(₱7,665,028)**	₱–
Retirement benefits	**4,655,696**	1,518,148
Unamortized past service costs	**1,941,190**	4,255,619
Unrealized foreign exchange loss	**(7,210)**	(9,561)
Temporary differences attributable to joint operation	**428,878**	–
	(646,474)	5,764,206
Items recognized in other comprehensive income		
Cumulative remeasurement gains on retirement liability	**(4,236,327)**	(2,515,426)
Net deferred tax assets (liabilities)	**(₱4,882,801)**	₱3,248,780

Unrecognized deferred tax assets pertain to the following:

	2024	2023
Allowance for impairment losses on receivables	**₱107,742,365**	₱107,742,365
NOLCO	**59,333,193**	38,017,607
Excess MCIT over RCIT	**1,412,242**	312,034
Unamortized past service costs	**589,776**	979,844
	₱169,077,576	₱147,051,850

These were not recognized because management has assessed that there is no sufficient taxable income against which the deductible temporary differences and the carryforward benefits of these assets can be utilized in the future.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 to implement Section 4 of the Republic Act No. 11494 (Bayanihan to Recover as One Act) allowing the net operating loss of a business or enterprise incurred for the taxable years 2020 and 2021 to be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.

The details of the Group's unused NOLCO which can be claimed as deduction from future taxable income during the stated validity are as follows:

Year Incurred	Beginning Balance	Incurred	Applied	Expired	Ending Balance	Valid Until
2024	₱–	₱7,772,509	₱–	₱–	₱7,772,509	2027
2023	7,680,947	–	–	–	7,680,947	2026
2022	16,436,829	–	–	–	16,436,829	2025
2021	53,848,887	–	–	–	53,848,887	2026
2020	20,755,612	–		–	20,755,612	2025
	₱98,722,275	₱7,772,509	₱–	₱–	₱106,494,784	

As at December 31, 2024, the Group has excess MCIT over RCIT which can be claimed as deduction against tax due during the stated validity as follows:

Year Incurred	Beginning Balance	Incurred	Applied/ Expired	Ending Balance	Valid Until
2024	₱–	₱1,100,208	₱–	₱1,100,208	2027
2023	312,034	–	–	312,034	2026
	₱312,034	₱1,100,208	₱–	₱1,412,242	

The reconciliation between the provision for income tax computed at statutory tax rate and the provision for income tax shown in the consolidated statement of comprehensive income is as follows:

	2024	2023	2022
Income tax at statutory income tax rate	**₱1,189,296,904**	₱614,395,740	₱387,174,694
Income tax effects of:			
Nontaxable income	**(647,771,151)**	–	–
Income not subject to income tax	**(572,650,675)**	(589,808,774)	(383,096,549)
Marked-to-market losses (gains) on investments	**39,364,889**	(13,519,662)	–
Income subjected to final tax	**(30,847,458)**	(11,694,139)	(9,341,875)
Nondeductible provisions and expenses	**31,363,511**	117,839,382	66,096,064
Taxable income recognized directly in equity	**–**	56,514,765	–
Effect of optional standard deduction	**–**	(36,102,627)	–
Expired NOLCO	**–**	–	6,942
Change in unrecognized deferred tax assets	**22,025,726**	(3,825,227)	(25,754,850)
	₱30,781,746	₱133,799,458	₱35,084,426

Pursuant to Presidential Decree No. 1869, *Consolidating and Amending Presidential Decree Nos. 1067-A, 1067-B, 1067-C, 1399 and 1632, relative to the Franchise and Powers of the PAGCOR*, as amended by RA No. 9487, *PAGCOR Charter*, co-licensee's share from gaming revenue is subject to 5% franchise tax in lieu of all taxes. Accordingly, PLAI's gaming revenue share is not subjected to income tax.

Under the Corporate Recovery and Tax Incentives for Enterprises ("CREATE"), the RCIT of domestic corporations was reduced from 30% to 25% or 20% depending on the amount of total assets or total amount of taxable income. MCIT was changed from 2% to 1% of gross income for a period of three years up to June 30, 2023. The rate of MCIT reverted to 2% based on gross income starting July 1, 2023. The impact of the revision is accounted for in 2023, if any.

22. Related Party Transactions and Balances

Related parties are enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or under common control with the Group, including holding companies, and subsidiaries. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related entities. Related party transactions amounting to 10% or higher of the Group's consolidated total assets are subject to the approval of the BOD. In considering each possible related entity relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Transactions with Related Parties

In the ordinary course of business, the Group has the following transactions with related parties.

Related Party	Note	Nature of Transactions	Year	Transactions for the Year	Outstanding Balance of Assets	Terms and Conditions
Ultimate Parent Company	7	Notes receivable	**2024**	**₱–**	**₱2,100,000,000**	Unsecured and bearing interest rates ranging 5.95% to 6.37% and 5.87% to 6.50% in 2024 and 2023, respectively
			2023	–	2,100,000,000	
	11	Financial assets at FVOCI	**2024**	**48,993,983**	**165,979,614**	
			2023	–	116,985,631	
	7	Interest income	**2024**	**131,650,438**	**–**	Unsecured and noninterest-bearing, 30 days
			2023	205,583,013	–	
		Service fee	**2024**	**54,000,000**	**–**	Unsecured and noninterest-bearing, 30 days
			2023	54,000,000	–	
Affiliate		Marketing expense	**2024**	**18,583,333**	**–**	Unsecured and noninterest-bearing, 30 days
			2023	18,583,333	–	

As at December 31, 2024 and 2023, PLC has a Service Agreement with Belle wherein the latter shall provide services to support the operations of the casino license from PAGCOR. Belle shall likewise provide sufficient personnel and other resources for accounting and administrative functions. Service fees amounting to ₱54.0 million in 2024, 2023 and 2022 were presented as part of "Outside services" under general and administrative expenses in the consolidated statements of comprehensive income.

In 2022, the Parent Company entered into an agreement with an affiliate for access to the latter's various corporate suites to promote patronage to the subsidiary's business. Marketing expense amounting was presented as part of "Marketing, advertising and promotion" line item under "General and administrative expenses" account in the consolidated statements of comprehensive income.

The outstanding balances at year-end are due on demand. There have been no guarantees provided or received for any related party receivables or payables and settlements occur in cash.

Compensation of key management personnel of the Group are as follows:

	2024	2023	2022
Short-term employee benefits	**₱15,057,821**	₱13,657,558	₱21,526,866
Retirement benefits costs	**2,609,165**	2,473,999	3,997,315
	₱17,666,986	₱16,131,557	₱25,524,181

23. **Lease**

Group as Lessor

POSC leased online lotto equipment and accessories to PCSO until September 30, 2023. Rental income amounted to ₱9.6 million, ₱469.8 million and ₱512.7 million in 2024, 2023 and 2022, respectively, (see Note 26). The rental income in 2023 and 2022 is based on a percentage of gross sales of lotto tickets from PCSO's Luzon and VISMIN operations while the rental income in 2024 is primarily due to continuing costs incurred from ticket validations.

On October 1, 2023, PinoyLotto commenced its commercial operations for a five year-lease of the customized PCSO Lottery System at a contract price of ₱5,800.0 million. Pursuant to the contract, 6,500 terminals were installed and are in operation nationwide. Rental income amounted to ₱517.9 million and ₱129.5 million in 2024 and 2023, respectively (see Note 4).

TGTI leased "Online KENO" equipment and accessories to PCSO until April 1, 2022. Rental payment by PCSO was based on certain percentage of the gross amount of "Online KENO" games from the operation of all TGTI's KENO terminals. Rental income amounted to ₱6.3 million in 2022 (see Note 26).

Group as Lessee

The Group leases office space, and warehouses. The leases typically run for a period of two to five years, with an option to renew the lease after the end date.

In November 2023, SLRC (sublessee) entered into a sublease agreement with Global Gateway Development Corporation (sublessor) for the lease of land. The lease term is 62 years. Rent is payable upon execution of the sublease agreement amounting to ₱2.7 billion.

Amounts recognized in the consolidated statements of comprehensive income follow:

	Note	**2024**	2023	2022
Rent expense		**₱17,266,475**	₱18,092,195	₱12,592,852
Amortization on ROU assets	13	**43,851,524**	9,147,229	4,645,028
Interest expense on lease liabilities		**30,797**	24,897	220,505
		₱61,148,796	₱27,264,321	₱17,458,385

Interest expense on lease liabilities is recognized under "Finance cost" account in the consolidated statements of comprehensive income.

Rent expense pertains to low-value asset leases on storage and short-term leases on warehouses.

The movements in the ROU assets are presented below:

	Note	2024	2023
Balance at beginning of year		**₱2,655,189,953**	₱1,815,399
Amortization	13	**(43,851,524)**	(9,147,229)
Addition		**–**	2,662,521,783
Modification		**22,987**	–
Balance at end of year		**₱2,611,361,416**	₱2,655,189,953

The movements in the lease liabilities are presented below:

	2024	2023
Balance at beginning of year	**₱502,798**	₱1,891,442
Payments	**(499,137)**	(2,663,827,027)
Interest expense	**30,797**	24,897
Modification	**22,987**	–
Addition	**–**	2,662,413,486
Balance at end of year	**57,445**	502,798
Current portion	**57,445**	294,303
Noncurrent portion	**₱–**	₱208,495

Refundable deposits amounted to ₱2.3 million and ₱3.0 million as at December 31, 2024 and 2023, respectively (see Note 9).

The future minimum lease payments within one year under noncancellable leases amounted to ₱114,890.

24. **Basic/Diluted Earnings per Common Share**

As at December 31, 2024, 2023 and 2022, the basic/diluted earnings per share were computed as follows:

	2024	2023	2022
Earnings attributable to Equity holders of the Parent (a)	**₱2,072,240,966**	₱2,185,274,122	₱1,159,554,790
Weighted average number of outstanding common shares (b)	**31,091,216,667**	30,839,788,000	30,839,788,000
Basic/diluted EPS (a/b)	**₱0.0667**	₱0.0709	₱0.0376

The weighted average number of common shares outstanding are computed as follows:

	2024	2023	2022
Number of outstanding shares at beginning of year	**30,839,788,000**	30,839,788,000	30,839,788,000
Weighted average number of Parent Company shares disposed by a subsidiary during the year	**251,428,667**	–	–
	31,091,216,667	30,839,788,000	30,839,788,000

There are no common stock equivalents that would have a dilutive effect on the basic earnings per share.

25. **Financial Instruments**

Financial Risk Management Objectives and Policies

The financial instruments mainly comprise cash and cash equivalents, notes receivables, receivables, guarantee deposits, advances to contractors and refundable deposits (presented as part of "Other noncurrent assets, investments held for trading, financial assets at FVOCI, trade and other current liabilities (excluding provisions, unearned income and statutory payables), lease liabilities and loan payable. The main purpose of these financial instruments is to finance the Group's projects and operations.

The BOD has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and manage the Group's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Group's activities.

It is the Group's policy that no trading of financial instruments should be undertaken by the Group.

The main risks arising from the financial instruments are credit risk, equity price risk, liquidity risk and foreign currency risk. The BOD reviews and approves policies for managing these risks.

Credit Risk. Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group does not offer credit terms without the specific approval of the management. There is no significant concentration of credit risk.

With respect to credit risk arising from the financial assets of the Group, which comprise cash and cash equivalents, notes receivables, receivables, guarantee deposits, advances to contractors and refundable deposits (presented as part of "Other noncurrent assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying value of these financial assets.

The table below shows the Group's aging analysis of financial assets.

	2024						
	Neither Past Due nor Impaired	Past Due but not Impaired					
		Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Impaired	Total
Cash and cash equivalents*	₱1,744,285,918	₱–	₱–	₱–	₱–	₱–	₱1,744,285,918
Notes receivable	2,100,000,000	–	–	–	–	–	2,100,000,000
Receivables	410,085,315	–	–	–	–	545,456,156	955,541,471
Guarantee deposits**	79,000,000	–	–	–	–	–	79,000,000
Advances to contractors***	139,738,757	–	–	–	–	–	139,738,757
Refundable deposits***	2,291,727	–	–	–	–	–	2,291,727
	₱4,475,401,717	₱–	₱–	₱–	₱–	₱545,456,156	₱5,020,857,873

**Excluding cash on hand.*
***Presented under "Other current assets" account in the consolidated statements of financial position.*
****Presented under "Other noncurrent assets" account in the consolidated statements of financial position.*

	2023						
	Neither Past Due nor Impaired	Past Due but not Impaired					
		Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	Impaired	Total
Cash and cash equivalents*	₱1,999,771,875	₱–	₱–	₱–	₱–	₱–	₱1,999,771,875
Notes receivable	2,100,000,000	–	–	–	–	–	2,100,000,000
Receivables	486,283,555	–	–	–	–	543,515,942	1,029,799,497
Guarantee deposits**	91,000,000	–	–	–	–	–	91,000,000
Advances to contractors***	139,738,757	–	–	–	–	–	139,738,757
Refundable deposits***	3,036,529	–	–	–	–	–	3,036,529
	₱4,819,830,716	₱–	₱–	₱–	₱–	₱543,515,942	₱5,363,346,658

**Excluding cash on hand.*
***Presented under "Other current assets" account in the consolidated statements of financial position.*
****Presented under "Other noncurrent assets" account in the consolidated statements of financial position.*

Financial assets are considered past due when collections are not received on due date.

Credit Quality of Financial Assets

The financial assets are grouped according to stage whose description is explained as follows:

Stage 1 - Those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - Those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 - Those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The credit quality of the Group's financial assets are as follows:

	2024			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	**Total**
High Grade				
Cash and cash equivalents*	**₱1,744,285,918**	**₱–**	**₱–**	**₱1,744,285,918**
Notes receivable	**2,100,000,000**	**–**	**–**	**2,100,000,000**
Receivables	**410,085,315**	**–**	**–**	**410,085,315**
Guarantee deposit**	**79,000,000**	**–**	**–**	**79,000,000**
Advances to contractors***	**139,738,757**	**–**	**–**	**139,738,757**
Refundable deposits***	**2,291,727**	**–**	**–**	**2,291,727**
Substandard Grade				
Receivables	**–**	**–**	**545,456,156**	**545,456,156**
Gross Carrying Amount	**₱4,475,401,717**	**₱–**	**₱545,456,156**	**₱5,020,857,873**

**Excluding cash on hand.*
***Presented under "Other current assets" account in the consolidated statements of financial position.*
***Presented under "Other noncurrent assets" account in the consolidated statements of financial position.*

	2023			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
High Grade				
Cash and cash equivalents*	₱1,999,771,875	₱–	₱–	₱1,999,771,875
Notes receivable	2,100,000,000	–	–	2,100,000,000
Receivables	486,283,555	–	–	486,283,555
Guarantee deposit**	91,000,000	–	–	91,000,000
Advances to contractors**	139,738,757	–	–	139,738,757
Refundable deposits**	3,036,529	–	–	3,036,529
Substandard Grade				
Receivables	–	–	543,515,942	543,515,942
Gross Carrying Amount	₱4,819,830,716	₱–	₱543,515,942	₱5,363,346,658

**Excluding cash on hand.*
***Presented under "Other current assets" account in the consolidated statements of financial position.*
***Presented under "Other noncurrent assets" account in the consolidated statements of financial position.*

High grade financial assets consist of receivables, which are normally settled by the counterparty following the terms. Standard grade financial assets consist of receivables from its counterparties with good financial condition and with relatively low defaults. Substandard grade accounts on the other hand, are receivables from other counterparties with history of defaulted payments.

ECL for trade receivables is based on simplified approach which requires a lifetime ECL computation.

Other financial assets at amortized cost consist mostly of cash and cash equivalents, notes receivables, other receivables, guarantee deposit, advances to contractors and refundable deposits. It is the Company's policy to measure ECL on the foregoing instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

Cash and cash equivalents are deposited and invested with the top ten banks in the Philippines and are considered low risk credit investments.

Notes receivables have low credit risk, since the related parties with whom the Group has transacted with are not expected to default in settling its obligations with respect to these financial assets. Hence, these financial assets are considered high grade.

For guarantee deposits, advances to contractors and refundable deposits, credit risk is low since the parties are not expected to default in settling its obligations and the Group only transacted with reputable companies with respect to these financial assets.

Receivables with high probability of delinquency and default were provided with allowance for impairment losses.

Equity Price Risk. Equity price risk is the risk that the fair value of quoted investments held for trading and financial assets at FVOCI in listed equities decreases as a result of changes in the value of individual stock. The Group's exposure to equity price risk relates primarily to the Group's Investments held for trading. The Group monitors the equity investments based on market expectations. Significant movements within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the BOD.

The following table demonstrates the sensitivity to a reasonably possible change in equity price, with all other variables held constant, of the Group's 2024 and 2023 consolidated total comprehensive income before income tax:

Increase (Decrease) in Equity Price	**2024**	2023
Impact in profit or loss		
5%	**₱2,137,226**	₱5,000,638
(5%)	**(2,137,226)**	(5,000,638)
Impact in other comprehensive income		
1%	**1,780,607**	1,296,667
(1%)	**(1,780,607)**	(1,296,667)

Liquidity Risk. Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and service its maturing debts. The Group's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information. The Group considers obtaining borrowings as the need arises.

The table also analyzes the maturity profile of the Group's financial liabilities in order to provide a complete view of the Group's contractual commitments and liquidity.

	2024				
	Less than 3 months	**3-6 months**	**6-12 months**	**More than 12 months**	**Total**
Trade payables and other current liabilities*	**₱242,372,746**	**₱–**	**₱–**	**₱12,356,873**	**₱254,729,619**
Loan payable	**–**	**–**	**138,980,392**	**277,960,784**	**416,941,176**
Lease liabilities**	**57,445**	**–**	**–**	**–**	**57,445**
	₱242,430,191	**₱–**	**₱138,980,392**	**₱290,317,657**	**₱671,728,240**

**Excluding provisions and statutory payables*
***Based on undiscounted payments*

	2023				
	Less than 3 months	3-6 months	6-12 months	More than 12 months	Total
Trade payables and other current liabilities*	₱314,614,496	₱–	₱–	₱58,832,186	₱373,446,682
Loan payable	58,823,529	–	–	411,764,706	470,588,235
Lease liabilities**	373,960	–	–	305,745	679,705
	₱373,811,985	₱–	₱–	₱470,902,637	₱844,714,622

**Excluding provisions and statutory payables*
***Based on undiscounted payments*

Foreign Currency Risk. Foreign currency risk is the risk that the fair value or future cash flows of financial asset or financial liability will fluctuate due to changes in foreign exchange rates.
It is the Group's policy to ensure that capabilities exist for active but conservative management of its foreign currency risk. The Group seeks to mitigate its transactional currency exposure by maintaining its costs at consistently low levels, regardless of any upward or downward movement in the foreign currency exchange rate.

As at December 31, 2024 and 2023, foreign currency-denominated financial assets and financial liability in US dollars, translated into Philippine peso at the closing rate are as follows:

	2024		2023	
	USD	**Peso Equivalent**	USD	Peso Equivalent
Cash and cash equivalents	**$1,137,079**	**₱65,962,131**	$1,027,608	₱56,693,402
Trade payables*	**(2,180,257)**	**(126,127,922)**	(160,700)	(8,865,861)
Foreign currency-denominated financial assets (liabilities)	**($1,043,178)**	**(₱60,165,791)**	$866,908	₱47,827,541

**Presented under "Trade payables and other current liabilities" account in the consolidated statements of financial position.*

In translating the foreign currency-denominated financial liabilities into peso amounts, the exchange rate used was ₱58.01 to US$1.0 and ₱55.17 to US$1.0, as at December 31, 2024 and 2023, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the U.S. dollar exchange rates, with all other variables held constant, of the Group's consolidated income before tax as at December 31, 2024 and 2023. There is no other impact on the Group's equity other than those already affecting the profit or loss in the consolidated statement of comprehensive income.

	2024		2023	
	Increase in US$ Rate	**Decrease in US$ Rate**	Increase in US$ Rate	Decrease in US$ Rate
Change in US$ rate	**3%**	**(3%)**	3%	(3%)
Effect on income before income tax	**(₱2,164,407)**	**₱2,164,407**	₱2,748,044	(₱2,748,044)

The increase in US$ rate means stronger US dollar against peso while the decrease in US$ means stronger peso against the US dollar.

Capital Management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes made in the objectives, policies or processes in 2024 and 2023.

The Group considers the total equity attributable to the equity holders of the Parent as its capital amounting to ₱16,267.6 million and ₱16,587.5 million as at December 31, 2024 and 2023, respectively.

The Group is not subject to any externally imposed capital requirements.

Fair Value of Financial Instruments

Set out below is a comparison by category and by class of carrying values and fair values of the Group's assets and financial liabilities:

	2024		2023	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
At FVPL				
Investments held for trading	**₱42,744,518**	**₱42,744,518**	₱100,012,769	₱100,012,769
At FVOCI				
Financial assets at FVOCI	**178,060,714**	**178,060,714**	129,666,731	129,666,731
	₱220,805,232	**₱220,805,232**	₱229,679,500	₱229,679,500
Financial Liabilities				
Loans Payable	**₱416,941,176**	**₱404,355,763**	₱470,588,235	₱463,882,778

Financial Assets at FVPL and Financial Assets at FVOCI. The fair values of financial assets at FVPL and financial assets at FVOCI in quoted equity shares are based on quoted prices in the PSE or those shares whose prices are readily available from brokers or other regulatory agency as at reporting date. There are no quoted market prices for the unlisted shares and there are no other reliable sources of their fair values, therefore, these are carried at cost, net of any impairment loss. The fair value measurement of financial assets at FVPL and FVOCI is classified as Level 1.

Loan Payable. The fair value is based on the discounted value of expected future cash flows using the applicable interest rate for similar types of instruments. Discount rate used for loans payable 6.05% in 2024 and 5.89% in 2023. The fair value measurement of loan payables is classified as Level 2.

The carrying values of the following financial instruments approximate their fair values:

	2024	2023
Financial Assets at Amortized Cost:		
Cash and cash equivalents	**₱1,744,285,918**	₱2,000,178,939
Notes receivable	**2,100,000,000**	2,100,000,000
Receivables	**410,085,315**	486,283,555
Guarantee deposits*	**79,000,000**	91,000,000
Advances to contractors*	**139,738,757**	139,738,757
Refundable deposits*	**2,291,727**	3,036,529
	₱4,475,401,717	₱4,820,237,780
Financial Liabilities at Amortized Cost:		
Trade payables and other current liabilities**	**₱109,383,198**	₱373,446,682

**Presented under "Other current assets" account in the consolidated statements of financial position.*
***Presented under "Other noncurrent assets" account in the consolidated statements of financial position.*
****Excluding provisions and statutory payables.*

Cash and Cash Equivalents, Notes Receivables, Receivables, Trade Payables and Other Current Liabilities (excluding Provisions and Statutory Payables). The carrying values of these financial instruments approximate their fair values due to the relatively short-term maturities of these financial assets and financial liabilities.

Refundable Deposits and Guarantee Deposits. The carrying value of refundable deposits and guaranteed deposit approximates fair value as at December 31, 2024 and 2023 due to unavailability of information as to the repayment date that would provide reasonable basis for the fair value measurement.

The Group has no financial liabilities measured at fair value as at December 31, 2024 and 2023. There were no transfers between fair value measurements in 2024 and 2023.

26. Significant Contracts and Commitments

Operating Agreement with Melco

On March 13, 2013, Belle, together with PLAI, entered into an Operating Agreement with MPHIL Holdings No. 2 Corporation, MPHIL Holdings No. 1 Corporation and Melco. Under the terms of the Operating Agreement, Melco was appointed as the operator and manager of the casino development project.

The Operating Agreement shall be in full force and effect for the period of the PAGCOR License, unless terminated earlier in accordance with the agreements among the parties.

Pursuant to this agreement, the PLAI shares from the performance of the casino gaming operations.

PLAI's gaming revenue share is determined in accordance with PLAI's operating agreement with Melco as follows:

	2024	2023	2022
Gaming revenue share - gross	**₱3,011,897,507**	₱3,170,196,608	₱1,973,905,543
Less PAGCOR license fee paid by Melco	**721,294,805**	830,861,734	413,060,131
Gaming revenue share - net	**₱2,290,602,702**	₱2,339,334,874	₱1,560,845,412

Agreements with PCSO

POSC. POSC had an ELA with the PCSO for the lease of lotto terminals, which includes central computer, communications equipment, and the right to use the application software and manuals for the central computer system and draw equipment of PCSO. This also includes the supply of betting slips and ticket paper rolls. The ELA was concluded on September 30, 2023.

PCSO is the principal government agency for raising and providing funds for health programs, medical assistance and services, and charities of national character through holding and conducting charity sweepstakes, races, and lotteries.

Pursuant to the amended ELA, the Parent Company was required to deposit cash bond to guarantee the unhampered use and operation of the lottery system, including equipment, servers, network communication and terminals. The cash bond under the ELA, included under "Other current assets" account in the consolidated statements of financial position as at December 31, 2023 amounting to ₱12.0 million was refunded in 2024 (see Note 9).

The rental fee presented as “Equipment rental” in the consolidated statements of comprehensive income is disclosed in Note 23.

WABP. On August 30, 2023, POSC was granted a one-year trial period to provide a WABP for PCSO. Under the arrangement, POSC will be acting as PCSO’s exclusive agent and generate fees based on a certain percentage of revenues. This was launched on December 15, 2023 and ended on July 12, 2024 upon the instruction of PCSO as it gears toward making the E-lotto services better and as it transitions to a new platform.

Cash bond for the E-lottery system, included under “Other current assets” account in the consolidated statements of financial position as at December 31, 2024 and 2023 amounted to ₱79.0 million (see Note 9).

Fees presented as “Commission income” in the separate statements of comprehensive income amounted to ₱2.3 million in 2023 which is based on 14.0% of E-lotto sales. In 2024, the terms of arrangement were revised to indicate that POSC, instead of receiving commission, shall be reimbursed for reasonable actual costs as may be determined by the PCSO BOD, but in no case, shall it exceed 8.0% of the generated sales less any taxes due. In relation to this, POSC billed PCSO ₱35.4 million, net of taxes, in September 2024. Upon request of PCSO, PCSO has already submitted the supporting documentations for the amount billed. As at December 31, 2024, these documents are still under the review by the PCSO, accordingly, no revenue was recognized in 2024.

On June 19, 2024, POSC received a Notice of Award from PCSO after a bidding process for a five-year lease of its WABP. With the issuance of the Notice of Award, POSC will now have to comply with the post-Notice of Award requirements of the PCSO; thereafter, the contract between POSC and PCSO covering the terms and conditions of the WABP project will be executed. The commercial operation will commence 76 days from the receipt of the Notice to Proceed. As at December 31, 2024, PCSO has not yet issued the Notice to Proceed. The related costs incurred to fulfill a contract amounting to ₱30.7 million included under “Other current assets” account in the consolidated statements of financial position will be amortized over the term of the lease (see Note 9).

Contracts with Scientific Games and Intralot and Management Agreement

Scientific Games. POSC had a contract with Scientific Games, a company incorporated under the laws of the Republic of Ireland until September 30, 2023 for the use of computer hardware and operating system for the Visayas-Mindanao Online Lottery System. Pursuant to the contract, POSC paid Scientific Games a pre-agreed percentage of the revenue generated by the terminals from PCSO’s conduct of the online lottery operation.

Intralot. POSC and TGTI have the contracts with Intralot Inc., a company subsidiary domiciled in Atlanta, Georgia, for the supply of hardware, operating system software and terminals and the required training required to operate the system. In consideration, POSC and TGTI paid Intralot a pre-agreed percentage of the revenue generated by the terminals from PCSO’s conduct of online lottery operations. The contract was extended, with POSC until September 30, 2023 and TGTI until March 31, 2022.

Software and license fee recognized amounted to ₱43.4 million, ₱65.6 million and ₱60.5 million in 2024, 2023 and 2022, respectively (see Note 18). Software and license fees payable amounted to nil and ₱8.9 million as at December 31, 2024 and 2023, respectively (see Note 15).

27. Supplemental Schedule of Cash Flow Information

Changes in Liabilities Arising from Financing Activities

	January 1, 2024	**Modifications**	**Additions**	**Finance Costs**	**Cash Flows**	**December 31, 2024**
Lease liabilities	**₱502,798**	**₱22,987**	**₱–**	**₱30,797**	**(₱499,137)**	**₱57,445**
Dividends payables	**–**	**–**	**2,763,634,901**	**–**	**(2,763,634,901)**	**–**
Loans payable	**470,588,235**	**–**	**80,000,000**	**–**	**(133,647,059)**	**416,941,176**
Interest on loan payable	**–**	**–**	**–**	**36,547,084**	**(32,535,518)**	**4,011,566**
Total liabilities from financing activities	**₱471,091,033**	**₱22,987**	**₱2,843,634,901**	**₱36,577,881**	**(₱2,930,316,615)**	**₱421,010,187**

	January 1, 2023	Modifications	Additions	Finance Costs	Cash Flows	December 31, 2023
Lease liabilities	₱1,891,442	₱–	₱2,662,413,486	₱24,897	(₱2,663,827,027)	₱502,798
Dividends payables	–	–	1,589,021,262	–	(1,589,021,262)	–
Loans payable	67,500,000	–	500,000,000		(114,790,074)	470,588,235
Interest on loan payable	–	–	–	17,878,309	(17,878,309)	–
Total liabilities from financing activities	₱69,391,442	₱–	₱4,751,434,748	₱17,903,206	(₱4,385,516,672)	₱471,091,033

	January 1, 2022	Modifications	Additions (Reversals)	Finance Costs	Cash Flows	December 31, 2023
Lease liabilities	₱6,872,952	₱–	(₱212,143)	₱220,505	(₱4,989,872)	₱1,891,442
Dividends payables	–	–	1,549,390,949	–	(1,549,390,949)	–
Loans payable	–	–	67,500,000	–	–	67,500,000
Total liabilities from financing activities	₱6,872,952	₱–	₱1,616,678,806	₱220,505	(₱1,554,380,821)	₱69,391,442

28. Events After the Reporting Period

On January 29, 2025, POSC entered into an Investment Agreement with HHR Philippines, Inc. (HHRPI) together with the latter's principal shareholders. Pursuant to the agreement, POSC shall subscribe to 81,000 common shares translating to 37.50% of the total issued and outstanding capital stock of HHRPI for the amount of ₱150.0 million, which shall be paid in three tranches.

The proceeds of POSC capital infusion will be utilized by HHRPI primarily to fund its expansion program.

HHRPI, a software and professional service provider of electronic gaming platforms for land-based and online gaming operators, is licensed and accredited by the Philippine Amusement and Gaming Corporation (PAGCOR). At the same time, it is a holder of a PAGCOR Gaming License for online gaming (e-Casino) under the brand "Buenas".

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors
Premium Leisure Corp. and Subsidiaries
5/F Tower A
Two E-Com Center, Palm Coast Avenue
Mall of Asia Complex, Pasay City
Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Premium Leisure Corp. and Subsidiaries (the Group) as at and for the years ended December 31, 2024, 2023 and 2022 and have issued our report thereon dated February 21, 2025. Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole.

The following supplementary schedules are the responsibility of the Group's management. These are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 Part II, and are not part of the basic consolidated financial statements:

- Reconciliation of the Parent Company's Retained Earnings Available for Dividend Declaration as at December 31, 2024
- Schedules required by Annex 68-J as at December 31, 2024
- Conglomerate Map as at December 31, 2024
- Schedule of Financial Soundness Indicators as at and for the years ended December 31, 2024 and 2023

The supplementary schedules have been subjected to the audit procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

The Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management.

The financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023.

REYES TACANDONG & CO.

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782/P-005; Valid until June 6, 2026
BIR Accreditation No. 08-005144-004-2022
Valid until October 16, 2025
PTR No. 10467126
Issued January 2, 2025, Makati City

February 21, 2025
Makati City, Metro Manila

PREMIUM LEISURE CORP. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2024 and 2023

Ratio	Formula	2024	2023
Current Ratio	**Total Current Assets divided by Total Current Liabilities**		
	Total Current Assets	**₱4,835,297,427**	₱4,993,163,137
	Divide by: Total Current Liabilities	**827,704,115**	844,510,462
	Current Ratio	**5.84**	5.91
Acid Test Ratio	**Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities**		
	Total Current Assets	**₱4,835,297,427**	₱4,993,163,137
	Less Other Current Assets	**537,816,947**	306,687,874
	Quick Assets	**4,297,480,480**	4,686,475,263
	Divide by: Total Current Liabilities	**827,704,115**	844,510,462
	Acid Test Ratio	**5.19**	5.55
Debt-to-Equity Ratio	**Total Interest-Bearing debt divided by Total Equity**		
	Total interest-bearing debt	**₱416,941,176**	₱470,588,235
	Total Equity	**16,601,392,548**	17,048,252,331
	Debt to Equity Ratio	**2.51%**	2.76%
Asset-to-Equity Ratio	**Total Assets divided by Total Equity**		
	Total Assets	**₱17,737,520,223**	₱18,320,750,293
	Total Equity	**16,601,392,548**	17,048,252,331
	Asset to Equity Ratio	**1.07**	1.07
Interest Rate Coverage Ratio	**Earnings Before Interest and Taxes divided by Total Interest Expense**		
	Net Income Before Income Tax	**₱2,111,586,509**	₱2,457,718,362
	Less: Interest income	**(255,204,090)**	(254,011,944)
	Add: Interest Expense	**36,577,881**	17,903,206
	Earnings Before Interest and Taxes	**1,892,960,300**	2,221,609,624
	Divide by: Interest Expense	**36,577,881**	17,903,206
	Interest Rate Coverage Ratio	**51.75**	124.09

Ratio	Formula	2024	2023
Return on Equity	**Net Income divided by Average Total Equity**		
	Net Income	**₱2,080,804,763**	₱2,323,918,904
	Average Total Equity	**16,824,822,440**	16,608,818,071
	Return on Equity	**12.37%**	13.99%
Return on Assets	**Net Income divided by Average Total Assets**		
	Net Income	**₱2,080,804,763**	₱2,323,918,904
	Average Total Assets	**18,029,135,258**	17,653,327,916
	Return on Assets	**11.54%**	13.16%
Solvency Ratio	**Net Income Before Non-Cash Expenses divided by Total Liabilities**		
	Net Income	**₱2,080,804,763**	₱2,323,918,904
	Add: Non-Cash Expenses	**451,332,478**	416,724,288
	Net Income Before Non-Cash Expenses	**2,532,137,241**	2,740,643,192
	Total Liabilities	**1,136,127,675**	1,272,497,962
	Solvency Ratio	**2.23**	2.15
Net Profit Margin	**Net Income divided by Total Revenue**		
	Net Income	**₱2,080,804,763**	₱2,323,918,904
	Total Revenue	**2,818,084,845**	2,940,888,530
	Net Profit Margin	**73.84%**	79.02%

PREMIUM LEISURE CORP. AND SUBSIDIARIES

PARENT COMPANY'S RECONCILIATON OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

FOR THE YEAR ENDED DECEMBER 31, 2024

		Amount
Unappropriated retained earnings, beginning of reporting period		₱2,636,081,381
Add:	Net income for the current year	2,612,242,630
Less:	Category B: Items that are directly debited to unappropriated retained earnings	
	Dividend declaration during the reporting period	(2,763,634,901)
Total retained earnings, end of the reporting period available for dividend		**₱2,484,689,110**

PREMIUM LEISURE CORP. AND SUBSIDIARIES

SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY PAR. 6
PART II OF REVISED SRC RULE 68
DECEMBER 31, 2024

Table of Contents

Schedule A. Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotations at balance sheet date	Interest received and accrued
Financial Assets at Fair Value through Profit or Loss				
APC Group, Inc.	45,821,000	₱8,476,885	₱8,476,885	₱–
Vantage Equities, Inc.	43,376,750	34,267,633	34,267,633	–
		₱42,744,518	**₱42,744,518**	**₱–**
Financial Assets at Fair Value through Other Comprehensive Income				
Belle Corporation	99,987,719	₱165,979,614	₱165,979,614	₱–
Tagaytay Highlands International Golf Club, Inc.	2	6,000,000	6,000,000	–
Tagaytay Midlands Golf Club Inc.	2	6,000,000	6,000,000	–
APC Group, Inc.	–	11,100	11,100	–
PLDT Inc.	–	70,000	70,000	–
		178,060,714	**178,060,714**	**–**
		₱220,805,232	**₱220,805,232**	**₱–**

Schedule B. Amounts Receivable from Directors, Officers, Employees, and Principal Stockholders (Other than Related Parties)

Name and Designation of debtor	Balance of Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at end of period
Advances to officers and employees	₱873,536	₱1,683,262	₱686,643	₱–	₱1,870,155	₱–	₱1,870,155

Schedule C. Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial statements

Name and Designation of debtor	Balance of Beginning of Period	Additions	Amounts Collected	Allowance for Doubtful Accounts	Current	Not Current	Balance at end of period
Foundation Capital Resources, Inc. (Subsidiary)	₱6,503,380	₱–	₱–	₱–	₱–	₱6,503,380	₱6,503,380
Premium Leisure Corp. (Parent)	2,662,720,128	–	–	–	–	2,662,720,128	2,662,720,128
	₱2,669,223,508	₱–	₱–	₱–	₱–	₱2,669,223,508	₱2,669,223,508

Schedule D. Intangible Assets – Other Assets

Description	Beginning Balance	Additions at Cost	Charged to cost and expenses	Ending Balance
License	₱8,237,237,067	₱–	₱238,472,484	₱7,998,764,583
Goodwill	926,007,748	–	–	926,007,748
	₱9,163,244,815	**₱–**	**₱238,472,484**	**₱8,924,772,331**

Schedule E. Long-term Debt

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet
Loan Payable			
Unionbank of the Philippines	₱580,000,000	₱138,980,392	₱277,960,784

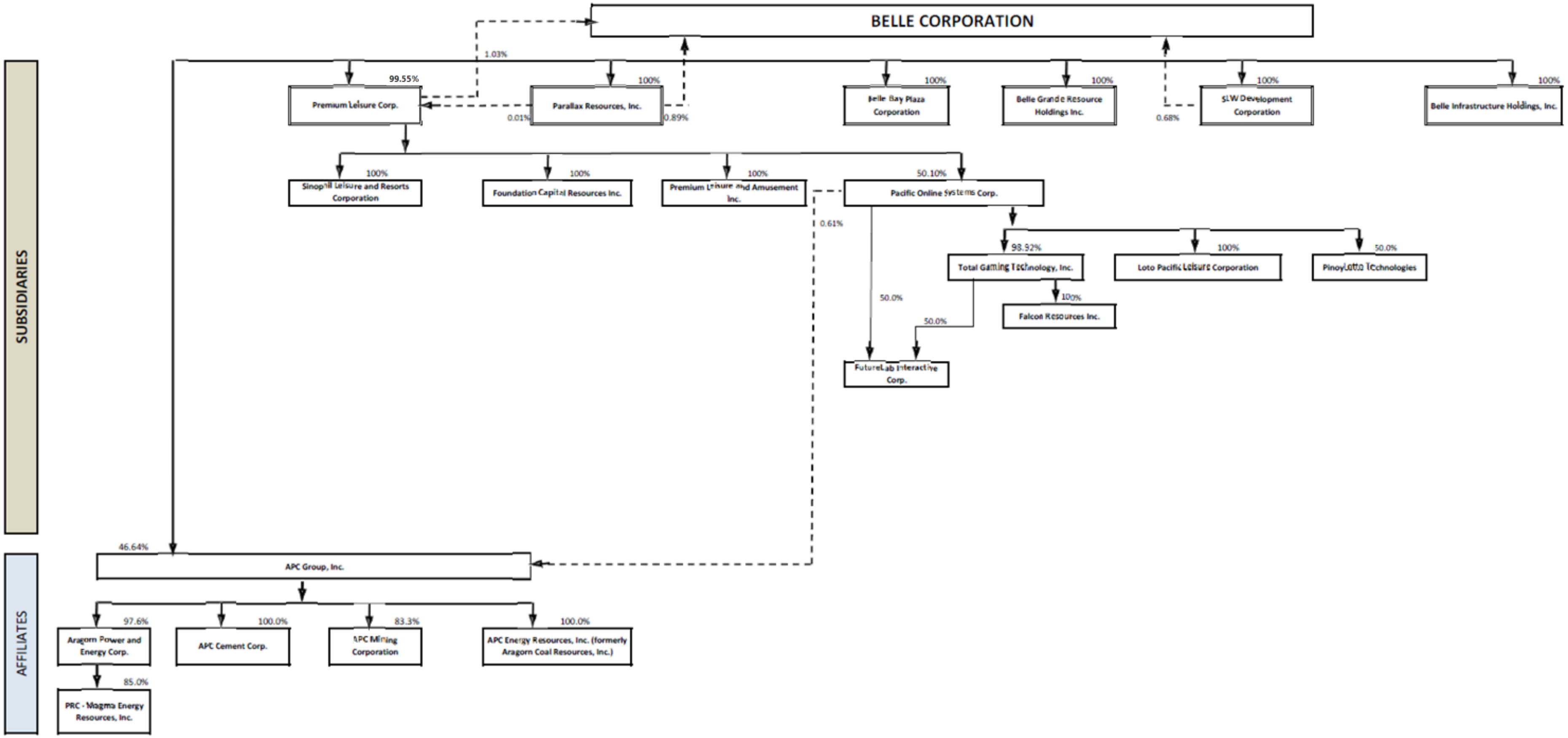
Schedule H. Capital Stock

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding as shown under statement of financial position	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common stock	37,630,000,000	31,216,931,000	–	31,077,096,570	3,053,104	136,781,326
Preferred Stock	6,000,000,000	–	–	–	–	–

* Net of 410,379,000 treasury stock

PREMIUM LEISURE CORP. AND SUBSIDIARIES

Map of the Relationship of the Companies within the Group
December 31, 2024



PREMIUM LEISURE CORP. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION

DECEMBER 31, 2024 AND 2023

	2024	2023
Total Audit Fees	**₱446,250**	₱525,000
Non-audit services fees:		
Other assurance services	**–**	–
Tax services	**–**	–
All other services	**–**	–
Total Non-Audit Fees	**–**	–
Total Audit and Non-audit Fees	**₱446,250**	₱525,000

Audit and Non-audit Fees of Other Related Entities

	2024	2023
Audit Fees	**₱463,150**	₱470,000
Non-audit services fees:		
Other assurance services	**–**	–
Tax services	**–**	–
All other services	**70,000**	70,000
Total Audit and Non-audit Fees of Other Related Entities	**₱533,150**	₱540,000

PREMIUM
LEISURE CORP.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

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

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

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

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

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, for the periods December 31, 2024 and 2023 have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

WILLY N. OCIER
Chairman of the Board

ARMIN ANTONIO B. RAQUEL SANTOS
President and Chief Executive Officer

DIOVILLE M. VILLARIAS
Chief Finance Officer / Treasurer

Signed this 21st day of February 2025

FEB 2 1 2025

SUBSCRIBED AND SWORN to before me this ____ day of ________2025 affiants exhibiting to me their Passport and Tax Identification Numbers, as follows:

NAME	PASSPORT/ TAX IDENTIFICATION NUMBER	DATE OF EXPIRY	PLACE OF ISSUE
WILLY N. OCIER			
ARMIN ANTONIO B. RAQUEL SANTOS			
DIOVILLE M. VILLARIAS			

DOC NO. : 472

PAGE NO. : 96

BOOK NO. : 11

SERIES OF : 2025.

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 488534 Dec. 27, 2024
MCLE NO. VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

AS093009289

COMPANY NAME

PREMIUM LEISURE CORP.

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

5th Floor, Tower A, Two E-Com Center,
Palm Coast Avenue, Mall of Asia
Complex, Pasay City

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
AASFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
plc_governance@bellecorp.com	(02) 8662-8888	+63 917 569 1734

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
528	Any day in May	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Dioville M. Villarias	dioville.villarias@premiumleisure.com	(02) 8662-8888	+63 917 805 7405

CONTACT PERSON'S ADDRESS

5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City, Metro Manila

NOTE 1: *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2: *All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.*

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Premium Leisure Corp.
5th Floor, Tower A
Two E-Com Center, Palm Coast Avenue
Mall of Asia Complex, Pasay City

Opinion

We have audited the accompanying separate financial statements of Premium Leisure Corp. (the Company), which comprise the separate statements of financial position as at December 31, 2024 and 2023, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years then ended, and notes to separate financial statements, including a summary of material accounting policy information.

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

Basis for Opinion

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 PSA 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, these could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

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

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

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

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

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

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

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

REYES TACANDONG & CO.

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782/P-005; Valid until June 6, 2026
BIR Accreditation No. 08-005144-004-2022
Valid until October 16, 2025
PTR No. 10467126
Issued January 2, 2025, Makati City

February 21, 2025
Makati City, Metro Manila

PREMIUM LEISURE CORP.

SEPARATE STATEMENTS OF FINANCIAL POSITION

	Note	December 31 **2024**	2023
ASSETS			
Current Assets			
Cash and cash equivalents	4	**₱98,311,596**	₱81,558,134
Receivables	5	**222,839**	202,039,626
Notes receivable	6	**2,100,000,000**	2,100,000,000
Advances to a contractor	5	**139,738,757**	–
Creditable withholding taxes (CWTs)		**74,307,052**	70,740,045
Total Current Assets		**2,412,580,244**	2,454,337,805
Noncurrent Assets			
Financial assets at fair value through other comprehensive income (FVOCI)	7	**178,060,714**	129,666,732
Investments in and advances to subsidiaries	8	**15,410,521,545**	15,410,874,936
Investment properties	9	**285,510,452**	285,510,452
Advances to a contractor	5	**–**	139,738,757
Total Noncurrent Assets		**15,874,092,711**	15,965,790,877
		₱18,286,672,955	₱18,420,128,682
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other current liabilities	10	**₱17,763,828**	₱48,221,266
Due to related parties	15	**1,330,225,934**	1,330,225,934
Total Current Liabilities		**1,347,989,762**	1,378,447,200
Noncurrent Liability			
Subscriptions payable	8	**94,500,000**	94,500,000
Total Liabilities		**1,442,489,762**	1,472,947,200
EQUITY			
Capital stock	11	**7,906,827,500**	7,906,827,500
Additional paid-in capital	11	**6,941,634,391**	6,941,634,391
Treasury stock	11	**(220,430,080)**	(220,430,080)
Cumulative unrealized valuation losses on financial assets at FVOCI	7	**(488,967,808)**	(537,361,790)
Retained earnings		**2,705,119,190**	2,856,511,461
Total Equity		**16,844,183,193**	16,947,181,482
		₱18,286,672,955	₱18,420,128,682

See accompanying Notes to Separate Financial Statements.

PREMIUM LEISURE CORP.

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31 **2024**	2023
INCOME			
Dividend income	7,8	**₱2,544,856,081**	₱1,470,855,344
Interest income	4	**143,878,503**	225,121,285
Other income	13	**37,159,063**	–
		2,725,893,647	1,695,976,629
GENERAL AND ADMINISTRATIVE EXPENSES	12	**97,438,855**	97,502,516
INCOME BEFORE INCOME TAX		**2,628,454,792**	1,598,474,113
PROVISION FOR CURRENT INCOME TAX	14	**16,212,162**	27,020,125
NET INCOME		**2,612,242,630**	1,571,453,988
OTHER COMPREHENSIVE INCOME			
Not to be reclassified to profit or loss in the subsequent periods **-**			
Unrealized valuation gain on financial assets at FVOCI	7	**48,393,982**	1,600,615
TOTAL COMPREHENSIVE INCOME		**₱2,660,636,612**	₱1,573,054,603
Basic/Diluted Earnings Per Common Share	19	**₱0.08368**	₱0.05034

See accompanying Notes to Separate Financial Statements.

PREMIUM LEISURE CORP.

SEPARATE STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31	
	Note	**2024**	2023
CAPITAL STOCK			
Balance at beginning and end of year	11	**₱7,906,827,500**	₱7,906,827,500
ADDITIONAL PAID-IN CAPITAL			
Balance at beginning and end of year	11	**6,941,634,391**	6,941,634,391
TREASURY STOCK			
Balance at beginning and end of year	11	**(220,430,080)**	(220,430,080)
CUMULATIVE UNREALIZED VALUATION LOSSES ON FINANCIAL ASSETS AT FVOCI	7		
Balance at beginning of year		**(537,361,790)**	(538,962,405)
Unrealized valuation gain		**48,393,982**	1,600,615
Balance at end of year		**(488,967,808)**	(537,361,790)
RETAINED EARNINGS			
Balance at beginning of year		**2,856,511,461**	2,853,396,086
Dividends declared	11	**(2,763,634,901)**	(1,568,338,613)
Net income		**2,612,242,630**	1,571,453,988
Balance at end of year		**2,705,119,190**	2,856,511,461
		₱16,844,183,193	₱16,947,181,482

See accompanying Notes to Separate Financial Statements.

PREMIUM LEISURE CORP.

SEPARATE STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	**2024**	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱2,628,454,792**	₱1,598,474,113
Adjustments for:			
Dividend income	7,8	**(2,544,856,081)**	(1,470,855,344)
Interest income	4	**(143,878,503)**	(225,121,285)
Operating loss before working capital changes		**(60,279,792)**	(97,502,516)
Decrease (increase) in:			
Receivables		**1,816,787**	(1,587,101)
Advances to subsidiaries		**353,391**	(1,815)
Decrease in accrued expenses and other current liabilities		**(30,457,438)**	(7,106,007)
Net cash generated from (used for) operations		**(88,567,052)**	(106,197,439)
Interest received		**143,878,503**	225,121,285
Income taxes paid		**(19,779,169)**	(30,837,452)
Net cash provided by operating activities		**35,532,282**	88,086,394
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received	15	**2,744,856,081**	1,270,855,344
Advances for stock subscription	8	**–**	(3,000,000,000)
Collection of notes receivable	6	**–**	1,605,925,000
Return of deposit for future stock subscription from a subsidiary	8	**–**	470,636,793
Net cash provided by investing activities		**2,744,856,081**	347,417,137
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	11	**(2,763,634,901)**	(1,568,338,613)
Payments to related parties	18	**–**	(103,294,167)
Advances from related parties	15	**–**	28,351,635
Net cash used in financing activities		**(2,763,634,901)**	(1,643,281,145)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**16,753,462**	(1,207,777,614)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**81,558,134**	1,289,335,748
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	**₱98,311,596**	₱81,558,134

See accompanying Notes to Separate Financial Statements.

PREMIUM LEISURE CORP.

NOTES TO SEPARATE FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

1. **General Information**

Corporate Information
Premium Leisure Corp. (PLC or the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) as Sinophil Exploration Co., Inc. on November 26, 1993. On September 5, 2014, the SEC approved the change in PLC's primary purpose to that of engagement and/or investment in gaming-related businesses. On July 19, 2019 the SEC approved the change in PLC's primary purpose to include that the Company shall not engage in real estate business activities.

As at December 31, 2023, PLC, a publicly-listed company in the Philippine Stock Exchange (PSE), is 79.78% (directly and indirectly) owned by Belle Corporation (Belle or the Parent Company) and the rest by the public.

On March 11, 2024, the Board of Directors (BOD) of Belle approved its conduct of a tender offer for up to 6,312,026,669 common shares constituting 20.22% of the issued and outstanding common stock of PLC (the Tender Offer). On the same date, the BOD of PLC approved the voluntary delisting of PLC shares from the PSE, subject to the successful Tender Offer by Belle and in accordance with the requirements of the PSE for voluntary delisting. This was ratified by the shareholders on April 22, 2024.

The Tender Offer commenced on March 22, 2024 and ended on April 24, 2024 (the Tender Offer Period). During the Tender Offer Period, a total of 6,172,192,242 common shares or approximately 19.77% of the total issued and outstanding common stock of PLC were tendered and accepted by Belle for a total consideration of ₱5,246.4 million. On May 9, 2024, Belle successfully completed the Tender Offer. On July 9, 2024, PLC was delisted from the PSE.

As at December 31, 2024, PLC is 99.55% owned by Belle.

The registered office address of the Company is 5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City, Metro Manila.

Approval of the Separate Financial Statements
The separate financial statements as at and for the years ended December 31, 2024 and 2023 were approved and authorized for issue by the BOD on February 21, 2025.

2. **Summary of Material Accounting Policy Information**

The material accounting policy information used in the preparation of the separate financial statements have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation and Statement of Compliance
The separate financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including the SEC pronouncements.

Measurement Bases

The separate financial statements are presented in Philippine Peso (Peso), the Company's functional currency. All amounts are rounded to the nearest Peso unless otherwise stated.

The separate financial statements of the Company have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI).

Historical cost is generally based on the fair value of the consideration given in exchange of assets and fair value of the consideration received in exchange for incurring a liability.

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

The Company uses market observable data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 7 - *Financial Assets at FVOCI*
- Note 9 - *Investment Properties*
- Note 17 - *Fair Value Measurement*

Adoption of Amendments to PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following relevant amendments to PFRS Accounting Standards effective January 1, 2024:

- Amendments to PAS 1, *Presentation of Financial Statements - Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements.

- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7, *Financial Instrument: Disclosures - Supplier Finance Arrangements* – The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information.

The adoption of the foregoing amendments to PFRS Accounting Standards did not have any material effect on the separate financial statements of the Company. Additional disclosures were included in the separate financial statements, as applicable.

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective
Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2024 and have not been applied in preparing the separate financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2025 -

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* – The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments,* and PFRS 7, *Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at FVOCI. Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Volume 11:

  - Amendments to PFRS 7 – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.

- Amendments to PAS 7, *Cost Method* – The amendments replace the term 'cost method' with 'at cost' following the deletion of the definition of 'cost method'. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2027 -

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1 and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing amendments to PFRS Accounting Standards, is not expected to have any material effect on the separate financial statements of the Company. Additional disclosures will be included in the separate financial statements, as applicable.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition. The Company recognizes a financial asset or a financial liability in the separate statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable is done using settlement date accounting.

Initial Recognition. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transactions price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

Classification. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost, and (c) financial assets at FVOCI. The classification of a financial asset largely depends on its contractual cash flow characteristics and the Company's business model for managing them.

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

There were no reclassifications of financial assets in 2024 and 2023.

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2024 and 2023, the Company does not have financial assets and liabilities at FVPL and debt instruments measured at FVOCI.

Financial Assets at Amortized Cost. A financial asset shall be measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized, impaired or through the amortization process.

As at December 31, 2024 and 2023, the Company's cash and cash equivalents, receivables, notes receivable, advances to a contractor and advances to subsidiaries are classified as financial assets at amortized cost.

Cash includes cash on hand and in banks. 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 are subject to an insignificant risk of change in value.

Financial Assets at FVOCI. Equity securities which are not held for trading may be irrevocably designated at initial recognition under the FVOCI category.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, financial assets at FVOCI are measured at fair value with unrealized valuation gains or losses recognized in other comprehensive income or loss and are accumulated in the equity section of the separate statements of financial position. These fair value changes are not reclassified to profit or loss in subsequent periods. On disposal of these equity securities, any cumulative unrealized valuation gains or losses will be reclassified to retained earnings.

Under limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

As at December 31, 2024 and 2023, the Company's investments in equity securities are classified under this category.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As at December 31, 2024 and 2023, the Company's accrued expenses and other current liabilities (excluding statutory payables) and due to related parties are classified as financial liabilities as amortized cost.

Impairment of Financial Assets at Amortized Cost
The Company records an allowance for expected credit loss (ECL) on financial assets at amortized cost based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company measures loss allowances at an amount equivalent to the 12-month ECL for financial assets on which credit risk has not increased significantly since initial recognition or that are determined to have low credit risk at reporting date. Otherwise, impairment loss will be based on lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at reporting date with the risk of a default occurring on the financial instrument on the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort. In addition, the Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost at reversal date.

A financial asset is written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The right to receive cash flows from the asset has expired;
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or 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. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Assets and Liabilities
Financial assets and liabilities are offset and the net amount is reported in the separate statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the separate statements of financial position.

Creditable Withholding Taxes (CWTs)
CWTs represent the amount withheld by the Company's customers in relation to its income. CWTs can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. CWTs are stated at its net realizable amount.

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

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

The net amount of VAT payable to the taxation authority is included as part of “Statutory payables” under “Accrued expenses and other current liabilities” account in the separate statements of financial position.

Investments in Subsidiaries

Investments in subsidiaries are accounted for using the cost method. A subsidiary is an entity controlled by the Company. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the cost method, the Company recognizes income from the investment only to the extent that the Company received distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost of the investment.

Advances for stock subscription represent funds paid to existing subsidiaries to be applied as payment for future issuance of capital stock. These are carried at amount paid in the separate statements of financial position and are recognized as investments in subsidiaries when the shares of stock for which the advances were made are issued to the Company.

Investment Properties

Investment properties comprise of parcels of land held by the Company for capital appreciation. Investment property is measured initially cost. The initial cost of investment properties consists of its purchase price, including nonrefundable taxes and any directly attributable costs. Subsequent to initial recognition, the land is stated at cost less accumulated impairment loss, if any.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy on property and equipment up to the date of change in use.

Investment property is derecognized when either this has been disposed of or when the investment property is permanently withdrawn from use and no further economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the year of retirement or disposal.

Impairment of Nonfinancial Assets

Nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash generating unit’s fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

Equity

Capital Stock and Additional Paid-in Capital. Capital stock is measured at par value for all shares issued and outstanding. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as additional paid-in capital.

Incremental costs directly attributable to the issue of new capital stock are recognized as a deduction, net of tax, from the equity.

Treasury Stock. Own equity instruments which are reacquired (treasury stock) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized as additional paid-in capital. Voting rights related to treasury stocks are nullified for the Company and no dividends are allocated to them.

Cumulative Unrealized Valuation Losses on Financial Assets at FVOCI. Cumulative unrealized valuation losses on financial assets at FVOCI pertains to accumulated fair value changes on investment in equity securities which are not recognized in profit or loss. These fair value changes are classified as other comprehensive income or loss and presented after net income in the separate statements of comprehensive income. The accumulated fair value changes are separately presented in the equity section of the separate statements of financial position.

Retained Earnings. Retained earnings represent the cumulative balance of the Company's results of operations, net of dividends declared to date.

Cash dividends to the Company's stockholders is recognized as a liability and deducted from equity in the year in which the dividends are approved by the BOD for declaration. Dividends that are approved after the reporting year are dealt with as an event after the reporting date.

Dividend Income
Dividend income is recognized when the Company's right to receive the payment is established.

Interest Income
Interest income is recognized as the interest accrues taking into account the effective yield on the asset.

Expense Recognition
Expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

General and Administrative Expenses. General and administrative expenses constitute cost of administering the business. These expenses are recognized in profit or loss when incurred.

Short-term Employee Benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Income Taxes

Current Tax. Current 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 the tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Deferred Tax. Deferred tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes except for:

- When it 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 or loss nor taxable profit or loss; or

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences only if it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient 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 period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity as other comprehensive income.

Offsetting. Current tax assets and current tax liabilities are offset, or deferred tax assets and deferred tax liabilities are offset if, and only if, an enforceable right exists to set off the amounts and it can be demonstrated without undue cost or effort that the Company plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Related Parties and Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related entities.

Related party transactions consist of transfers of resources, services or obligations between the Company and its related parties.

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

Related party transactions are considered material and/or significant if i) these transactions amount to 10% or higher of the Company's total assets or, ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Company's total assets. Details of transactions entered into by the Company with related parties are reviewed by independent directors in accordance with the Company's related party transactions policy.

Earnings per Share (EPS)

Basic EPS is computed by dividing net income or loss for the year attributable to common equity holders of the Company, after recognition of the dividend requirement of preferred shares, as applicable, by the weighted average number of issued and outstanding common shares during the year, after giving retroactive effect to any stock dividends declared during the year.

Diluted EPS is computed by dividing net income or loss for the year attributable to common equity holders of the parent by the weighted average number of issued and outstanding common shares during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted EPS does not assume conversion, exercise, or other issue of potential common shares that would have an anti-dilutive effect on EPS.

As at December 31, 2024 and 2023, the Company has no dilutive potential common shares outstanding. According, basic and diluted EPS are stated at the same amount.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are made using the best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period these arise.

Contingencies
Contingent liabilities are not recognized in the separate financial statements. These are disclosed in the notes to separate financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the separate financial statements but are disclosed when an inflow of economic benefits is probable.

Events after the Reporting Date
Post year-end events that provide additional information about the Company's financial position at reporting date (adjusting events) are reflected in the separate financial statements. Post year-end events that are not adjusting events are disclosed in the notes to separate financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the separate financial statements in accordance with PFRS Accounting Standards requires management to exercise judgment, make estimates and use assumptions that affect amounts of assets, liabilities, income and expenses reported in the separate financial statements. The judgment, accounting estimates and assumptions used in the separate financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the separate financial statements. While management believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

Judgment
In the process of applying the accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the separate financial statements.

Determining the Fair Value of Financial Instruments. PFRS Accounting Standards requires certain financial assets and liabilities to be carried at fair value, which requires extensive use of accounting estimates. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Company utilized different valuation methodologies. Any changes in fair value of these financial assets would affect profit or loss and equity.

The fair values of the Company's financial instruments are disclosed in Note 17.

Estimates and Assumptions
The key 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 within the next financial year are discussed below.

The Company based its assumptions and accounting estimates on parameters available when the separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when these occur.

Assessing the Impairment Losses on Financial Assets at Amortized Cost. The Company has applied the general approach and calculated the ECL by considering the consequences and probabilities of possible defaults only for the next 12 months, rather than the life of the asset. It continues to apply this method until a significant increase in credit risk has occurred, at which point the loss allowance is measured based on lifetime ECL. To measure the ECL, financial assets have been grouped based on shared credit risk characteristics and days past due. The Company uses judgment in making the assumptions about risk of default and ECL rates and selected inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

No provision for impairment loss was recognized in 2024 and 2023. Allowance for impairment losses on financial assets aggregated to ₱687.8 million as at December 31, 2024 and 2023 (see Notes 5 and 8). The carrying amount of financial assets at amortized cost as at December 31, 2024 and 2023 are disclosed in Notes 4, 5, 6 and 8.

Assessing the Impairment of Significant Nonfinancial Assets. The Company assesses whether there are any indicators of impairment for significant nonfinancial assets at each reporting date. Significant nonfinancial assets are tested for impairment when there are indicators that the carrying amount may not be recoverable. Determining the recoverable value of these nonfinancial assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the separate financial statements. Future events could cause the Company to conclude that such significant nonfinancial assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial position and performance.

No provision for impairment loss was recognized in 2024 and 2023. Allowance for impairment losses of investments in subsidiaries is disclosed in Note 8.

The carrying amount of significant nonfinancial assets as at December 31, 2024 and 2023 are disclosed in Notes 8 and 9. Nonfinancial assets also include CWTs with carrying amount of ₱74.3 million and ₱70.7 million as at December 31, 2024 and 2023, respectively.

Assessing the Realizability of Deferred Tax Assets. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deferred tax assets can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Detail of unrecognized deferred tax asset as at December 31, 2024 and 2023 is disclosed in Note 14.

4. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand	**₱9,999**	₱9,999
Cash in banks	**16,039,060**	22,503,875
Cash equivalents	**82,262,537**	59,044,260
	₱98,311,596	₱81,558,134

Cash in banks earn interest at the respective bank deposit rates.

Cash equivalents are made for varying periods of up to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective deposit rates.

Details of interest income recognized in the separate statements of comprehensive income are as follows:

	Note	**2024**	2023
Notes receivable	6	**₱131,650,438**	₱205,583,015
Cash in banks and cash equivalents		**12,228,065**	19,538,270
		₱143,878,503	₱225,121,285

5. Receivables and Advances to a Contractor

Receivables
This account consists of:

	Note	**2024**	2023
Receivable from a Share Swap Agreement		**₱422,341,815**	₱422,341,815
Dividend receivable	15	**–**	200,000,000
Other receivables		**5,571,962**	7,388,749
		427,913,777	629,730,564
Less allowance for impairment losses		**427,690,938**	427,690,938
		₱222,839	₱202,039,626

The receivable from a Share Swap Agreement (the Agreement) is a receivable by the Company from Paxell Investment Limited and Metroplex Berhad (both Malaysian companies, collectively referred to as “Metroplex”) representing the cost of rescission of the Agreement involving PLC shares. This is fully provided with allowance for impairment loss as at December 31, 2024 and 2023.

Other receivables are unsecured, noninterest-bearing and are generally collectible within the next financial reporting period.

Advances to a Contractor
Advances to a contractor amounting to ₱139.7 million as at December 31, 2024 and 2023, are noninterest-bearing and are subject to liquidation but shall be refunded to the Company in the absence of the required output. These are intended for exploration of projects within the gaming industry. As at report date, the Company decided to discontinue the project and has ongoing negotiations with the contractor to immediately finalize the terms and manner of recovery of the outstanding receivables. Accordingly, the amount was reclassified to current assets in 2024.

6. Notes Receivable

Movements in this account are as follows:

	2024	2023
Balance at beginning of year	**₱2,100,000,000**	₱3,705,925,000
Collections	**–**	(1,605,925,000)
Balance at end of year	**₱2,100,000,000**	₱2,100,000,000

This account pertains to notes receivable from the Parent Company which are unsecured, payable on demand, and bear interest at rates ranging from 5.95% to 6.37% and 5.87% to 6.50% in 2024 and 2023, respectively (see Note 15).

Interest income from notes receivable recognized in profit or loss amounted to ₱131.7 million and ₱205.6 million in 2024 and 2023, respectively (see Note 4).

7. Financial Assets at FVOCI

This account pertains to investments in equity securities as at December 31 consisting of the following:

	Note	**2024**	2023
Quoted shares:			
Belle-common shares	15	**₱165,979,614**	₱116,985,632
Golf club shares		**12,000,000**	12,600,000
		177,979,614	129,585,632
Unquoted shares		**81,100**	81,100
		₱178,060,714	₱129,666,732

The movements of financial assets at FVOCI are as follows:

	2024	2023
Cost		
Balance at beginning and end of year	**₱667,028,522**	₱667,028,522
Cumulative unrealized valuation losses on financial assets at FVOCI		
Balance at beginning of year	**(537,361,790)**	(538,962,405)
Unrealized valuation gain	**48,393,982**	1,600,615
Balance at end of year	**(488,967,808)**	(537,361,790)
	₱178,060,714	₱129,666,732

Dividend income from investment in Belle-common shares amounted to nil and ₱6.0 million in 2024 and 2023, respectively (see Note 15).

The fair value of the investment in common shares of Belle is based on the quoted price as at reporting date while the fair value of the investment in golf club shares is based on secondary market prices as at reporting date.

8. Investments in and Advances to Subsidiaries

As at December 31, 2024 and 2023, the Company has investments in the following subsidiaries:

Subsidiaries	Principal Activity	Principal Place of Business	Percentage of Ownership
PremiumLeisure Amusement, Inc. (PLAI)	Gaming Business	Pasay City	100%
Sinophil Leisure and Resorts Corporation (SLRC)	Public amusement and recreation	Pasay City	100%
Foundation Capital Resources Inc. (FCRI)	Real estate	Pasay City	100%
Pacific Online Systems Corporation (POSC)	Lottery equipment leasing, distribution and others	Pasay City	50.1%

Investments in and advances to subsidiaries consist of:

Subsidiaries	Note	**2024**	2023
Acquisition cost:			
PLAI		**₱10,847,820,000**	₱10,847,820,000
POSC		**2,525,126,794**	2,525,126,794
SLRC		**125,000,000**	125,000,000
FCRI		**1,021,458**	1,021,458
		13,498,968,252	13,498,968,252
Less allowance for impairment loss in POSC and FCRI		**1,088,768,263**	1,088,768,263
		12,410,199,989	12,410,199,989
Advances for stock subscription – SLRC	15	**3,000,000,000**	3,000,000,000
Advances to subsidiaries:	15		
FCRI		**260,467,384**	260,467,384
PLAI		**–**	353,391
		260,467,384	260,820,775
Less allowance for impairment loss	15	**260,145,828**	260,145,828
		321,556	674,947
		₱15,410,521,545	₱15,410,874,936

Investment in PLAI. PLAI is a grantee by the Philippine Amusement and Gaming Corporation (PAGCOR) of a license to operate integrated resorts, including casinos. The license runs concurrent with PAGCOR's Congressional Franchise which is set to expire in 2033 and renewable for another 25 years.

Dividend income from PLAI amounted to ₱2,500.0 million and ₱1,420.0 million in 2024 and 2023, respectively (see Note 15).

There were no impairment indicators on the Company's investment in PLAI in 2024 and 2023. Accordingly, no impairment loss was recognized.

Investment in POSC. POSC is engaged in the development, design and management of online computer systems, terminals and software for the gaming industry. POSC's stocks are listed in the PSE. Prior to October 1, 2023, POSC's primary source of revenue arises from the Equipment Lease Agreement (ELA) with the PCSO for the lease of lotto terminals, which includes central computer, communications equipment, and the right to use the application software and manuals for the central computer system and draw equipment. The ELA was concluded on September 30, 2023.

POSC remains committed to looking for opportunities in the industry. These opportunities include the lease of a Web-based Application Betting Platform (WABP). On August 30, 2023, POSC signed a Memorandum of Agreement with PCSO in connection with the latter's implementation of a trial run for a WABP during which POSC will be acting as PCSO's exclusive agent.

On June 19, 2024, POSC received a Notice of Award for a five-year lease of its WABP from PCSO after a bidding process. With the issuance of the Notice of Award, POSC will now be complying with the post-Notice of Award requirements of the PCSO; thereafter, the contract between POSC and PCSO covering the terms and conditions of the WABP project will be executed. The commercial operation will commence 76 days from receipt of the Notice to Proceed.

On July 12, 2024, the trial period for WABP ended upon the instruction of PCSO as it gears toward making the E-lotto services better and as it transitions to a new platform.

As at December 31, 2024, PCSO has not yet issued the Notice to Proceed.

POSC also holds 50.00% ownership interest in Pinoylotto Technologies Corp. (PinoyLotto), a joint venture entity that was awarded with the five-year lease of the customized PCSO lottery system with a contract price ₱5,800.0 million. PinoyLotto commenced its commercial operations in October 2023.

Dividend income from POSC amounted to ₱44.9 million in 2024 and 2023 (see Note 15).

In 2024 and 2023, the Company performed impairment testing of its investment in POSC.

The recoverable amount of investment in POSC as at December 31, 2024 and 2023 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering four to five-year period.

Key assumptions considered are as follows:

Discount Rate. Discount rate reflects management's estimate of the risks specific to the cash-generating unit. The pre-tax discount rate of 9.66% and 7.42% was used in 2024 and 2023, respectively based on the weighted average cost of capital of POSC. Any future significant increase (decrease) in discount rate will result in lower (higher) recoverable amount.

Revenue Growth Rate and Long-Term Growth Rate. No growth rate was applied to the five-year cash flow projections for 2023. In 2024, a 1% growth rate was applied. Management assessed that a contract extension or renewal is highly probable, given POSC's technical expertise and historical experience.

In 2024 and 2023, no provision for impairment loss was recognized on the Company's investment in POSC. As at December 31, 2024 and 2023, allowance for impairment losses on investment in POSC amounted to ₱1,087.7 million.

Investment in SLRC. SLRC is a non-operating amusement, entertainment and recreation company. Subscription payable amounting to ₱93.8 million remains outstanding as at December 31, 2024 and 2023.

Advances previously provided by the Company to SLRC amounting to ₱470.6 million which was used to partially-finance the acquisition of units in a special purpose acquisition company was returned to the Company in 2023 when SLRC assigned all rights and obligations on the investment to PLAI.

On October 26,2023, SLRC's BOD and stockholders approved its increase in authorized capital stock from ₱500.0 million to ₱3,125.0 million. The Company subscribed to the remaining unissued shares and the increase in authorized capital stock of SLRC for a total consideration of ₱3,000.0 million. This is currently classified as 'Advances for stock subscription' pending the completion of necessary documents and approval by the SEC of the increase in authorized capital.

SLRC's primary asset arises from the Sublease Agreement with a Global Gateway Development Corporation entered in November 2023 for the lease of land located in Clark. The Sublease Agreement has a term of 62 years and the rent amounting ₱2,661.9 million was fully paid upon execution of the sublease agreement.

Based on the foregoing, no impairment loss was recognized on the investments in SLRC in 2024 and 2023.

Investment in FCRI. FCRI is an investment holding company. Subscription payable amounting to ₱750,000 remains outstanding as at December 31, 2024 and 2023.

FCRI has not yet started its commercial operations and has incurred significant losses over the years. FCRI is still evaluating its future operating plans and management continues to actively look for viable opportunities within the gaming industry. On July 5, 2024, FCRI, together with SLRC, submitted to the PAGCOR the application requirements for a license to develop and operate an Integrated Resort within the Clark Special Economic Zone. As at report date, FCRI and SLRC are still waiting for PAGCOR's evaluation on its application.

The investment was fully provided with allowance for impairment losses as at December 31, 2024 and 2023.

Presented below are financial information of the subsidiaries as at and for the years ended December 31:

	2024	2023
Current assets	**₱3,694,860,618**	₱4,056,550,329
Noncurrent assets	**3,575,122,905**	3,863,851,947
Current liabilities	**1,073,245,542**	1,257,015,597
Noncurrent liabilities	**308,423,560**	432,085,508
Equity	**5,888,314,421**	6,231,301,171
Revenue	**2,818,084,845**	2,940,888,529
Net income	**2,251,890,700**	2,472,225,930
Total comprehensive income	**2,340,024,863**	2,673,053,365

9. Investment Properties

Investment properties pertain to parcels of land amounting to ₱285.5 million as at December 31, 2024 and 2023.

No rental income was earned from investment properties in 2024 and 2023.

Expenses related to investment properties amounted to ₱73,694 and ₱33,600 in 2024 and 2023, respectively, which pertain to payment of real property taxes.

The fair value of the investment properties as at December 31, 2024 and 2023 amounting to ₱304.0 million and ₱295.2 million, respectively, is higher than its carrying value, as determined by an independent appraiser and estimated using market approach. The value of the land was based on the sales and listings of the comparable properties registered within the vicinity and within Level 3 fair value hierarchy. The Company assessed that the highest and best use of properties does not significantly differ from their current use.

10. Accrued Expenses and Other Current Liabilities

This account consists of:

	2024	2023
Nontrade payables	**₱12,298,080**	₱10,412,054
Accrued expenses	**3,690,942**	35,886,696
Statutory payables	**1,774,806**	1,922,516
	₱17,763,828	₱48,221,266

Nontrade payables are noninterest-bearing and are normally settled within the next financial year.

Accrued expenses represent mainly accrual for use of corporate suites, service and management fees, professional fees, and other general and administrative expenses. These are payable within the next financial reporting period.

Statutory payables which mainly includes output VAT and withholding taxes payable are normally settled within the next month.

In 2024, the Company reversed long-outstanding payables amounting to ₱30.6 million (see Note 13).

11. Equity

Common Stock
Common stock as at December 31, 2024 and 2023 consists of the following:

	Number of Shares	Amount
Authorized - ₱0.25 par value per share	37,630,000,000	₱9,407,500,000
Issued and subscribed -		
Balance at beginning and end of year	31,627,310,000	₱7,906,827,500

Preferred Stock
As at December 31, 2024 and 2023, PLC has not issued any preferred stock out of the authorized 6,000,000,000 shares with par value of ₱0.25. Under the provision of the Company's Articles of Incorporation, the rights and features of the preferred stocks shall be determined through a resolution of the BOD prior to issuance.

The following summarizes the information on the Company's registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized Shares	Number of Shares Issued	Issue/ Offer Price
Common stock			
1995	100,000,000,000	1,000,000,000	₱0.01
September 30, 1996	100,000,000,000	1,000,000,000	0.01
March 10, 1997	(198,000,000,000*)	–	–
March 10, 1997	12,000,000,000	8,797,310,000	1.00
March 28, 2006	(1,870,000,000)	(1,870,000,000)	1.00
June 24, 2008	(1,000,000,000)	(1,000,000,000)	1.00
July 9, 2009	(1,000,000,000)	(1,000,000,000)	1.00
September 5, 2014**	27,500,000,000	24,700,000,000	0.25
	37,630,000,000	31,627,310,000	
Preferred stock			
March 10, 1997	6,000,000,000	–	₱0.25*

**Due to increase in par value from ₱0.01 to ₱1.00 per share.*
***On May 29, 2014, SEC approved the reduction of par value of preferred shares to ₱0.25 from ₱1.00 per share.*

In 1995, 25,000,000,000 primary shares of the Company's capital stock were offered and sold to the public at ₱0.01 par value. On August 28, 1995, the Company's shares of stock were formally listed in the small board of the PSE.

On November 7, 2024, the Company's BOD approved the amendment of the Articles of Incorporation to increase the par value of the Company's common shares from ₱0.25 to ₱1,000.00 per share. This amendment was subsequently approved by the stockholders during the Special Stockholders Meeting held on December 20, 2024. The increase in par value will result in the Company's authorized capital stock of ₱10,907,500,000 being divided into: (a) 9,407,500 common shares with a par value of ₱1,000.00 per share; and (b) 6,000,000,000 preferred shares with a par value of ₱0.25 per share.

As at December 31, 2024, the amendment is pending approval from the SEC. The proposed change in par value has no impact on the Company's total equity position.

The Company has 31,627,310,000 issued and subscribed shares with 528 and 362 stockholders of record as at December 31, 2024 and 2023, respectively.

Additional Paid-in Capital
Additional paid-in capital amounted to ₱6,941.6 million as at December 31, 2024 and 2023.

Treasury Stock
On March 1, 2018, the BOD authorized the buy-back of up to ₱500.0 million worth of Company's common shares.

As at December 31, 2024 and 2023, 410,379,000 shares have been bought back by the Company with a cost of ₱220.4 million.

Retained Earnings
On October 26, 2024, the Company's BOD approved the declaration of cash dividends of ₱0.08853 per share amounting to approximately ₱2,763.6 million to shareholders of record as at November 4, 2024.

On February 28, 2023, the Company's BOD approved the declaration of cash dividends of ₱0.05024 per share amounting to approximately ₱1,568.3 million to shareholders of record as at March 15, 2023.

12. General and Administrative Expenses

This account consists of:

	Note	**2024**	2023
Outside services		**₱55,026,464**	₱57,268,299
Marketing, advertising and promotion		**18,888,491**	19,420,005
Director's fee		**13,037,200**	12,611,484
Taxes and licenses		**5,701,662**	2,506,752
Professional and management fee		**2,476,250**	1,732,500
Entertainment and recreation		**616,532**	672,709
Salaries	15	**606,889**	593,339
Insurance		**378,512**	324,656
Transportation and travel		**–**	419,080
Miscellaneous		**706,855**	1,953,692
		₱97,438,855	₱97,502,516

Outside services mainly include management and service fee (see Note 15).

13. **Other Income**

This account consists of:

	Note	**2024**	2023
Reversal of long-outstanding payables	10	**₱30,637,063**	₱–
Tax refund		**6,522,000**	–
		₱37,159,063	₱–

14. **Income Taxes**

Provision for current income tax in 2024 and 2023 pertains to regular corporate income tax.

The reconciliation between the provision for income tax computed at statutory tax rate and the provision for income tax shown in the separate statements of comprehensive income is as follows:

	2024	2023
Provision for income tax at statutory tax rate	**₱657,113,698**	₱399,618,528
Tax effects of:		
Dividend income exempted from tax	**(636,214,020)**	(367,713,836)
Interest income already subjected to final tax	**(3,057,016)**	(4,884,567)
Tax refund	**(1,630,500)**	–
	₱16,212,162	₱27,020,125

Deferred tax asset on impairment loss on receivable amounting to ₱106.9 million as at December 31, 2024 and 2023 was not recognized, since management believes that the deductible temporary difference may not be fully realized in the foreseeable future.

The income tax rate used in preparing the separate financial statements as at and for the years ended December 31, 2024 and 2023 is 25%.

15. **Related Party Transactions**

In the ordinary course of business, the Company has the following transactions with related parties:

Related Party	Note	Nature of Transactions	Related Party	Year	Transactions for the Year	Outstanding Balance of Assets (Liabilities)	Terms and Conditions
Notes receivable	6	Interest-bearing notes receivable	Parent Company	**2024**	**₱–**	**₱2,100,000,000**	Unsecured and bearing interest rates ranging from 5.95% to 6.37% and 5.87% to 6.50% in 2024 and 2023, respectively; due on demand
				2023	–	2,100,000,000	
	4	Interest income	Parent Company	**2024**	**131,650,438**	**–**	Unsecured and collectible in 30 days
				2023	205,583,015	–	
						₱2,100,000,000	
						2,100,000,000	
Receivables	5, 8	Dividend income	Subsidiaries	**2024**	**₱2,544,856,081**	**₱–**	Unsecured and noninterest-bearing
				2023	1,464,855,344	200,000,000	
Financial assets at FVOCI		Investment in equity securities	Parent Company	**2024**	**₱–**	**₱659,918,944**	
				2023	–	659,918,944	
	7	Dividend income		**2024**	**–**	**–**	
				2023	6,000,000	–	
		Cumulative unrealized valuation gain (loss)		**2024**	**48,993,982**	**(493,939,330)**	
				2023	(4,999,385)	(542,933,312)	
	7			**2024**		**₱165,979,614**	
				2023		116,985,632	
Investments in and advances to subsidiaries	8	Advances for stock subscription	Subsidiary	**2024**	**₱–**	**₱3,000,000,000**	
				2023	3,000,000,000	3,000,000,000	
Investments in and advances to subsidiaries	8	Advances	Subsidiaries	**2024**	**₱–**	**₱260,467,384**	Unsecured and noninterest-bearing, on demand
				2023	–	260,467,384	
	8	Reimbursable charges	Subsidiary	**2024**	**–**	**–**	Unsecured and noninterest-bearing, on demand
				2023	1,815	353,391	
				2024		**260,467,384**	
				2023		260,820,775	
	8	Allowance for impairment losses	Subsidiaries	**2024**	**–**	**(260,145,828)**	
				2023	–	(260,145,828)	
				2024		**₱321,556**	
				2023		674,947	
Accrued expenses and other current liabilities		Management and service fee	Parent Company	**2024**	**₱54,000,000**	**₱–**	Unsecured and noninterest-bearing, 30 days
				2023	54,000,000	–	
		Marketing expense	Parent Company	**2024**	**18,583,333**	**–**	Unsecured and noninterest-bearing, 30 days
				2023	18,583,333	–	
	12	Salaries	Key management personnel	**2024**	**606,889**	**–**	Unsecured and noninterest-bearing, 30 days
				2023	593,339	–	
				2024		**₱–**	
				2023		–	
Due to related parties		Advances	Subsidiary	**2024**	**₱–**	**(₱1,300,000,000)**	Unsecured and noninterest-bearing, on demand
				2023	–	(1,300,000,000)	
		Advances and reimbursable charges	Subsidiaries	**2024**	**–**	**(30,204,127)**	Unsecured and noninterest-bearing, on demand
				2023	(28,351,635)	(30,204,127)	
		Reimbursable charges	Parent Company	**2024**	**–**	**(21,807)**	Unsecured and noninterest-bearing, on demand
				2023	–	(21,807)	
				2024		**(₱1,330,225,934)**	
				2023		(1,330,225,934)	

There have been no guarantees provided or received for any related party receivables or payables and settlements occur in cash, except for advances for stock subscription.

No additional impairment loss was recognized in 2024 and 2023. Management assesses impairment at each financial year by reviewing the financial position of each related party and the market in which the related party operates.

Compensation of Key Management Personnel
Compensation to key management personnel pertains to short-term employee benefits on salaries paid during the year (see Note 12).

16. Financial Instruments

Financial Risk Management Objectives and Policies
The Company's financial instruments comprise of cash and cash equivalents, receivables, notes receivable, advances to a contractor, advances to subsidiaries, financial assets at FVOCI, accrued expenses and other current liabilities (excluding statutory payables) and due to related parties. The main purpose of these financial instruments is to finance the Company's projects and operations.

The BOD has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and manage the Company's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Company's activities.

The main risks arising from the financial instruments are credit risk, market risk and liquidity risk. The BOD reviews and approves policies for managing these risks.

Credit Risk
Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. All counterparties are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. The Company does not offer credit terms without the specific approval of the management. There is no significant concentration of credit risk.

The Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of the instruments.

Credit Quality of Financial Assets. The financial assets are grouped according to stage whose description is explained as follows:

Stage 1 - Those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - Those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 - Those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The credit quality of the Company's financial assets are as follows:

	2024			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	**Total**
Cash and cash equivalents*	**₱98,301,597**	**₱–**	**₱–**	**₱98,301,597**
Receivables	**222,839**	**–**	**427,690,938**	**427,913,777**
Notes receivable	**2,100,000,000**	**–**	**–**	**2,100,000,000**
Advances to a contractor	**139,738,757**	**–**	**–**	**139,738,757**
Advances to subsidiaries**	**–**	**321,556**	**260,145,828**	**260,467,384**
Gross Carrying Amount	**₱2,338,263,193**	**₱321,556**	**₱687,836,766**	**₱3,026,421,515**

**Excluding cash on hand.*
***Presented under "Investments in and advances to subsidiaries" account.*

	2023			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Cash and cash equivalents*	₱81,548,135	₱–	₱–	₱81,548,135
Receivables	202,039,626	–	427,690,938	629,730,564
Notes receivable	2,100,000,000	–	–	2,100,000,000
Advances to a contractor	139,738,757	–	–	139,738,757
Advances to subsidiaries**	–	674,947	260,145,828	260,820,775
Gross Carrying Amount	₱2,523,326,518	₱674,947	₱687,836,766	₱3,211,838,231

**Excluding cash on hand.*
***Presented under "Investments in and advances to subsidiaries" account.*

Cash and cash equivalents are deposited and invested with the top ten banks in the Philippines and are considered to have low credit risk. Advances to a contractor and notes receivable are classified as Stage 1 since there are neither past due nor impaired and the counterparties with whom the Company has transacted with is not expected to default in settling its obligation.

Receivables and advances to subsidiaries with high probability of delinquency were provided with allowance for impairment losses.

Market Risk

Market risk is the risk that changes in market prices, such as equity prices and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control risk exposures within acceptable parameters, while optimizing the return on risk.

Equity Price Risk. Equity price risk is the risk that the fair value of quoted financial assets decreases as a result of changes in the value of individual stocks. The exposure to equity price risk relates primarily to the Company's financial assets at FVOCI. The Company monitors the equity investments based on market expectations. Significant movements within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the BOD.

The following table demonstrates the sensitivity to a reasonably possible change in equity price, with all other variables held constant, of the Company's equity.

	2024		2023	
	Increase in Equity Price	**Decrease in Equity Price**	Increase in Equity Price	Decrease in Equity Price
Percentage increase (decrease) in equity price	**30.61%**	**(30.61%)**	28.02%	(28.02%)
Effect on equity	**₱54,505,016**	**(₱54,505,016)**	₱36,329,770	(₱36,329,770)

Interest Rate Risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Company's exposure to interest rate risk pertains to the fluctuations in interest rates of cash in banks, cash equivalents and notes receivable. The Company follows a prudent policy on managing its assets and liabilities so as to ensure that exposure to fluctuations in interest rates are kept within acceptable limits.

The following table illustrates the sensitivity of the Company's profit or loss to a reasonably possible change in interest rates of its cash in banks, cash equivalents and notes receivable with all other variables held constant.

	2024		2023	
	+/-%	**Effect on Profit or Loss**	+/-%	Effect on Profit or Loss
Cash in banks	**0.29%**	**₱46,821**	1.55%	₱349,700
Cash equivalents	**0.27%**	**225,862**	33.88%	20,004,154
Notes receivable	**0.55%**	**11,541,651**	7.19%	238,821,980
		₱11,814,334		₱259,175,834

The changes in interest rates used in the analysis of cash in banks and cash equivalents are based on the volatility of the BSP's compilation of domestic rates computed using standard deviation. The changes in interest rates used in the analysis of notes receivable have been determined based on the average volatility in interest rates of the said instrument in the past 12 months.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company seeks to manage its liquidity profile to be able to finance its investments and service its maturing debts. The Company's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information. The Company considers obtaining borrowings as the need arises.

The Company maintains sufficient cash to finance its operations. Any excess cash is invested in short-term money market placements. These placements are maintained to meet the requirements for additional capital expenditures, maturing obligations and cash dividends. Liquidity risk is minimal as at December 31, 2024 and 2023 as the total current assets can cover the total current liabilities as they fall due.

The table also analyzes the maturity profile of the Company's financial liabilities:

	2024				
	On demand	**One to 60 days**	**Over 60 days but less than one year**	**Over one year**	**Total**
Accrued expenses and other current liabilities*	**₱–**	**₱15,989,022**	**₱–**	**₱–**	**₱15,989,022**
Due to related parties	**1,330,225,934**	**–**	**–**	**–**	**1,330,225,934**
	₱1,330,225,934	**₱15,989,022**	**₱–**	**₱–**	**₱1,346,214,956**

** Excluding statutory payables.*

	2023				
	On demand	One to 60 days	Over 60 days but less than one year	Over one year	Total
Accrued expenses and other current liabilities*	₱–	₱46,298,750	₱–	₱–	₱46,298,750
Due to related parties	1,330,225,934	–	–	–	1,330,225,934
	₱1,330,225,934	₱46,298,750	₱–	₱–	₱1,376,524,684

**Excluding statutory payables.*

Capital Management

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes made in the objectives, policies or processes in 2024 and 2023.

The Company considers its total equity as its capital amounting to ₱16,844.2 million and ₱16,947.2 million as at December 31, 2024 and 2023, respectively. The Company is not subject to any externally imposed capital requirements.

17. Fair Value Measurement

The following table presents the carrying amounts and fair values of the Company's assets measured at fair value or for which fair values are disclosed, and the corresponding hierarchy as at December 31.

	2024			
		Fair Value		
	Carrying Amount	**Quoted Prices in Active Market (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets for which Fair Values are Disclosed				
Financial assets at FVOCI - Quoted shares	**₱178,060,714**	**₱165,979,614**	**₱12,000,000**	**₱81,100**
Assets for which Fair Values are Disclosed				
Investment properties	**₱285,510,452**	**₱–**	**₱–**	**₱303,992,889**

	2023			
		Fair Value		
	Carrying Amount	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets for which Fair Values are Disclosed				
Financial assets at FVOCI - Quoted shares	₱129,666,732	₱116,985,632	₱12,600,000	₱81,100
Assets for which Fair Values are Disclosed				
Investment properties	₱285,510,452	₱–	₱–	₱295,240,000

There were no transfers between levels/hierarchies of fair value measurements in 2024 and 2023.

The methods and assumptions used by the Company in estimating the fair value of the assets that are carried at fair value or those whose fair values are disclosed are as follows.

Financial Assets at FVOCI. The fair values of financial assets at FVOCI in quoted common shares are based on quoted prices in the PSE while fair values of golf club shares are based on prices that are readily available from brokers as at reporting period.

There are no quoted market prices for the unlisted shares and there are no other reliable sources of their fair values.

Investment Properties. Fair value is based on valuation using the market data approach, as determined by an independent appraiser.

The significant unobservable inputs to fair valuation are (a) price per square meter which estimated value prevailing in the real estate market depending on the location, area, shape and time element; and (b) value adjustments which pertain to adjustments made to bring the comparative values in approximation to the investment properties taking into account external factors (market conditions, competitiveness, economic condition/demand/growth, time element) and internal factors (location, size/shape/prospective utility and development).

In valuing the land using market data approach, records of recent sales and offerings of similar land are analyzed and comparisons were made for such factors as size, characteristic of the lot, location, quality and prospective use.

Significant increase (decrease) in price per square meter would result in a significantly higher (lower) fair value measurement. Significant increase (decrease) in value adjustments would also affect the fair value measurement.

The table below presents the financial assets and liabilities of the Company, whose carrying amounts approximate their fair values as at December 31 due to relatively short-term maturities, no fixed term or demandable nature of these financial instruments.

	2024	2023
Financial Assets at Amortized Cost:		
Cash and cash equivalents	**₱98,311,596**	₱81,558,134
Receivables	**222,839**	202,039,626
Notes receivable	**2,100,000,000**	2,100,000,000
Advances to subsidiaries*	**321,556**	7,178,328
Advances to a contractor	**139,738,757**	139,738,757
	₱2,338,594,748	₱2,530,514,845
Financial Liabilities at Amortized Cost:		
Accrued expenses and other current liabilities**	**₱15,989,022**	₱46,298,750
Due to related parties	**1,330,225,934**	1,330,225,934
	₱1,346,214,956	₱1,376,524,684

**Presented under "Investments in and advances to subsidiaries" account.*
***Excluding statutory payables.*

18. Supplemental Schedule of Cash Flow Information

The movement in the Company's liabilities arising from financing activities in presented below:

	2024		
	Dividends Payable	**Due to Related Parties**	**Total**
Balance at beginning of year	**₱–**	**₱1,330,225,934**	**₱1,330,225,934**
Additions	**2,763,634,901**	**–**	**2,763,634,901**
Cash payments	**(2,763,634,901)**	**–**	**(2,763,634,901)**
Balance at end of year	**₱–**	**₱1,330,225,934**	**₱1,330,225,934**

	2023		
	Dividends Payable	Due to Related Parties	Total
Balance at beginning of year	₱–	₱1,405,168,466	₱1,405,168,466
Additions	1,568,338,613	28,351,635	1,596,690,248
Cash payments	(1,568,338,613)	(103,294,167)	(1,671,632,780)
Balances at end of year	₱–	₱1,330,225,934	₱1,330,225,934

19. Basic/Diluted Earnings Per Share

As at December 31, 2024 and 2023, basic/diluted earnings per share were computed as follows:

	2024	2023
Net income (a)	**₱2,612,242,630**	₱1,571,453,988
Weighted average common shares (b)	**31,216,931,000**	31,216,931,000
Basic/diluted earnings per common share (a/b)	**₱0.08368**	₱0.05034

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SEPARATE FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors
Premium Leisure Corp.
5th Floor, Tower A
Two E-Com Center, Palm Coast Avenue
Mall of Asia Complex, Pasay City

We have audited the accompanying separate financial statements of Premium Leisure Corp. (the Company), as at and for the years ended December 31, 2024 and 2023, on which we have rendered our report dated February 21, 2025.

In compliance with the Revised Securities Regulations Code Rule 68, we are stating that the Company has 499 stockholders owning 100 or more shares each.

REYES TACANDONG & CO.

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782/P-005; Valid until June 6, 2026
BIR Accreditation No. 08-005144-004-2022
Valid until October 16, 2025
PTR No. 10467126
Issued January 2, 2025, Makati City

February 21, 2025
Makati City, Metro Manila

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REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Stockholders and the Board of Directors
Premium Leisure Corp.
5th Floor, Tower A
Two E-Com Center, Palm Coast Avenue
Mall of Asia Complex, Pasay City

We have audited in accordance with Philippine Standards on Auditing, the separate financial statements of Premium Leisure Corp. (the Company) as at and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated February 21, 2025. Our audits were made for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The accompanying supplementary Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not part of the basic separate financial statements. The information in this schedule has been subjected to the auditing procedures applied in our audits of the basic separate financial statements, including comparing such information directly to the underlying accounting and other records used to prepare the basic separate financial statements or to the basic separate financial statements themselves. In our opinion, the information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

REYES TACANDONG & CO.

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
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February 21, 2025
Makati City, Metro Manila

PREMIUM LEISURE CORP.

RECONCILIATON OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2024

		Amount
Unappropriated retained earnings, beginning of reporting period		₱2,636,081,381
Add:	Net income for the current year	2,612,242,630
Less:	Category B: Items that are directly debited to unappropriated retained earnings	
	Dividend declaration during the reporting period	(2,763,634,901)
Total retained earnings, end of the reporting period available for dividend		**₱2,484,689,110**

Your BIR AFS eSubmission uploads were received

From: eafs@bir.gov.ph
To: plai_1@yahoo.com
Cc: plai_1@yahoo.com
Date: Monday, April 14, 2025 at 06:24 AM GMT+8

Hi PREMIUM LEISURE CORP,

Valid files

- EAFS003457827AFSTY122024.pdf
- EAFS003457827ITRTY122024.pdf
- EAFS003457827TCRTY122024-01.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-4RPY4ZS4077GL9JKDNM2RTX1304X3ZNQW3**
Submission Date/Time: **Apr 14, 2025 06:24 AM**
Company TIN: **003-457-827**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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PREMIUM
LEISURE CORP.

**"STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN"**

The Management of **Premium Leisure Corp** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2024. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

(a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
(b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards (i.e. Philippine Financial Reporting Standards, or those applicable to Non-Publicly Accountable Entities) and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
(c) the Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

WILLY N. OCIER
Chairman of the Board

ARMIN ANTONIO B. RAQUEL SANTOS
President and Chief Executive Officer

DIOVILLE M. VILLARIAS
Chief Finance Officer / Treasurer

Signed this 21st day of February 2025

SUBSCRIBED AND SWORN to before me this ____ day of FEB 21 2025 ________2025 affiants exhibiting to me their Passport and Tax Identification Numbers, as follows:

NAME	PASSPORT/ TAX IDENTIFICATION NUMBER	DATE OF EXPIRY	PLACE OF ISSUE
WILLY N. OCIER			
ARMIN ANTONIO B. RAQUEL SANTOS			
DIOVILLE M. VILLARIAS			

DOC NO. : 473
PAGE NO. : 96
BOOK NO. : 11
SERIES OF : 2025.

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 488534 Dec. 27, 2024
MCLE NO. VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City