

香港交易及結算所有限公司及香港聯合交易所有限公司對本公告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本公告全部或任何部分內容而產生或因依賴該等內容而引致之任何損失承擔任何責任。



L E T
LEISURE ENTERTAINMENT TASTE

LET GROUP HOLDINGS LIMITED

(於開曼群島註冊成立之有限公司)

(股份代號：1383)

海外監管公告： 由一間海外上市附屬公司

本公告乃根據香港聯合交易所有限公司證券上市規則第13.10B條而作出。

LET Group Holdings Limited於菲律賓證券交易所(「菲律賓證券交易所」)上市的一間海外上市附屬公司Suntrust Resort Holdings, Inc.已於2024年5月9日在菲律賓證券交易所網站刊載其截至2024年3月31日止三個月的季度報告(「第一季度報告」)。有關詳情請參閱隨附的第一季度報告。

承董事會命

LET Group Holdings Limited

主席

盧衍溢

香港，2024年5月9日

於本公告日期，執行董事為盧衍溢先生(主席)；及獨立非執行董事為杜健存先生、盧衛東先生及符致京先生。

COVER SHEET

1 0 6 8 3

S.E.C. Registration Number

S U N T R U S T R E S O R T H O L D I N G S , I N C .
 (F O R M E R L Y S U N T R U S T H O M E D E V E -
 L O P E R S , I N C .)

(Company's Full Name)

2 6 / F A L L I A N C E G L O B A L T O W E R ,
 3 6 T H S T . C O R . 1 1 T H A V E . , U P -
 T O W N B O N I F A C I O , T A G U I G C I T Y

(Business Address of the Company)

NELILEEN S. BAXA

Contact Person

0 2 - 8 8 9 4 - 6 3 0 0

Company Telephone Number

1 2 3 1
 Month Day

Fiscal Year

SEC FORM 17-Q

Form Type

Last Tuesday of October

Regular Meeting

NONE

Secondary License type, if applicable

MSRD/CMD/ICTD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total amount of Borrowings

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

File Number

 LCU

Document I.D.

 Cashier

Remarks = Pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **31 March 2024**

2. Commission Identification No. **10683**

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

SUNTRUST RESORT HOLDINGS, INC.

4. Exact name of issuer as specified in its charter

Metro Manila, Philippines

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

6. Industry Classification Code: (SEC Use Only)

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

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

02 8894 6300

8. Issuer's telephone number, including area code

Not Applicable

9. Former name, former address, and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

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

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

Yes [] No []

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

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

12. Indicate by checkmark whether the registrant:

- a. Has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the

Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports):

Yes [] No []

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

Yes [] No []

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Attached hereto are the following:

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

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

Please see **Exhibit 7**

Item 3. Aging of Accounts Receivable

Please see **Exhibit 8**

Item 4. Schedule of Financial Soundness Indicators

Please see **Exhibit 9**

PART II – OTHER INFORMATION

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


[Signature page follows]

SIGNATURE

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

SUNTRUST RESORT HOLDINGS, INC.

By



NEOLI MAE L. KHO
Treasurer

Date: **8 May 2024**

SUNTRUST RESORT HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Suntrust Home Developers, Inc.)
(A Subsidiary of Fortune Noble Limited)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2024 AND DECEMBER 31, 2023
(Amounts in Philippine Pesos)

	<u>Notes</u>	Unaudited March 31, 2024	Audited December 31, 2023
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	5	P 4,791,376,128	P 6,021,360,034
Prepayments and other current assets	6	<u>1,704,164,882</u>	<u>1,621,528,786</u>
Total Current Assets		<u>6,495,541,010</u>	<u>7,642,888,820</u>
NON-CURRENT ASSETS			
Prepayments and deposits for property and equipment	6	2,412,855,538	2,512,758,374
Property and equipment - net	7	25,772,593,887	23,712,622,347
Right-of-use asset - net	8	<u>11,088,292,935</u>	<u>11,268,682,211</u>
Total Non-current Assets		<u>39,273,742,360</u>	<u>37,494,062,932</u>
TOTAL ASSETS		P 45,769,283,370	P 45,136,951,752
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Trade and other payables	9	P 720,239,493	P 729,687,023
Lease liabilities	8	<u>2,663,602</u>	<u>2,564,090</u>
Total Current Liabilities		<u>722,903,095</u>	<u>732,251,113</u>
NON-CURRENT LIABILITIES			
Bank borrowings	10	8,283,098,670	8,273,607,332
Convertible bonds payable	11, 14	16,753,491,694	16,407,921,500
Loans from related parties	14	1,732,364,430	1,696,682,693
Due to related parties	14	1,670,038,192	1,464,126,519
Lease liabilities	8	6,369,054,525	6,226,361,321
Retention payable	9	<u>902,289,413</u>	<u>794,690,921</u>
Total Non-current Liabilities		<u>35,710,336,924</u>	<u>34,863,390,286</u>
Total Liabilities		<u>36,433,240,019</u>	<u>35,595,641,399</u>
EQUITY			
Capital stock	16	7,250,000,000	7,250,000,000
Convertible bonds equity reserve	11	5,752,006,144	5,752,006,144
Exchange reserve		132,758,717	81,923,401
Deficit	16	<u>(3,798,721,510)</u>	<u>(3,542,619,192)</u>
Total Equity		<u>9,336,043,351</u>	<u>9,541,310,353</u>
TOTAL LIABILITIES AND EQUITY		P 45,769,283,370	P 45,136,951,752

See Notes to Interim Condensed Consolidated Financial Statements.

SUNTRUST RESORT HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Suntrust Home Developers, Inc.)
(A Subsidiary of Fortune Noble Limited)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Amounts in Philippine Pesos)

	Notes	Unaudited March 31, 2024	Unaudited March 31, 2023
REVENUES AND INCOME			
Foreign exchange gain - net	12	P -	P 162,080,480
Finance and other income	5	<u>3,226</u>	<u>-</u>
		<u>3,226</u>	<u>162,080,480</u>
COSTS AND EXPENSES			
Operating expenses	12	135,419,793	69,466,639
Tax expense	13	12,115,277	30,106
Finance costs	12	83,334	-
Foreign exchange loss - net	12	<u>108,487,140</u>	<u>-</u>
		<u>256,105,544</u>	<u>69,496,745</u>
NET INCOME (LOSS)		(P 256,102,318)	P 92,583,735
Income (Loss) Per Share			
Basic and Diluted	15	(P 0.0353)	<u>0.0128</u>

See Notes to Interim Condensed Consolidated Financial Statements.

SUNTRUST RESORT HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Suntrust Home Developers, Inc.)
(A Subsidiary of Fortune Noble Limited)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Amounts in Philippine Pesos)

	Unaudited March 31, 2024	Unaudited March 31, 2023
NET INCOME (LOSS)	(P 256,102,318)	P 92,583,735
OTHER COMPREHENSIVE INCOME (LOSS)		
Item that will be reclassified subsequently to profit or loss		
Exchange difference on translating foreign operations	50,835,316	(1,326,871)
TOTAL COMPREHENSIVE INCOME (LOSS)	(P 205,267,002)	P 91,256,864

See Notes to Interim Condensed Consolidated Financial Statements.

SUNTRUST RESORT HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Suntrust Home Developers, Inc.)
(A Subsidiary of Fortune Noble Limited)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Amounts in Philippine Pesos)

	Capital Stock <i>(see Note 16)</i>	Convertible Bonds Equity Reserve <i>(see Note 11)</i>	Exchange Reserve	Deficit	Total Equity
Balance at January 1, 2024	P 7,250,000,000	P 5,752,006,144	P 81,923,401	(P 3,542,619,192)	P 9,541,310,353
Total comprehensive income (loss) for the period	<u>-</u>	<u>-</u>	<u>50,835,316</u>	<u>(256,102,318)</u>	<u>(205,267,002)</u>
Balance at March 31, 2024 (Unaudited)	<u>P 7,250,000,000</u>	<u>P 5,752,006,144</u>	<u>P 132,758,717</u>	<u>(P 3,798,721,510)</u>	<u>P 9,336,043,351</u>
Balance at January 1, 2023	P 5,862,500,010	P 5,752,006,144	P 95,056,256	(P 3,194,568,132)	P 8,514,994,278
Total comprehensive income (loss) for the period	<u>-</u>	<u>-</u>	<u>(1,326,871)</u>	<u>92,583,735</u>	<u>91,256,864</u>
Balance at March 31, 2023 (Unaudited)	<u>P 5,862,500,010</u>	<u>P 5,752,006,144</u>	<u>P 93,729,385</u>	<u>(P 3,101,984,397)</u>	<u>P 8,606,251,142</u>

See Notes to Interim Condensed Consolidated Financial Statements.

EXHIBIT 5

SUNTRUST RESORT HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Suntrust Home Developers, Inc.)
(A Subsidiary of Fortune Noble Limited)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Amounts in Philippine Pesos)

	<u>Notes</u>	Unaudited March 31, 2024	Unaudited March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before tax		(P 243,987,041)	P 92,613,841
Adjustments for:			
Unrealized foreign exchange loss (gain) - net	12.2	107,708,762	(160,627,435)
Depreciation and amortization	12	2,683,319	672,701
Interest expense	12.2	83,334	-
Finance income	5	(3,226)	(83,664)
Operating loss before working capital changes		(133,514,852)	(67,424,557)
Decrease (increase) in other current assets		(82,636,096)	71,350
Decrease in trade and other payables		(465,463,117)	(516,942,514)
Increase in due to related parties		6,625,395	-
Cash used in operations		(674,988,670)	(584,295,721)
Interest received		70,804,242	254,636
Cash paid for taxes		(12,115,277)	(30,106)
Net Cash Used in Operating Activities		(616,299,705)	(584,071,191)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	7	(373,401,416)	(134,882,825)
Additions to prepayments and deposits for property and equipment	8	(137,711,429)	(7,925,136)
Cash Used in Investing Activities		(511,112,845)	(142,807,961)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from loan from related parties	14	13,516,320	-
Payment of interest and financing costs		(180,578,160)	-
Repayments of lease liabilities	8	(708,750)	-
Net Cash Used in Financing Activities		(167,770,590)	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,295,183,140)	(726,879,152)
EFFECTS ON FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		65,199,234	(26,798,366)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		<u>6,021,360,034</u>	<u>1,291,609,422</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD		<u>P 4,791,376,128</u>	<u>P 537,931,904</u>

See Notes to Interim Condensed Consolidated Financial Statements.

EXHIBIT 6

SUNTRUST RESORT HOLDINGS, INC., AND SUBSIDIARIES
(Formerly Suntrust Home Developers, Inc.)
(A Subsidiary of Fortune Noble Limited)
NOTES TO INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024, AND 2023
(UNAUDITED)
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

1.1 Company Background

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

As at March 31, 2024, the construction of structural work and major façade systems up to roof level have been completed. The major mechanical, electrical, and plumbing equipment have been delivered to construction site and are undergoing installation. Architectural builders and fitout works, and external civil works are in progress. Management aims to commence the operations of a 5-star hotel and casino establishment (Main Hotel Casino) in the first quarter of 2025.

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

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

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

The registered office and principal place of business of Fortune Noble is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110, British Virgin Islands. LET Group's registered office is located at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 – 1205, Cayman Islands and its principal place of business is at Unit 1705, 17/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. Major Success' registered office and principal place of business is located at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110, British Virgin Islands.

1.2 Subsidiaries

Suntrust holds ownership interests in the following subsidiaries:

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

Explanatory Notes:

- (a) Incorporated in Hong Kong on January 20, 2020, to engage in provision of project management services.
- (b) Incorporated in Macau on February 17, 2020, to engage in provision of project management services.
- (c) Incorporated in the Philippines on January 4, 2021 to engage in the business of establishing, constructing, operating, managing, and/or maintaining hotels, health and wellness shops, cinema, car parks, entertainment centers, amusement centers and other tourism-related facilities and all its incidental and allied facilities and services, and to own (other than land), hold, lease or sublease any real and personal property, which may be necessary or convenient for the conduct of its businesses.

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

On September 6, 2021, the Parent Company's BOD approved the amendment to the Articles of Incorporation and By-Laws to change the Parent Company's corporate name to "Suntrust Resort Holdings, Inc.". On October 26, 2021, the Parent Company's shareholders approved the aforementioned amendments to the Parent's Articles of Incorporation and By-Laws. On June 8, 2022, the SEC has approved the aforementioned amendments to the Parent Company's Articles of Incorporation and By-Laws.

On April 17, 2023, and June 15, 2023, the BOD and Shareholders, respectively, approved the change in the Parent Company's principal office from 26th Floor, Alliance Global Tower, 36th Street corner 11th Avenue, Uptown Bonifacio, Taguig City 1634 to 8/F Newport Entertainment & Commercial Centre, Newport Blvd., Newport Cybertourism Zone, Pasay City 1309. As at date of issuance of the financial statements, the change of principal office is pending filing with and approval by the SEC.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of Preparation of Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements for the three months ended March 31, 2024, and 2023 have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. They do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended December 31, 2023.

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

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

2.2 Adoption of New and Amended PFRS

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

In preparing the interim condensed consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. The judgments, estimates, and assumptions applied in the interim condensed consolidated financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual consolidated financial statements as of and for the year ended December 31, 2023.

4. SEGMENT REPORTING

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

5. CASH AND CASH EQUIVALENTS

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

As of March 31, 2024, the Parent Company holds short-term placements which were made for varying periods from 7 to 90 days and earn effective interest of 1.50% to 5.00%.

Interest earned from cash in banks and short-term placements are netted against borrowing costs which were capitalized as part of Construction-in progress (see Note 12.2)

Total realized foreign exchange gain earned from cash and cash equivalents for the periods ended March 31, 2024, and 2023 are presented as part of Foreign Exchange Loss (Gain) - net in the March 31, 2024 and 2023 interim condensed consolidated statements of income (see Note 12.2).

	<u>March 31, 2024</u> <u>(Unaudited)</u>	December 31, 2023 <u>(Audited)</u>
Cash on hand	P 100,000	P 100,000
Cash in banks	443,047,509	285,699,994
Short-term placements	<u>4,348,228,619</u>	<u>5,735,560,040</u>
	<u>P 4,791,376,128</u>	<u>P 6,021,360,034</u>

6. PREPAYMENTS AND OTHER ASSETS

The composition of this account is as follows:

	<u>Note</u>	<u>March 31, 2024</u> <u>(Unaudited)</u>	December 31, 2023 <u>(Audited)</u>
Current:			
Input value-added tax (VAT)		P 1,640,148,423	P 1,559,362,776
Prepaid insurance and other costs		55,158,757	32,755,953
Refundable deposits	8	<u>8,857,702</u>	<u>29,410,057</u>
		<u>1,704,164,882</u>	<u>1,621,528,786</u>
Non-current:			
Deposits for property and equipment		2,382,994,421	2,487,383,143
Prepaid insurance and other costs		<u>29,861,117</u>	<u>25,375,231</u>
		<u>2,412,855,538</u>	<u>2,512,758,374</u>
		<u>P 4,117,020,420</u>	<u>P 4,134,287,160</u>

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

7. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation of property and equipment as at March 31, 2024 (Unaudited) and December 31, 2023 (Audited) are shown below.

		Office and Communications Equipment	Furniture and Fixtures	Leasehold Improvement	Construction in Progress	Total
March 31, 2024						
Cost	P	198,760,976	P 189,473	P 9,318,559	P25,571,364,672	P 25,779,633,680
Accumulated depreciation and amortization	(	3,678,647)	(45,250)	(3,315,896)	-	(7,039,793)
Net carrying amount	P	195,028,329	P 144,223	P 6,002,663	P25,571,364,672	P25,772,593,887
December 31, 2023						
Cost	P	13,118,765	P 189,473	P 9,318,559	P23,694,951,540	P 23,717,578,337
Accumulated depreciation and amortization	(	2,409,365)	(29,460)	(2,517,165)	-	(4,955,990)
Net carrying amount	P	10,709,400	P 160,013	P 6,801,394	P23,694,951,540	P 23,712,622,347
January 1, 2023						
Cost	P	4,242,760	P -	P -	P15,292,440,822	P 15,296,683,582
Accumulated depreciation and amortization	(	2,235,049)	-	-	-	(2,235,049)
Net carrying amount	P	2,007,711	P -	P -	P15,292,440,822	P15,294,448,533

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

Total interest capitalized as CIP for the period ended March 31, 2024, and for the year ended December 31, 2023 amounted to P804.9 million (net of P70.8 million interest income) and P2,672.3 million (net of P41.4 million interest income), respectively (see Notes 8, 10, 11, and 12.2). Capitalization rates used in determining the amount of interest charges for capitalization of specific borrowings ranges from 6 % to 14% for the period ended March 31, 2024 and for the year ended December 31, 2023.

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

8. LEASES

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

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

In 2023, management remeasured its lease liabilities and made a corresponding adjustment to its ROUA amounting to P115.4 million to reflect the change in the timing of the estimated date of operations of the Main Hotel Casino, consistent to the original provisions of the lease agreement. There was no similar transaction in 2024.

On February 3, 2023, the Parent Company entered into a lease agreement with a related party under common ownership for the lease an office space for a period of three years.

As of March 31, 2024, and December 31, 2023, the lease agreements are reflected in the interim condensed consolidated statements of financial position as ROUA and lease liabilities in accordance with PFRS 16.

8.1 *Right-of-use Asset*

The carrying amount of the Group's ROUA as at March 31, 2024 and December 31, 2023 and the movements for the period ended March 31, 2024 and for the year ended December 31, 2023 are shown below.

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Cost		
Balance at beginning of period/year	P 13,496,663,177	P 13,604,499,319
Remeasurement	-	(115,403,416)
Additions	-	7,567,274
Balance at end of period/year	<u>13,496,663,177</u>	<u>13,496,663,177</u>
Accumulated amortization		
Balance at beginning of period/year	2,227,980,966	1,499,329,733
Amortization	<u>180,389,276</u>	<u>728,651,233</u>
Balance at end of period/year	<u>2,408,370,242</u>	<u>2,227,980,966</u>
	<u>P 11,088,292,935</u>	<u>P 11,268,682,211</u>

The Group capitalized the amortization of ROUA that is directly attributable to the completion of the Main Hotel Casino amounting to P179.7 million and P726.3 million for the period ended March 31, 2024, and for the year ended December 31, 2023, respectively, as part of CIP under Property and Equipment account in the interim condensed consolidated statements of financial position (see Note 7).

8.2 *Lease Liabilities*

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

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Current	P 2,663,602	P 2,564,090
Non-current	<u>6,369,054,525</u>	<u>6,226,361,321</u>
	<u>P 6,371,718,127</u>	<u>P 6,228,925,411</u>

The carrying amounts of the Group's lease liabilities as at March 31, 2024 (Unaudited) and December 31, 2023 (Audited) are presented below.

	<u>Notes</u>	<u>March 31, 2024</u> <u>(Unaudited)</u>	<u>December 31, 2023</u> <u>(Audited)</u>
Balance at beginning of period/year		P 6,228,925,411	P 6,150,461,454
Interest expense	12.2	63,519,561	249,777,719
Remeasurement		-	(115,403,416)
Exchange difference		79,981,905	(61,058,870)
Addition		-	7,567,274
Payment		(708,750)	(2,418,750)
Balance at end of period/year		<u>P 6,371,718,127</u>	<u>P 6,228,925,411</u>

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

	<u>Within</u> <u>1 year</u>	<u>1 to 2</u> <u>years</u>	<u>2 to 3</u> <u>years</u>	<u>3 to 4</u> <u>years</u>	<u>4 to 5</u> <u>years</u>	<u>5 to 10</u> <u>years</u>	<u>10 to 19</u> <u>years</u>	<u>Total</u>
March 31, 2024 (Unaudited)								
Lease payments	P 2,663,602	P 598,874,950	P 596,578,600	P 596,578,600	P 596,578,600	P 2,982,893,000	P 3,281,182,300	P 8,655,349,652
Finance charges	(260,258,205)	(252,717,230)	(238,609,870)	(223,977,050)	(208,746,090)	(792,562,060)	(306,761,020)	(2,283,631,525)
Net present value	<u>(P 257,594,603)</u>	<u>P 346,157,720</u>	<u>P 357,968,730</u>	<u>P 372,601,550</u>	<u>P 387,832,510</u>	<u>P 2,190,330,940</u>	<u>P 2,974,421,280</u>	<u>P 6,371,718,127</u>
December 31, 2023 (Audited)								
Lease payments	P 2,564,090	P 592,072,000	P 589,010,200	P 589,010,200	P 589,010,200	P 2,945,051,000	P 3,239,556,100	P 8,546,273,790
Finance charges	(254,395,656)	(252,936,252)	(239,105,040)	(224,801,845)	(209,913,973)	(804,059,252)	(332,136,361)	(2,317,348,379)
Net present value	<u>(P 251,831,566)</u>	<u>P 339,135,748</u>	<u>P 349,905,160</u>	<u>P 364,208,355</u>	<u>P 379,096,227</u>	<u>P 2,140,991,748</u>	<u>P 2,907,419,739</u>	<u>P 6,228,925,411</u>

8.3 Lease Payments Not Recognized as Liabilities

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

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

The expenses relating to short-term leases amounted to P10.7 million and P0.8 million for the periods ended March 31, 2024 and 2023, respectively, and is presented as Rentals under Operating Expenses in the March 2024 and 2023 interim condensed consolidated statements of income (see Note 12.1).

8.4 Additional Profit or Loss and Cash Flow Information

Certain interest expense incurred on lease amounting to P63.5 million as at March 31, 2024 and P249.4 million as at December 31, 2023 are capitalized as part of CIP under Property and Equipment account in the statements of financial position (see Note 7).

Total unrealized foreign exchange loss incurred in relation to the lease is presented as part of Foreign Exchange Loss - net as at March 31, 2024, and Foreign Exchange Gain - net in the March 31, 2023 interim condensed consolidated statements of income (see Note 12.2).

The total cash outflow in respect of leases amounted to P0.7 million (nil in 2023) as at March 31, 2024.

9. TRADE AND OTHER PAYABLES

The details of this account are as follows:

	<u>Note</u>	<u>March 31, 2024</u> <u>(Unaudited)</u>	<u>December 31, 2023</u> <u>(Audited)</u>
Current:			
Construction costs payable		P 429,593,321	P 240,833,543
Accrued interest payable	10	136,688,852	120,385,440
Government payables		66,641,544	250,801,759
Accrued expenses		63,632,886	58,153,086
Others		<u>23,682,890</u>	<u>59,513,195</u>
		720,239,493	729,687,023
Non-current:			
Retention payable		<u>902,289,413</u>	<u>794,690,921</u>
		<u>P1,622,528,906</u>	<u>P 1,524,377,944</u>

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

Retention payables represent portions of progress billings received from contractors for the construction work performed which are retained by the Group to bind contractors in completing the agreed tasks.

10. BANK BORROWINGS

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

The Company had drawn P8.7 billion as of March 31, 2024 from the Loan Facility after completion of certain project milestones required by the Omnibus Loan and Security Agreement.

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

Total accrued interest amounted to P136.7 million and P120.4 million as of March 31, 2024 and December 31, 2023, respectively (see Note 9) and interest capitalized amounted to P190.1 million and P194.9 million for the period ended March 31, 2024 and for the year ended December 31, 2023, respectively (see Note 12.2).

11. CONVERTIBLE BONDS PAYABLE

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

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

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

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

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

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

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

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

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

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

The 2023 SA Investments Convertible Bond shall be issued upon the satisfaction or waiver of certain conditions precedent on or before April 30, 2024, such as obtaining regulatory approvals for the issuance of the 2023 SA Investments Convertible Bond, securing shareholder approval, the set-off, and other transactions contemplated therein, and obtaining approval for the interest waiver, among others. If any of the condition’s precedent is not satisfied or (as the case may be) not waived by SA Investments on or before the April 30, 2024, the 2023 Subscription Agreement shall be terminated and the parties to the same shall be released and discharged from their respective obligations therein. Otherwise, the 2023 Subscription Agreement and 2023 SA Investments Convertible Bond shall supersede subscription agreements entered by the Company with SA Investments in 2021 and 2020 and the SA Investments Convertible Bonds.

Upon issuance of the 2023 SA Investments Convertible Bond, the CB Subscription Price will be applied by the Parent Company to redeem the SA Investments Convertible Bonds by way of setting off the amount due by the Parent Company to SA Investments in full or in part. Any shortfall shall be paid by the Parent Company in cash to SA Investments. The Company and SA Investments will execute a set-off deed for that purpose.

As of March, 31, 2024, the Parent Company has yet to receive SEC approval or confirmation of exempt transaction for the 2023 SA Investment Convertible Bond (see Note 22.2).

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

	Fortune Noble - P7.3B CB	SA Investments - P5.6B CB	SA Investments - P6.4B CB	Total
Balance at January 1, 2024	P 5,910,916,595	P 4,769,744,639	P 5,727,260,266	P16,407,921,500
Amortized interest for the period ended March 31, 2024	<u>158,030,269</u>	<u>87,056,690</u>	<u>100,483,235</u>	<u>345,570,194</u>
Carrying amount of liability at March 31, 2024 (Unaudited)	<u>P 6,068,946,864</u>	<u>P 4,856,801,329</u>	<u>P 5,827,743,501</u>	<u>P16,753,491,694</u>

	Fortune Noble - <u>P7.3B CB</u>	SA Investments - <u>P5.6B CB</u>	SA Investments - <u>P6.4B CB</u>	<u>Total</u>
Balance at January 1, 2023	P 5,318,887,653	P 4,434,554,939	P 5,362,056,494	P15,115,499,086
Amortized interest for the year ended December 31, 2023	<u>592,028,942</u>	<u>335,189,700</u>	<u>365,203,772</u>	<u>1,292,422,414</u>
Carrying amount of liability at December 31, 2023 (Audited)	<u>P 5,910,916,595</u>	<u>P 4,769,744,639</u>	<u>P 5,727,260,266</u>	<u>P16,407,921,500</u>

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

On March 31, 2024 and December 31, 2023, the Group capitalized the interest expense as part of CIP under Property and Equipment account in the interim condensed consolidated statements of financial position (see Notes 7 and 12.2). Outstanding interest payables amounting to P1,516.5 million and P1,336.5 million as of March 31, 2024 and December 31, 2023 are recorded as part of Due to Related Parties accounts in the interim condensed consolidated statements of financial position.

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

The fair values of the convertible bonds as of December 31, 2023, were determined by a firm of independent professional valuers using the option price allocation method.

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

	Fortune Noble - <u>P7.3B CB</u>	SA Investments - <u>P5.6B CB</u>	SA Investments - <u>P6.4B CB</u>
Enterprise value (in millions)	P 25,462.50	P 25,462.50	P 25,462.50
Conversion price	1.10	1.80	1.65
Expected option life	2 years	2 years	2 years
Risk-free rate	6.3%	6.3%	6.3%
Volatility	47.9%	47.9%	47.9%

12. COSTS AND EXPENSES

12.1 Operating Expenses

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

	<u>Notes</u>	2024 (Unaudited)	2023 <u>(Audited)</u>
Salaries and employee benefits		P 99,402,814	P 38,207,888
Rentals		10,708,039	843,393
Professional fees		9,628,366	18,178,263
Taxes, licenses, and other fees		5,134,734	33,832
Transportation and travel		3,669,982	3,744,663
Depreciation and amortization	7, 8	2,683,319	672,701
Outsourced services		1,114,237	626,123
Utilities and supplies		816,582	426,072
Others		2,261,720	6,733,704
		<u>P 135,419,793</u>	<u>P 69,466,639</u>

Salaries and employee benefits directly related to the construction of the Main Hotel Casino amounting to P23.9 million and P54.6 million were capitalized as at March 31, 2024, and December 31, 2023, respectively, as part of CIP under Property and Equipment account in the interim condensed consolidated statements of financial position.

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

12.2 Finance Costs and Foreign Exchange Loss (Gain) - net

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

	<u>Notes</u>	2024 (Unaudited)	2023 <u>(Audited)</u>
Interest on:			
Convertible bonds	11	P 345,570,194	P 305,642,248
Bank borrowings		190,069,497	-
Coupon CBs	11	180,000,000	180,000,000
Lease liabilities	8.2	63,519,561	60,414,193
Loan from related parties		25,783,188	-
		<u>804,942,440</u>	<u>546,056,441</u>
Less: Capitalized interest	7	(804,859,106)	(546,056,441)
		<u>P 83,334</u>	<u>P -</u>
Foreign exchange loss (gain) – net:			
Unrealized foreign exchange loss (gain)	5	P 107,708,762	P 160,627,435
Realized foreign exchange loss	8.4	1,222,214	175,306
Realized foreign exchange gain	5	(443,836)	(1,628,351)
		<u>P 108,487,140</u>	<u>(P 162,080,480)</u>

13. TAXES

Final tax expense is incurred from interest income earned on cash in banks and short-term placements (see Note 5). The Parent Company and WC Hotel did not report MCIT or RCIT as at March 31, 2024, and 2023 as they are in a gross loss position during the taxable periods.

14. RELATED PARTY TRANSACTIONS

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

Related Party Category	Notes	Amount of Transaction		Outstanding Receivable (Payable)	
		March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Stockholders:					
Interest on convertible bonds	12.2	P 158,030,269	P 142,202,182	P -	P -
Issuance of convertible bonds	11	-	-	(6,068,946,864)	(5,910,916,595)
Shareholder's interest		-	-	(93,706,314)	(93,706,314)
Related Parties					
Ultimate Parent:					
Loan		-	-	(335,546,903)	(331,149,897)
Interest on loan	12.2	4,755,089	-	(15,477,276)	(10,696,648)
Intermediate Parent:					
Loan		13,516,320	-	(279,367,932)	(262,522,102)
Interest on loan	12.2	3,896,382	-	(8,054,718)	(4,145,205)
Under Common Ownership:					
Interest on convertible bonds		367,539,925	343,440,066	(1,516,533,333)	(1,336,533,334)
Loan		-	-	(1,117,449,595)	(1,103,010,694)
Interest on loan		17,131,717	-	(36,266,551)	(19,045,018)
Lease		-	-	(4,910,743)	(5,536,159)
Issuance of convertible bonds	11	-	-	(10,684,544,830)	(10,497,004,905)
Key Management Personnel –					
Compensation		14,129,913	15,455,397	-	-

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

	Note	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of period/year		P 1,464,140,519	P 710,239,648
Accrual of interest	11	205,897,673	753,900,871
Balance at end of period/year		<u>P1,670,038,192</u>	<u>P 1,464,140,519</u>

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

15. INCOME (LOSS) PER SHARE

The basic and diluted earnings (loss) per share for the periods ended March 31 is computed as follows:

	Period ended March 31, 2024 (Unaudited)	Period ended March 31, 2023 (Unaudited)
Net income (loss)	(P 256,102,318)	P 92,583,735
Divided by the weighted average number of outstanding shares	<u>7,250,000,000</u>	<u>7,250,000,000</u>
Basic and diluted earnings (loss) per share	<u>(P 0.0353)</u>	<u>P 0.0128</u>

On December 30, 2020, the Parent Company issued convertible bonds to Fortune Noble and SA Investments, which are convertible to 6,636,363,636 and 3,111,111,111 shares, respectively. On June 10, 2022, SA Investments issued additional convertible bonds, which are convertible to 3,878,787,878 shares (see Note 11). There is no conversion yet as of March 31, 2024.

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

16. EQUITY

16.1 Capital Stock

The details of the Parent Company's capital stock as of March 31, 2024 (Unaudited), and December 31, 2023 are as follows:

	<u>Shares</u>	<u>Amount</u>
Common shares - P1.00 par value		
Authorized	<u>23,000,000,000</u>	<u>P23,000,000,000</u>
Subscribed	<u>7,250,000,000</u>	<u>P 7,250,000,000</u>

On February 23, 2023, the Parent Company listed additional 2,550,000,000 shares at P1.00 per share through a private placement in the PSE.

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

As of March 31, 2024 and December 31, 2023, there are 1,585 and 1,584 holders of the listed shares, which closed at P0.92 and P0.85 per share, respectively.

16.2 Status of Operations

The Group incurred net losses from its operations in prior years which resulted in a deficit of P3,798.7 million and P3,542.6 million as of March 31, 2024 and December 31, 2023, respectively. Management believes that this does not raise material uncertainty related to going concern as the Parent Company expects to generate revenues in the foreseeable future upon completion of its Main Hotel Casino. Further, management is able to secure additional funding from a financial institution in 2023 (see Note 10) and hence management assessed that the funding is sufficient for the completion of the construction of the Main Hotel Casino.

17. COMMITMENTS AND CONTINGENCIES

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

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

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

The related annual rental is set at US\$10.6 million which is payable starting from the latter of the first day of commencement of the operation of the Main Hotel Casino and the fulfilment of the conditions precedent or such other dates as may mutually agreed upon by both parties. Management estimated that the operation shall commence in the first quarter of 2025 (see Note 1.1).

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

On May 4, 2020, the Parent Company entered into an Operation and Management Agreement with a related party under common ownership whereby the Parent Company shall operate and manage the Main Hotel Casino (which is expected to commence operation in the first quarter of 2025). The agreement is effective upon the execution date of May 4, 2020, until July 11, 2033, and may be extended or renewed as mutually agreed upon by both parties.

17.3 Capital Commitments

As of March 31, 2024, the Group has commitments of approximately P15,543.36 million for the construction and pre-opening of the Main Hotel Casino.

17.4 Others

In relation to the Omnibus Loan and Security Agreement, the Parent Company has granted by a domestic bank a loan facility amounting to P25.0 billion, subject to certain conditions. As of March 31, 2024, the undrawn portion of the facility amounted to P16.3 billion (see Note 10).

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

18. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks in relation to financial instruments. The Group's risk management is coordinated with the BOD and focuses on actively securing the Group's short-to-medium term cash flows by minimizing the exposure to financial markets.

Exposure to foreign currency interest rate, credit and liquidity risk arise in the ordinary course of the Group's business activities. The main objective of the Group's risk management is to identify, monitor, and minimize those risks and to provide cost with a degree of certainty.

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

18.1 Foreign Currency Risk

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

To mitigate the Group's exposure to foreign currency risk, non-Philippine peso cash flows are monitored.

Foreign currency denominated financial assets and financial liabilities, translated into Philippine pesos at the closing rate as of March 31, 2024, and December 31, 2023, are as follows:

	<u>US\$</u>	<u>PHP Equivalent</u>	<u>HK\$</u>	<u>PHP Equivalent</u>
March 31, 2024 (Unaudited)				
Financial assets	\$ 20,565,799	P 1,157,463,759	\$ -	P -
Financial liabilities	(145,187,842)	(8,171,316,927)	-	-
	(\$ 124,622,043)	(P 7,013,853,168)	\$ -	P -
December 31, 2023 (Audited)				
Financial assets	\$ 20,639,308	P 1,146,864,428	\$ 580,984	P 4,132,018
Financial liabilities	(144,834,769)	(8,048,033,609)	-	-
	(\$ 124,195,461)	(P 6,901,169,181)	\$ 580,984	P 4,132,018

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

	March 31, 2024 (Unaudited)			December 31, 2023 (Audited)		
	Reasonably possible change in rate	Effect in loss before tax	Effect in equity after tax	Reasonably possible change in rate	Effect in loss before tax	Effect in equity after tax
PhP – US\$	6.60%	(P 463,026,141)	(P 347,269,606)	16.02%	(P 1,105,882,283)	(P 829,411,712)
PhP – HK\$	6.32%	-	-	16.20%	669,309	501,982
		<u>(P 463,026,141)</u>	<u>(P 347,269,606)</u>		<u>(P 1,105,212,974)</u>	<u>(P 828,909,730)</u>

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

18.2 Interest Rate Risk

As at March 31, 2024 and December 31, 2023, the Group is exposed to changes in market interest rates through its cash and cash equivalents which are subject to variable interest rates (see Note 5). All other financial assets and financial liabilities have fixed rates or are non-interest bearing. Management believes that the impact of the fluctuations in interest rates would not materially impact the Group's interim condensed consolidated financial statements since the interest rates have shown insignificant changes during the years and the Group's interest income amounts only to P176.8 million and P0.2 million for the periods ended March 31, 2024, and 2023, respectively. The interest income for the periods ended March 31, 2024 and 2023 were deducted from the capitalized borrowing cost as it serves as an investment income on the temporary investment of those borrowings.

18.3 Credit Risk

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

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

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash and cash equivalents	P4,791,376,128	P6,021,360,034
Refundable deposits	8,857,702	29,410,057
	<u>P4,800,233,830</u>	<u>P6,050,770,091</u>

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

(a) *Cash and cash equivalents*

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings. Cash in banks, which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million per depositor per banking unit as provided for under R.A. 9302, *Charter of Philippine Deposit Insurance Corporation*, are still subject to credit risk.

(b) *Refundable Deposits*

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

18.4 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for three months and one year period is identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are invested in short term placements. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

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

	<u>Current</u>		<u>Non-current</u>	
	<u>Less than</u>	<u>2 to 5</u>	<u>6 to 10</u>	
	<u>1 Year</u>	<u>Years</u>	<u>Years</u>	
March 31, 2024 (Unaudited):				
Bank borrowings	P 722,312,640	P 5,417,530,751	P 7,141,396,370	
Trade and other payables	653,597,949	902,289,413	-	
Due to related parties	-	-	1,670,038,192	
Loans from related parties	-	-	2,704,858,747	
Convertible bonds payable	-	-	23,220,000,000	
December 31, 2023 (Audited):				
Bank borrowings	P 722,312,640	P 5,078,404,199	P 7,661,101,082	
Trade and other payables	478,885,264	794,690,921	-	
Due to related parties	-	-	1,464,126,519	
Loans from related parties	-	-	2,670,102,655	
Convertible bonds payable	-	-	23,220,000,000	

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

19. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

19.1 Carrying Amounts and Fair Values by Category

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

	March 31, 2024 (Unaudited)		December 31, 2023 (Audited)	
	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets				
Financial assets at amortized cost:				
Cash and cash equivalents	P 4,791,376,128	P 4,791,376,128	P 6,021,360,034	P 6,021,360,034
Refundable deposits	8,857,702	8,857,702	29,410,057	29,410,057
Financial Liabilities				
Financial liabilities at amortized cost:				
Bank borrowings	P 8,283,098,670	P 10,180,633,865	P 8,273,607,332	P 10,265,052,705
Trade and other payables	1,555,887,362	1,555,887,362	1,273,576,183	1,273,576,183
Due to related parties	1,670,038,192	1,670,038,192	1,464,126,519	1,464,126,519
Lease liabilities	6,371,718,127	6,371,718,127	6,228,925,411	6,228,925,411
Convertible bonds	16,753,491,694	18,637,101,257	16,407,921,500	18,637,101,257
Loans from related parties	1,732,364,430	1,913,577,809	1,696,682,693	1,923,512,348

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

19.2 Offsetting of Financial Assets and Financial Liabilities

The Group has not set off financial instruments for the period ended March 31, 2024, and for the year ended December 31, 2023 and does not have relevant offsetting arrangements, except as disclosed in Note 14. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and shareholders. As such, the Group's outstanding receivables from and payables to the same related parties as presented in Note 14 can be potentially offset to the extent of their corresponding outstanding balances.

20. FAIR VALUE MEASUREMENT AND DISCLOSURES

20.1 Fair Value Hierarchy

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

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

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

The fair values of the financial assets and financial liabilities included in Level 3 above, which are not traded in an active market, is determined based on the expected cash flows of the underlying net asset or liability base of the instrument where the significant inputs required to determine the fair value of such instruments are not based on observable market data. There were no transfers into or out of Level 3 fair value hierarchy for the period ended March 31, 2024 and for the year ended December 31, 2023.

20.3 Financial Instruments at Initial Recognition - Convertible Bonds

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

21. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

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

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

22. EVENTS AFTER BALANCE SHEET DATE

22.1 Loan Agreement with LET Group

On April 19, 2024, LET Group and the Parent Company entered into a Loan Agreement amounting US\$38.0 million to fund the design, development, and construction of Main Hotel Casino to be erected and located at Entertainment City, Manila. The loan shall be subject to 5.50% per annum and payable within 10 years.

22.2 Supplemental Agreement to the 2023 Subscription Agreement with SA Investments

On April 30, 2024, the Parent Company and SA Investments entered into a supplemental agreement to the 2023 Subscription Agreement extending the deadline for the issuance of the P13.5 billion convertible bond from April 30, 2024 to April 30, 2025. Other terms and conditions of the 2023 Subscription Agreement remain unchanged.

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

The following are the significant non-cash transactions of the Group for the period ended March 31, 2024:

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

EXHIBIT 7

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULT OF OPERATIONS

Review of March 31, 2024, versus March 31, 2023

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

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)	2024 vs 2023	
			Increase (Decrease)	Inc. (Dec) %
REVENUES AND INCOME				
Foreign exchange gain - net	P -	P 162,080,480	(162,080,480)	(100.00%)
Finance and other income	<u>3,226</u>	<u>-</u>	<u>3,226</u>	100.00%
	<u>3,226</u>	<u>162,080,480</u>	<u>(162,077,254)</u>	<u>(100.00%)</u>
COSTS AND EXPENSES				
Operating expenses	135,419,793	69,466,639	65,953,154	94.94%
Tax expense	12,115,277	30,106	12,085,171	40142.07%
Finance costs	83,334	-	83,334	100.00%
Foreign exchange loss - net	108,487,140	-	108,487,140	100.00%
	<u>256,105,544</u>	<u>69,496,745</u>	<u>186,608,799</u>	<u>268.51%</u>
NET (LOSS) INCOME	<u>(P 256,102,318)</u>	<u>P 92,583,735</u>	<u>(P 348,686,053)</u>	<u>(376.62%)</u>

Foreign exchange gain – net exhibited a decrease of Php162.08 million or 100% from Php162.08 million in 2023 to nil in 2024 of the same period.

Operating expenses exhibited an increase of Php65.95 million or 94.94% from Php69.47 million in 2023 to Php135.42 in 2024 of the same period.

Tax expense exhibited an increase of Php12.09 million or 40,142.07% from Php0.03 million in 2023 to Php12.12 million in 2024 of the same period.

Foreign exchange loss – net exhibited an increase of Php108.49 million or 100% from nil in 2023 to 108.49 million in 2024 of the same period.

The Group's net income of Php92.58 million in 2023 decreased by Php348.67 million or 376.62% resulting to a net loss of Php256.10 million in 2024 of the same period.

FINANCIAL CONDITION

As of March 31, 2024, and December 31, 2023

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)	Increase (Decrease)	Horizontal	Vertical
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	P 4,791,376,128	P 6,021,360,034	(1,229,983,906)	(20.43%)	10.47%
Prepayments and other current assets	1,704,164,882	1,621,528,786	82,636,096	5.10%	3.72%
Total Current Assets	6,495,541,010	7,642,888,820	(1,147,347,810)	(15.01%)	14.19%
NON-CURRENT ASSETS					
Prepayments and deposits for property and equipment	2,412,855,538	2,512,758,374	(99,902,836)	(3.98%)	5.27%
Property and equipment - net	25,772,593,887	23,712,622,347	2,059,971,540	8.69%	56.31%
Right-of-use asset - net	11,088,292,935	11,268,682,211	(180,389,276)	(1.60%)	24.23%
Total Non-current Assets	39,273,742,360	37,494,062,932	1,779,679,428	4.75%	85.81%
TOTAL ASSETS	P 45,769,283,370	P 45,136,951,752	P 632,331,618	1.40%	100.00%
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade and other payables	P 720,239,493	P 729,687,023	(9,447,530)	(1.29%)	1.57%
Lease liabilities	2,663,602	2,564,090	99,512	3.88%	0.01%
Total Current Liabilities	722,903,095	732,251,113	(9,348,018)	(1.28%)	1.58%
NON-CURRENT LIABILITIES					
Bank borrowings	8,283,098,670	8,273,607,332	9,491,338	0.11%	18.10%
Convertible bonds payable	16,753,491,694	16,407,921,500	345,570,194	2.11%	36.60%
Loans from related parties	1,732,364,430	1,696,682,693	35,681,737	2.10%	3.78%
Due to related parties	1,670,038,192	1,464,126,519	205,911,673	14.06%	3.65%
Lease liabilities	6,369,054,525	6,226,361,321	142,693,204	2.29%	13.92%
Retention payable	902,289,413	794,690,921	107,598,492	13.54%	1.97%
Total Non-current Liabilities	35,710,336,924	34,863,390,286	846,946,638	2.43%	78.02%
Total Liabilities	36,433,240,019	35,595,641,399	837,598,620	2.35%	79.60%
EQUITY					
Capital stock	7,250,000,000	7,250,000,000	-	-	15.84%
Convertible bonds equity reserve	5,752,006,144	5,752,006,144	-	-	12.57%
Exchange reserve	132,758,717	81,923,401	50,835,316	62.05%	0.29%
Deficit	(3,798,721,510)	(3,542,619,192)	(256,102,318)	7.23%	(8.30%)
Total Equity	9,336,043,351	9,541,310,353	(205,267,002)	(2.15%)	20.40%
TOTAL LIABILITIES AND EQUITY	P 45,769,283,370	P 45,136,951,752	P 632,331,618	1.40%	100.00%

The Group's total resources amounted to Php45,769.28 million in 2024 from Php45,136.95 in 2023. The Group manages its liquidity needs by carefully monitoring scheduled payments for financial liabilities as well as its cash outflows due in a day-to-day business.

Current assets decreased by Php1,147.35 million or 15.01% from Php7,642.89 in 2023 to Php6,495.54 million in 2024. Cash and cash equivalents decreased by Php1,229.98 million or 20.43% from Php6,021.36 million in 2023 to Php4,791.38 million in 2024.

Non-current assets increased by Php1,779.68 million or 4.75% from Php37,494.06 million in 2023 to Php39,273.74 million in 2024. Prepayments and deposits for property and equipment – net decreased by Php99.90 million or 3.98% from Php2,512.76 million in 2023 to Php2,412.86 million in 2024. Property and equipment – net increased by Php2,059.97 million or 8.69% from Php23,712.62 million in 2023 to Php25,772.59 million in 2024. Right-of-use asset – net decreased by Php180.39 million or 1.60% from Php11,268.68 million in 2023 to Php11,088.29 million in 2024.

The Group's total liabilities amounted to Php36,433.24 million in 2024 from Php35,595.64 million in 2023 or an increase by Php837.60 million or 2.35%.

Current liabilities decreased by Php9.34 million or 1.28% from Php732.25 million in 2023 to Php722.90 million in 2024. Trade and other payables exhibited a decrease of Php9.45 million or 1.29% from Php729.69 million in 2023 to Php720.24 million in 2024.

Convertible bonds payable increased by Php345.57 million or 2.11% from Php16,407.92 million in 2023 to Php16,753.49 million in 2024. Lease liabilities exhibited an increase of Php142.79 million or 2.29% from Php6,228.92 million in 2023 to Php6,371.72 million in 2024. Loans from related parties exhibited an increase of Php35.68 million or 2.10% from Php1,696.68 million in 2023 to Php1,732.36 million in 2024. Bank borrowings exhibited an increase of Php9.50 million or 0.11% from Php8,273.61 million in 2023 to Php8,283.10 million in 2024. Due to related parties exhibited an increase of Php205.91 million or 14.06% from Php1,464.13 million in 2023 to Php1,670.04 million in 2024. Retention payable exhibited an increase of Php107.60 million or 13.54% from PPHp794.69 million in 2023 to Php902.29 million in 2024.

Equity decreased by Php205.27 million or 2.15% from Php9,541.31 million in 2023 to Php9,336.04 million in 2024.

**Material Changes in the Items of the Financial Statements:
*Increase/Decrease of 5% or More versus 31 December 2023***

Statements of Financial Position

20.43% decrease in cash and cash equivalents

Due to payment of operating expenses and construction costs in relation to the construction of the Main Hotel Casino.

5.10% increase in prepayments and other current assets

Due to prepaid expenses and input value added taxes recognized in relation to construction costs of the Main Hotel Casino.

8.69% increase in property and equipment

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

14.06% increase in due to related parties

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

13.54% increase in retention payable

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

Increase/Decrease of 5% or More versus 31 March 2023

166.93% decrease in foreign exchange loss (gain)

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

94.94% increase in operating expenses

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

40,142.07% increase in tax expense

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

Key Performance Indicators

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

	March 31, 2024	December 31, 2023
Current Ratio *1	8.99	10.44
Quick Ratio *2	6.63	8.22
Debt-to-Equity Ratio *3	3.90	3.73

	March 31, 2024	March 31, 2023
Return on Assets *4	-0.56%	0.28%
Return on Equity *5	-2.74%	1.08%

**1 – Current Assets/ Current Liabilities*

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

**3 – Total Liabilities/ Equity*

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

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

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

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

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

The Group does not anticipate having any cash flow or liquidity problems. The Group is not in default or in breach of any note, loan, lease, or other indebtedness or financing arrangement requiring it to make payments. The Group has material commitments for capital expenditures amounting approximately Php15,543.36 million as of March 31, 2024 in relation to the construction of the Main Hotel Casino.

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

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

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

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

There are no material events subsequent to the end of the period that have not been reflected in the Interim Condensed Consolidated Financial Statements.

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

EXHIBIT 9

SUNTRUST RESORT HOLDINGS, INC. AND SUBSIDIARIES
ANNEX 68-E - SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
March 31, 2024 and December 31, 2023

Ratio	Formula	March 31, 2024	December 31, 2023
Current ratio	Current assets / Current liabilities	8.99	10.44
Acid test ratio	Quick assets / Current liabilities (Quick assets include current assets less other current assets)	6.63	8.22
Solvency ratio	Total liabilities / Total assets	0.80	0.79
Debt-to-equity ratio	Total liabilities / Total stockholders' equity	3.90	3.73
Asset-to-equity ratio	Total assets / Total stockholders' equity	4.90	4.73
Interest rate coverage ratio	EBIT / Total interest	n/a	n/a
Return on equity	Net income (loss) / Average total equity	-2.74%	0.97%
Return on assets	Net income (loss) / Average total assets	-0.56%	0.21%
Net profit margin	Net income (loss) / Total revenues	-	-